

2025/26

ANNUAL REPORT



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA

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FOR ALL



SOUTH AFRICAN TOURISM

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PART A GENERAL INFORMATION



LIST OF ABBREVIATIONS/ACRONYMS

ACSA	Airports Company South Africa
AGSA	Auditor-General of South Africa
AASA	Airlines Association of South Africa
AI	Artificial Intelligence
AOP	Annual Operational Plan
APP	Annual Performance Plan
ARPL	Artisan Recognition of Prior Learning
AU	African Union
BARSA	Board of Airline Representatives of South Africa
B-BBEE	Broad-Based Black Economic Empowerment
BMA	Border Management Agency
BRICS	Brazil, Russia, India, China and South Africa
BRRR	Budgetary Review and Recommendation Report
CAE	Chief Audit Executive
CATHSSETA	Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COVID-19	Coronavirus disease 2019, also referred to as Coronavirus
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of Southern Africa
DG	Director-General
DDG	Deputy Director-General
DDM	District Development Model
DEL	Department of Labour
DHA	Department of Home Affairs
DPSA	Department of Public Service and Administration
DPWI	Department of Public Works and Infrastructure
EC	Eastern Cape Province
EDMS	Electronic Document Management System
EE	Employment Equity
EHW	Employee Health and Wellness
EPWP	Expanded Public Works Programme
ERP	Early Retirement without Pension Penalties
ERRP	Economic Recovery and Reconstruction Plan
ETA	Electronic Travel Authorisation
FEDHASA	Federated Hospitality Association of South Africa
FDI	Foreign Direct Investment
FS	Free State Province
FTE	Full-Time Equivalent

G20	Group of 20: Intergovernmental Forum comprising 19 countries and the European Union
GAIN	Growth and Inclusion Strategy
GDP	Gross Domestic Product
GIAS	Global Internal Audit Standards
GNU	Government of National Unity
GP	Gauteng Province
GTIP	Green Tourism Incentive Programme
HDI	Historically Disadvantaged Individuals
HR	Human Resource
HRD	Human Resource Development
ICC	International Convention Centre
ICT	Information and Communication Technology
IDC	Industrial Development Corporation
IORA	Indian Ocean Rim Association
ITB	International Trade Bureau
JE	Job Evaluation
KZN	KwaZulu-Natal Province
LP	Limpopo Province
MANCO	Management Committee
MASP	Market Access Support Programme
MICE	Meetings, Incentives, Conferences and Exhibitions
MINMEC	Minister and Members of Executive Councils
MTDP	Medium-Term Development Plan
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MP	Mpumalanga Province
MPSA	Minister for the Public Service and Administration
MSMEs	Micro, Small and Medium Enterprises
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NC	Northern Cape Province
NCOP	National Council of Provinces
NCPC	National Cleaner Production Centre
NDP	National Development Plan
NEF	National Empowerment Fund
NPTR	National Public Transport Regulator
NQF	National Qualifications Framework
NT	National Treasury

LIST OF ABBREVIATIONS/ACRONYMS (Continued)

NTCE	National Tourism Careers Expo	SITA	State Information Technology Association
NTIMS	National Tourism Information and Monitoring System	SIU	Special Investigation Unit
NTSS	National Tourism Sector Strategy	SKA	Square Kilometre Array
NW	North West Province	SLA	Service Level Agreement
ODS	Organisational and Development Structure	SMMEs	Small, Medium and Micro Enterprises
OHS	Occupational Health and Safety	SMS	Senior Management Service
ORTIA	OR Tambo International Airport	SOEs	State-Owned Enterprises
ORW	Other Remunerative Work	SOP	Standard Operating Procedure
PERSAL	Personal and Salary System	SSA	State Security Agency
PFMA	Public Finance Management Act	Stats SA	Statistics South Africa
PIC	Public Investment Corporation	TBCSA	Tourism Business Council of South Africa
PMDs	Performance Management and Development System	TDDS	Total Domestic Holiday Direct Spend
PSR	Public Service Regulations	TEF	Tourism Equity Fund
(Pty) Ltd	Proprietary Limited	TGCSA	Tourism Grading Council of South Africa
PWDs	Persons with Disabilities	TGIS	Tourist Guide Information System
QAIP	Quality Assurance and Improvement Program	TGPP	Tourism Growth Partnership Plan
QCTO	Quality Council on Trades Occupations	TGSP	Tourism Grading Support Programme
RDP	Reconstruction and Development Plan	TIP	Tourism Incentive Programme
RECP	Resource Efficiency Cleaner Production	TMs	Tourism Monitors
RIM	Robben Island Museum	TMP	Tourism Monitors Programme
R&IM	Risk and Integrity Management	TOMSA	Tourism Marketing Levy South Africa
RMC	Risk Management Committee	TRF	Tourism Relief Fund
RPL	Recognition of Prior Learning	TSMP	Tourism Sector Master Plan
RSA	Republic of South Africa	TSRP	Tourism Sector Recovery Plan
SADC	Southern African Development Community	TTCSA	Tourism Transformation Council of South Africa
SAA	South African Airways	TTF	Tourism Transformation Fund
SANBI	South African National Biodiversity Institute	TTFDS	Total Tourist Foreign Direct Spend
SANParks	South African National Parks	TTOS	Trusted Tour Operator Scheme
SAPS	South African Police Services	UIF	Unemployment Insurance Fund
SAQA	South African Qualifications Authority	UNTO	United Nations Tourism Organisation
SANS	South African National Standards	UNWTO	United Nations World Tourism Organization
SATOVITO	South African Township and Village Tourism Association	UWC	University of the Western Cape
SA Tourism	South African Tourism	VEP	Voluntary Exit Programme
SATSA	South African Tourism Services Association	WC	Western Cape Province
SCM	Supply Chain Management	WHS	World Heritage Site
SDIP	Service Delivery Improvement Plan	WO	Work Opportunities
SEDFA	Small Enterprise Development Finance Agency	WSP	Workplace Skills Plan
		WTTC	World Travel and Tourism Council
		WTM	World Travel Market



Ms Patricia De Lille
MINISTER OF TOURISM

“Tourism Policy is Economic Policy.”

Our work throughout the 2025/26 financial year has reaffirmed a simple but important principle: tourism policy is economic policy. Every decision to improve ease of access, attract investment, strengthen destination marketing, enhance visitor safety or develop new tourism products is ultimately a decision to stimulate economic growth, create jobs and expand opportunities for South Africans.

Tourism is not confined to one sector alone. It is a catalyst for transport, agriculture, hospitality, arts and culture, retail shopping, infrastructure and many

other industries. When tourism grows, businesses grow, communities benefit, and livelihoods are strengthened. This is why government continues to position tourism as a strategic pillar of inclusive economic growth.

As custodians of public resources, we remain accountable to the people of South Africa. Every rand entrusted to the Department of Tourism must deliver measurable value, create opportunities and contribute to improving the lives of our people.

This Annual Report demonstrates our commitment to sound governance, fiscal discipline and delivery. It reflects a department that continues to strengthen tourism as a driver of economic growth, investment and job creation.

During the 2025/26 financial year, the tourism sector finally emerged from the shadow of the COVID-19 pandemic and entered a new phase of sustained growth. South Africa welcomed a record 10.48 million international visitors, while African air arrivals reached more than 807 000, surpassing the previous record of 719 000 set during the 2010 FIFA World Cup. Based on current growth trends, the sector remains on track to reach the Medium-Term Development Plan target of 11.9 million international arrivals by 2027.

Central to this progress is our commitment to making travel to South Africa easier.

Working through the Inter-Ministerial Committee on Visa Reform, which includes the Department of Tourism, the Department of Home Affairs and the State Security Agency, government piloted the Electronic Travel Authorisation (ETA) system during South Africa's G20 Leaders' Summit. The pilot focused on delegates from China, India, Indonesia and Mexico. Once fully implemented, the ETA is expected to significantly improve the visitor experience while supporting the creation of an estimated 80 000 to 100 000 direct jobs.

The economic contribution of tourism continues to affirm government's investment in the sector.

According to Statistics South Africa's Tourism Satellite Account, tourism sustained 953 981 direct jobs in 2024, accounting for 5.7% of South Africa's labour force. In other words, one in every eighteen workers in our country was directly employed in tourism.

The sector contributed 4.9% to South Africa's Gross Domestic Product in 2024, exceeding its pre-pandemic contribution of 3.7% recorded in 2019. Tourism also outperformed sectors such as agriculture, utilities and construction, reinforcing its position as one of South Africa's leading economic sectors.

These achievements reaffirm the strategic direction adopted through the Cabinet-endorsed Tourism Growth Partnership Plan. Developed jointly by government and the private sector, the plan focuses on five priority areas:

1. Ease of Access
2. Coordinated Destination Marketing
3. Tourist Safety and Security
4. Tourism Product Development
5. Job Creation

The Tourism Growth Partnership Plan complements, rather than replaces, the National Tourism Sector Strategy. Its purpose is to accelerate implementation in those areas that will have the greatest impact on growth, investment and employment.

During the financial year under review, we also continued to diversify South Africa's tourism offering while expanding opportunities beyond our traditional destinations.

Domestic tourism remains the foundation of a resilient tourism sector. In 2025, South Africans undertook 44.7 million overnight trips, generating R111.6 billion in tourism revenue.

FOREWORD BY THE MINISTER

Particularly encouraging is the strong growth recorded in provinces that have historically attracted fewer visitors. While KwaZulu-Natal continued to record the highest number of overnight trips at more than 9 million, the Northern Cape achieved the highest growth rate of 58.4%, reaching 1.9 million overnight trips. The North West followed with growth of 34%, recording 4.2 million overnight trips.

These results demonstrate that tourism growth is not only about increasing visitor numbers. It is about ensuring that more provinces and more small towns, more township communities share in the opportunities that tourism creates.

While we celebrate these achievements, we recognise that important work still lies ahead to achieve our full potential. We remain committed to improving ease of access, expanding investment in tourism infrastructure, strengthening destination competitiveness, supporting domestic tourism and ensuring that tourism continues to create jobs and drive inclusive economic growth.

None of these achievements would have been possible without collaboration.

I extend my sincere appreciation to the Deputy Minister of Tourism, Ms Maggie Sotyu; the Director-General, Mr Victor Vele; officials within the department; the Board and staff of South

African Tourism; provincial governments; municipalities and industry partners whose dedication continues to strengthen our tourism sector.

Finally, I wish to pay tribute to the torchbearers of our tourism sector; the workers. You are the engine that defines the South African experience through your professionalism, warmth and hospitality. Both international visitors and domestic travellers rave about your Ubuntu. Thank you for carrying our nation's story with pride and for making every visitor feel at home.

Together, we will continue building a tourism sector that is competitive, inclusive, and creates opportunities, attracts investment and improves the lives of all South Africans, whether they live in the city, a village, a small dorpie or in the townships.



Ms Patricia de Lille, MP

Minister of Tourism



Ms Makhotso Maggie Soty, MP
Deputy Minister of Tourism

The 2025/26 financial year was a significant period in South Africa's democratic journey as we commemorated 30 years of the Constitution of the Republic of South Africa. This milestone offered an opportunity to reflect on the progress we have made in building a society grounded in human dignity, equality, freedom, and opportunity, and to reaffirm our commitment to ensuring that the benefits of development reach every community across our country.

The Constitution reminds us that the true measure of progress lies not only in policy and legislation but also in the tangible improvements in our people's lives. It challenges all spheres of government to work towards a South Africa

where opportunities are accessible to all, regardless of location, background, or circumstance.

Tourism continues to play a vital role in advancing this vision. As one of the country's key economic sectors, tourism uniquely creates opportunities where people live, supporting local businesses, creating jobs, stimulating entrepreneurship, and contributing to community development. Whether in bustling cities, small towns, villages, townships, or rural communities, tourism unlocks local economic potential and improves livelihoods.

Throughout the year, the department continued to invest in destination development initiatives that expand South Africa's tourism offering while ensuring that communities are active participants and beneficiaries of tourism growth. Through strategic infrastructure projects, partnerships with stakeholders, and support for community-based tourism enterprises, we have continued to strengthen tourism's contribution to inclusive economic development.

Attention has been given to advancing transformation within the sector and creating opportunities for women, youth, and emerging tourism entrepreneurs. Through initiatives aimed at skills development, enterprise support, and participation in the tourism value chain, we are working to ensure that tourism growth is both inclusive and sustainable.

This year also coincided with the 50th anniversary of the 1976 Soweto youth uprising, a defining moment in our nation's history. As we honoured the courage and sacrifice of the young people who helped shape South Africa's democratic future, we were reminded of our responsibility to create opportunities for today's youth. Tourism remains a sector with significant potential to empower young people through employment, entrepreneurship, innovation, and skills development, helping them become active participants in building our economy and shaping our country's future.

The department also continued to strengthen its efforts to promote tourism safety through collaboration with government departments, law enforcement agencies, the private sector, and communities. Creating a safe and welcoming environment for visitors remains fundamental to destination competitiveness and sustainable tourism growth.

These achievements would not have been possible without the dedication of the department's leadership, management, and staff, as well as the valuable partnerships we have built with provincial and local government, industry stakeholders, communities, and our public entities. Their commitment continues to drive our collective efforts to grow tourism and maximise its contribution to national development.

As we look to the future, we remain guided by the vision of a tourism sector that creates opportunity, drives inclusive growth, and contributes meaningfully to improving the lives of South Africans. Together, we will continue to ensure that tourism serves as a catalyst for development, empowerment and shared prosperity, helping to build a South Africa where the promise of our Constitution is translated into real opportunities for all.

Ms Makhotso Maggie Soty, MP
Deputy Minister of Tourism

Mr. Nkhumeleni Victor Vele
Accounting Officer



Overview of the operations of the Department

The department conducted a Capacity Alignment exercise and an Employee Skills Profiling initiative in 2025. It was one of the outputs in the approved departmental 2025/26 Annual Performance Plan (APP). To deliver on the project, Afronex Solutions (Pty) Ltd was appointed to support the department in assessing institutional capacity alignment, workforce and skills positioning, and related organisational effectiveness considerations. These were within the department's

broader strategic and implementation context. The project commenced on 9 October 2025. It was completed over a period of approximately six (6) months, concluding on 9 April 2026. The assignment provided the department with a structured and evidence-based view of its organisational capacity, skills profile, continuity considerations, implementation priorities, and supporting management instruments. The findings highlighted valuable insights on identified areas of duplication, misalignment, capacity gaps, critical functions that need to be strengthened, as well as workforce capabilities, existing competencies, and scarce and critical skills gaps. These outcomes have informed the development of a high-level implementation roadmap plan to guide the phased execution of the recommendations, which will position the department to build a more capable, responsive, and performance-driven department.

The department strengthened governance and oversight of the digital transformation programme by implementing structured weekly monitoring meetings during the reporting period. These meetings served as a strategic coordination platform for tracking the progress of digital initiatives, assessing implementation challenges, monitoring project milestones, and ensuring alignment with the departmental strategic objectives and operational priorities. The meetings brought together relevant key stakeholders to provide progress updates, review deliverables, and promote collaborative decision-making. Through these regular engagements, the department enhanced accountability and responsiveness in the execution of digital transformation initiatives.

During the period under review, the department commenced the implementation of the National Tourism Statistics Plan, which was developed and finalised in the 2024/25 financial year.

Implementation of projects and programmes identified in the plan was done in consultation with key stakeholders, which included Statistics South Africa (Stats SA), the Department of Home Affairs, Border Management Authority, SA Tourism, and the private sector, represented by the Tourism Business Council of South Africa; and these institutions are representatives of the Inter-Departmental Tourism Statistics Committees, both at technical and executive levels. Moreover, governance coordination at a subnational level for the impactful implementation of the statistics plan projects was achieved through regular engagements with provinces by the established Provincial Tourism Statistics Committee. Four stakeholder consultation meetings on the implementation of the plan were held for the national and provincial committees. Furthermore, two bi-annual Statistics Steering Committee meetings were held to fast-track implementation of projects and decision-making, critically on monitoring of tourism data generation and quality, with a focus on tourist arrivals data by border posts, Tourism Satellite Account, and the Domestic Tourism Survey produced by Stats SA. Another key project that was consulted on at committee levels was the inclusion of the Domestic Tourism Survey in the new Continuous Population Survey to be conducted by Statistics South Africa, which will generate data at provincial and local levels.

South Africa's Presidency of the G20 in 2025, under the overarching theme of "Solidarity, Equality and Sustainability", positioned the country as a connector between the Global North and South, and advanced a people-centred and development-oriented agenda. The department successfully led the G20 Tourism Working Group process from December 2024, preparing a comprehensive set of issue papers and action plans for four strategic priorities: digital innovation to enhance tourism Medium, Small and Micro Enterprises (MSMEs) and start-ups; tourism financing and investment for sustainable development; air connectivity for seamless travel; and enhanced resilience for inclusive and sustainable tourism development. During the Presidency period, South Africa successfully hosted two virtual and two physical Tourism Working Group meetings in Durban, KwaZulu-Natal, and in White River, Mpumalanga, as well as a G20 Tourism Working Group Seminar on tourism financing and investment for inclusive and sustainable growth. This work culminated in the G20 Tourism Ministers' Meeting and the adoption of the Tourism Ministers' Mpumalanga Declaration. The declaration reflected a shared commitment by G20 members and invited countries to advance digital innovation and artificial intelligence (AI) in tourism, strengthen support for tourism MSMEs, improve air connectivity and seamless travel, mobilise investment for inclusive tourism growth, and enhance resilience and crisis preparedness within the global tourism sector.

As part of the lasting legacy of South Africa's G20 Presidency, the department also hosted the inaugural SA Tourism Investment Summit in Cape Town, creating a dedicated platform to promote tourism investment opportunities, partnerships, and infrastructure development. In addition, the department convened a national tourism innovation hackathon aimed at empowering young people and students to develop technology-driven solutions for tourism challenges, including digital platforms, smart tourism tools, travel facilitation solutions, and innovations to improve destination

REPORT OF THE ACCOUNTING OFFICER

experiences and tourism safety. These legacy initiatives reinforced South Africa's commitment to positioning tourism as a driver of inclusive economic growth, innovation, youth empowerment, and sustainable development, while strengthening the country's standing as a leading tourism destination and thought leader on the African continent.

The department supports more than 100 infrastructure projects. These range from the development of new facilities, maintenance and upgrading of existing facilities, and implementation of universally accessible enhancements. They fall in the following categories: Community-Based Tourism Projects, Maintenance of Provincial Tourism Assets, and Destination Enhancement Initiatives. They are implemented in partnership with various provincial and national entities and implementing agents. Significant progress has been made on infrastructure projects, with seventeen (17) community projects reaching either practical or final completion. Thirteen (13) maintenance projects are being completed and handed over to owning entities, and an additional five (5) maintenance projects were completed this financial year.

The programmes implemented under the Tourism Incentive Programme (TIP) ultimately serve as tools that aim to inform a paradigm shift in the sector to bring greater destination competitiveness, transformation, and accelerated tourism and enterprise growth. This, in turn, contributes to the achievement of the department's objectives to stimulate enterprise growth, job creation, revenue growth, and an enhanced visitor experience. Three (3) incentive programmes were implemented to stimulate inclusive growth and job creation, namely the Green Tourism Incentive Programme

(GTIP), Tourism Transformation Fund (TTF), and the Market Access Support Programme (MASP).

The GTIP is administered by the IDC on behalf of the department. It was introduced to encourage tourism enterprises to move towards more efficient utilisation of energy and water resources. The TTF, administered by the National Empowerment Fund on behalf of the department, aims to stimulate and unlock capital investment in small and medium-sized tourism projects by black entrepreneurs. The MASP was introduced to assist small tourism enterprises with funding support to participate and exhibit at relevant domestic and international tourism trade platforms. Although the MASP was put on hold from March 2025 to focus on the review of the programme, the department still managed to support 175 small tourism enterprises in 2025/26 to exhibit at the following trade platforms: WTM Africa 2025 (50); Africa Travel Indaba 2025 (85); Meetings Africa 2026 (20); and ITB Berlin 2026 (20).

The department implements skills development initiatives that are aligned with labour market demand and priority sector needs, while strengthening partnerships with industry to ensure programmes are responsive to employer requirements. All these programmes are for the youth. They are implemented across the tourism sector to create jobs and work opportunities. For the period under review, ten of these initiatives were implemented. They include the following: Tourism Graduate Recruitment Programme, Artisan Recognition of Prior Learning (ARPL) Programme, Resource Efficiency Cleaner Production (RECP), Learn and Earn Youth Placement Programme, and Integrated Service Excellence focusing on townships, villages, and small towns.

5.2 Overview of the financial results of the department

Programme Expenditure

Legislative mandate	2025/2026			2024/2025		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000		R'000	R'000	
Programme 1: Administration	363 984	330 722	33 262	364 879	340 477	24 402
Programme 2: Tourism Research, Policy and International Relations	1 408 115	1 396 968	11 147	1 335 623	1 319 055	16 568
Programme 3: Destination Development	331 156	210 616	120 540	362 349	297 969	64 380
Programme 4: Tourism Sector Support Services	331 637	295 609	36 028	318 057	294 642	23 415
Total	2 434 892	2 233 915	200 977	2 380 908	2 252 143	128 765

REPORT OF THE ACCOUNTING OFFICER

The department has utilised 91.7% of its 2025/26 allocation, resulting in a variance of R201 million (8.3%). The breakdown of this variance is as follows:

- **Administration:** The variance is mainly attributable to savings in office accommodation, cell phone costs, audit fees, and legal fees due to delayed/outstanding invoices from the office of the State Attorney. The underspending in Compensation of Employees is a result of vacant funded posts.
- **Tourism Research, Policy and International Relations:** The variance is primarily attributed to savings on venues and facilities, as well as travel and subsistence, driven by an increase in virtual meetings and changes in the delivery approach of some projects, which reduced expenditure on these items. The underspending in Compensation of Employees is due to a moderate vacancy rate, mainly within management positions. A further saving was realised under transfers and subsidies for the United Nations World Tourism Organization (UNWTO) contributions attributed to fluctuations in foreign exchange rates.
- **Destination Development:** The variance is mainly attributable to underspending within the Expanded Public Works Programme (EPWP), arising from delays in the appointment of service providers for the skills projects, as well as slower than expected progress with the infrastructure projects. Additional savings were realised on cell phone costs and travel and subsistence. The underspending in Compensation of Employees is due to vacant funded posts.
- **Tourism Sector Support Services:** The variance is primarily attributable to savings on travel and subsistence and consultants' items. The underspending in Compensation of Employees is due to vacant funded posts.

5.2.1 Virements

A virement approval was obtained from the National Treasury to shift funds from the National Tourism Careers Expo transfer line to the Tourism Transformation Council of South Africa transfer line.

5.2.2 Roll overs

No request for Rollovers will be submitted to the National Treasury.

5.2.3 A description of the reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved, as well as steps taken to address and prevent a recurrence.

During the year, no unauthorised expenditure was identified and reported.

During the financial year, one (1) case of irregular expenditure was identified by the Auditor-General of South Africa (AGSA). An investigation was sanctioned by the Accounting Officer, and recommendations were made by Internal Control. Corrective Action was taken, and the Irregular expenditure was ultimately condoned by the National Treasury. A further two (2) cases of alleged irregular expenditure identified by AGSA is under assessment.

In the 2025/26 financial year, 85 cases of alleged fruitless and wasteful expenditure were reported. However, the majority of these cases did not meet the criteria for fruitless and wasteful expenditure. Most of the cases emanate from flight amendments, no-shows for accommodation, exceeding approved accommodation rates, and non-attendance at training. Recoveries were made when officials were found to be liable and negligence was identified.

5.3 Strategic focus over the short- to medium-term period

The mandate for the Tourism Portfolio's plans was established by the Government of National Unity's commitment to devote the next five years to initiatives that will achieve two key themes. These priorities are to drive inclusive growth and job creation and build a capable, ethical, and developmental state. Tourism is well-positioned to contribute to these priorities as a sector that fosters inclusive economic growth and is rich in opportunities for economic participation. The government focuses on reducing poverty and creating employment opportunities, particularly for young people without work, as it acknowledges the persistence of inequality.

Against the above backdrop, the department will continue to implement programmes that support its mandate to ensure the achievement of departmental priorities aligned to the 7th Administration. The focus will be on enhancing transformation, increasing demand-led skills, and supporting the development of the sector to ensure that South Africa is a competitive tourism destination. Implementation of the TIP will continue. The TIP serves as a tool to stimulate the growth, development, and transformation of the South African tourism sector by offering financial support to small tourism enterprises through different sub-programmes. These include GTIP, TTF, and MASP.

The safety of tourists remains a priority. The department and the South African Police Service are finalising plans for the signing of the new Memorandum of Understanding (MoU), following

plan for the new MoU. The focus of the action plan is on implementable initiatives that speak to the current challenges. In the current financial year, the department will recruit 1 500 Tourism Safety Monitors. The monitors will be trained in an accredited Basic Security Training course, and thereafter be deployed to tourism attractions, the Border Management Authority, and South African National Parks, among others.

The TGPP prioritises job creation and offers a unique opportunity to fundamentally transform the tourism sector for the benefit of all South Africans. The department will continue to implement and monitor the TGPP in close collaboration with stakeholders. It will also provide effective support towards the creation of an enabling policy and regulatory environment for tourism growth and the creation of jobs.

The department will continue to accelerate the implementation and completion of the Community-Based Tourism Projects, work on a revised methodology for the delivery of a Tourism Infrastructure and Maintenance Programme, facilitate tourism investment coordination, and coordinate the tourism planning process with greater emphasis on the key priorities of the 7th Administration.

The department aims to improve the visitor experience by combining efforts with those of other industries, such as sports, recreation, and the arts and culture. By creating attractions that anchor such locations but might not be attractive to private sector investment, and the cumulative output of both the skills development and infrastructure projects to provide Work Opportunities for youth, women, and people with disabilities.

5.4 Public-Private Partnerships

The department has no Public-Private Partnerships registered with the National Treasury.

5.5 Discontinued activities

There were no discontinued activities.

5.6 New or proposed activities

For 2026/27, the department will implement the recommendations and outcomes of the Capacity alignment project. In 2025, the department appointed Afronex Solutions (Pty) Ltd to undertake the Capacity Alignment and Employee Skills Audit Profiling Assessment. The aim was to assess

whether the department's organisational structure, workforce capacity, systems, and processes are appropriately aligned with programme delivery responsibilities and support strategic mandates and the tourism growth partnership plan.

Additionally, the following four prioritised digital transformation projects will be implemented:

- **Human Resource (HR) Systems (e-recruitment and initiation of the Performance Management and Development System [PMDS])** – to reduce manual administrative tasks, enhance efficiency, and ensure consistency throughout the recruitment cycle.
- **Upgrade and refresh the Information and Communication Technology (ICT) Network Infrastructure** – to modernise and stabilise the department's ICT environment and to support operational efficiency and digital transformation.
- **Migrate all departmental users from GroupWise to Microsoft Exchange** – through transitioning to Outlook and adopting cloud-based capabilities such as Microsoft Intune and OneDrive, the department aligns itself with modern digital standards
- **Network stability improvement (Bandwidth increased from 80 Mbps to 300 Mbps)** – to enhance the performance, reliability, and resilience of the department's connectivity.

The Tourism Amendment Bill will be reviewed as part of creating an enabling legislative and regulatory environment for sustainable tourism, aligning with the approved White Paper on Tourism Development and Growth.

The department will develop, maintain, and support the TGPP dashboard Tracker. The dashboard will assist in tracking progress against the TGPP targets and drivers. Progress in the dashboard is shown against the detailed projections for each of the TGPP targets.

Implementation of post-construction support to ensure the sustainability of the operations of community projects.

5.7 Supply Chain Management

There were no unsolicited bid proposals sourced for the year under review. The department has established systems to prevent non-compliance and has fully implemented approved Supply Chain Management (SCM) policies.

REPORT OF THE ACCOUNTING OFFICER

5.8 Gifts and Donations received in kind from non-related parties

The department received the following in-kind sponsorships:

NAME OF ORGANISATION	NATURE OF SPONSORSHIP	Amount
		R'000
Culture Art Tourism Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	Lunch and "goodie bags" for 120 participants in the G20-Hackathon	60
Van Loveren Winery	25 Cases of wine for the G20 Tourism Social Events 09-12 Sept 2025	11
Digital Council	G20 Tourism Investment Summit	65
Google	G20 Tourism Investment Summit	700
Uber	G20 Tourism Investment Summit	450
Anita Mendiratta & Associates	Master of Ceremonies and Moderator for G20 Tourism Investment Summit	190

5.9 Exemptions and deviations received from the National Treasury

No deviations or exemptions were requested or received other than those SCM procurement deviations, which are covered in Part E of the report.

5.10 Events after the reporting date

There were no adjusting or non-adjusting events after the reporting date.

5.11 Other

None

5.12 Acknowledgements and Appreciation

The Minister and Deputy Minister's leadership and guidance provided during the period under review are appreciated. It is through their engagement with the work of our commitments for service delivery that we were able to register all the progress we are reporting.

The Tourism Portfolio and Select Committees are also acknowledged for their constant oversight of, and monitoring of implementation of our commitments. Without Team Tourism, none of what we are reporting would have been possible.

5.13 Conclusion

This 2025/26 Annual Report discloses our achievements and challenges during the period under review.

5.14 Approval and sign off



Mr Nkhumeleni Victor Vele
Accounting Officer
Department of Tourism
Date: 29 May 2026

6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.
- In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2026.

Yours faithfully,



Mr Nkhumeleni Victor Vele
Accounting Officer
Department of Tourism
Date: 29 May 2026

7. STRATEGIC OVERVIEW

7.1. Vision

Leading sustainable tourism development for inclusive economic growth in South Africa.

7.2. Mission

To grow an inclusive and sustainable tourism economy through:

- ethical, capable, and developmentally orientated governance;
- strategic partnerships and collaboration;
- innovation and digitally transformed services;
- evidence-based decision making; and
- effective stakeholder management.

7.3. Values

7.3.1 Performance values

- **Innovative:** Leveraging of resources and partnerships to optimise delivery to our stakeholders and being responsive to change.
- **Ethical:** Upholding the principles of integrity, transparency, and accountability.
- **Customer focus:** Providing services and solutions in a manner that is efficient, effective, and responsive.

7.3.2 Organisational values

- **Empowerment:** Create an environment conducive for employee development and empowerment.
- **Integrity:** Act with integrity by maintaining the highest standards for accountability, serving with respect, honesty and trustworthiness.
- **Recognition:** An organisation that ensures fairness of systems and processes, being supportive as well as recognising and rewarding performance.

REPORT OF THE ACCOUNTING OFFICER

8. Legislative mandate

8.1 Legislative mandate

The Tourism Act, 2014 (Act No.3 of 2014) aims to promote the practice of responsible tourism for the benefit of the Republic and the enjoyment of all its residents and foreign visitors; provides for the effective domestic and international marketing of South Africa as a tourist destination; promote quality tourism products and services; promote growth in and development of the tourism sector; and enhance cooperation and coordination between all spheres of government in developing and managing tourism.

8.2 Policy mandate

- The National Development Plan (NDP) is the 2030 vision for the country. It envisions rising employment, productivity, and incomes as a way to ensure a long-term solution to achieve a reduction in inequality, an improvement in living standards, and ensuring a dignified existence for all South Africans. The NDP recognises tourism as one of the main drivers of employment and economic growth.
- The National Tourism Sector Strategy (NTSS) provides a blueprint for the tourism sector.
- Tourism Sector Masterplan (TSMP) - derived from the Tourism Sector Recovery Plan (TSRP), primarily aims to galvanise government, industry, and labour to collectively share a common vision that will position the tourism industry on an inclusive and sustainable competitive path for the benefit of all South Africans.
- The White Paper on the Development and Promotion of Tourism in South Africa, 2024, guides the next phase of tourism development and ensures that the country as a tourism destination moves towards reaching its full potential.

9. ORGANISATIONAL STRUCTURE



Ms Patricia De Lille
MINISTER OF TOURISM



Ms Makhotso Soty
DEPUTY MINISTER



Ms M Maponya
CHIEF FINANCIAL OFFICER



Mr NV Vele
DIRECTOR-GENERAL



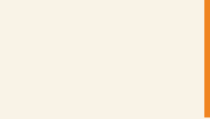
Ms T Sibiya
INTERNAL AUDITOR



Ms N Silulwane
ACTING DEPUTY DIRECTOR-GENERAL:
TOURISM RESEARCH, POLICY AND
INTERNATIONAL RELATIONS



Ms M Setwaba
DEPUTY DIRECTOR-GENERAL:
TOURISM SECTOR SUPPORT
SERVICES



Dr S Chettiar
DEPUTY DIRECTOR-GENERAL:
DESTINATION DEVELOPMENT

Ms M Boikanyo
ACTING DEPUTY DIRECTOR-GENERAL:
CORPORATE MANAGEMENT

ENTITY REPORTING TO THE MINISTER

The table below indicates the entity that reports to the Minister:

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
South African Tourism (SA Tourism).	Chapter 3 of the Tourism Act, 2014 (Act No. 3 of 2014) stipulates the following as the functions of the South African Tourism Board: • Market South Africa as a domestic and international tourist destination. • Market South Africa's Tourism products and facilities internationally and domestically. • Develop and implement a marketing strategy for tourism that promotes the objectives of the Act and the NTSS. • Advise the Minister on any other matter relating to tourism marketing. • With the approval of the Minister; establish a National Conventions Bureau to market South Africa as a business tourism destination by: • Coordinating bidding for international conventions; • Liaising with other organs of state and suitable bodies to promote South Africa as a destination for business events; and • Reporting to the Minister on the work performance of the National Conventions Bureau. • Additionally, the Minister assigned, in terms of Section 44 of the Tourism Act, 2014, the implementation and management of the National Grading System for Tourism to the Board.	Transfer payment	• Contribute to inclusive economic growth by increasing the number of international and domestic tourists. • Contribute to an enhanced, recognised, appealing, resilient and competitive tourism and business events brand for South Africa across the target markets and segments. • Enhance stakeholder partnerships and collaboration, both local and international, to better deliver on SA Tourism's mandate. • Contribute to an improved tourist experience in line with the brand promise. • Position SA Tourism's corporate brand to be recognised as a tourism and business events industry leader in market intelligence, insights and analytics. • Achieve operational efficiencies in all activities, including human, marketing, and other resources available to SA Tourism.

PART B
PERFORMANCE
INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page **109** of the Report of the Auditor-General, published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

2.1.1 Tourism Significance

Tourism is a driver for economic growth and a demand stimulator. It is well-positioned to link under-developed regions with the developed ones as it transcends spatial and geographic boundaries. Tourism ensures that people have access to socio-economic services, opportunities, and choices. It creates jobs, generates incomes and creates viable communities. According to the UNWTO, Tourism is also the main bridge for building understanding. It has a unique ability to promote peace between and among people everywhere.

Tourism's contribution to the economy is measured by the number of jobs created, its contribution to the Gross Domestic Product (GDP), and the revenue generated from tourism activity. Furthermore, as a services export sector, tourism is a significant earner of foreign currency. In the South African context, this growth should be underpinned by the principle of inclusivity to drive tourism-sector transformation.

An increase in tourism's economic contribution is driven by an increase in domestic and international tourist arrivals, as well as an increase in tourist spending. Along with its partners, the department must create an environment conducive to this increase by ensuring a quality and diverse tourism offering as well as by developing sector capacity.

2.1.2 Tourist Arrivals Performance

A marked acceleration in inbound travel was recorded in 2025, with total international arrivals rising from 8.9 million in 2024 to 10.5 million, representing growth of +17.7% year-on-year. This follows a more moderate increase from 8.5 million in 2023 to 8.9 million in 2024, indicating that the strongest expansion within the current recovery phase occurred in the most recent year. Although 2019 (10.2 million) serves as a pre-pandemic reference point, 2025 volumes have moved beyond that benchmark by +2.7%.

The 2025 uplift was driven predominantly by Africa, which increased from 6.8 million arrivals in 2024 to 8.1 million in 2025 (+19.6%), accounting for 77.1% of total visitors. Europe expanded from 1.3 million to 1.4 million arrivals (+12.6%), while the Americas grew from 0.5 million to 0.6 million (+9.2%). Asia recorded a smaller increase of +4.1% to 0.2 million arrivals, Australasia rose by +21.8% to 0.1 million, and the Middle East increased by +31.8% to 0.1 million. Over the two years from 2023 to 2025, total arrivals advanced by 2.0 million visitors, reflecting cumulative strengthening across both regional and long-haul markets. Although Africa continues to anchor overall volumes, percentage gains in 2025 were comparatively stronger in the Middle East, Australasia, and Africa than in Europe, the Americas, and Asia. The current structure, therefore, reflects both volume concentration in regional markets and differentiated growth rates across smaller overseas segments.

Provincial tourism patterns remain clearly differentiated when assessed through repeat visitation profiles. In 2025, the Western Cape and Eastern Cape continue to attract a strong concentration of first-time visitors, at 48.2% and 36.9% respectively, consistent with their leisure and international holiday appeal. By contrast, several inland provinces display structurally higher repeat intensity, reflecting VFR and business-linked travel dynamics. The Northern Cape at 38.8%, North West at 39.0%, Gauteng at 34.2%, and Free State at 43.3% record the highest proportions of visitors travelling 10 times or more. Limpopo also reflects elevated repeat visitation at 22.0% for 10+ visits, alongside a combined 36.2% for four or more trips. These patterns reinforce the functional distinction between leisure-led coastal provinces and inland provinces driven by recurring cross-border, family, and economic mobility flows.

Tourism makes a significant contribution to South Africa's economy and has the potential to make a much greater impact on GDP and job creation, especially for young people. According to the *World Travel and Tourism Council (2025)* and *Stats SA (2024)*, in 2024, the sector's total contribution to GDP was estimated at 8.4%, while it directly employed over 730 000 people.

2.1.3 Tourist Safety

The department implemented the Tourism Monitors Programme (TMP) to enhance tourism safety awareness through providing a visible support presence for visitors, equipping the youth with practical skills and work experience, as well as reducing risks and vulnerabilities faced by tourists, particularly in busy or high-risk areas. Additionally, the sector deployed 40 of 202 Tourism Monitors (TMs) to the OR Tambo International Airport (ORTIA) to strengthen visibility and visitor support.

The TGPP has five pillars; one of those pillars is Tourist Safety and Security. It is against this backdrop that a tourism safety forum was convened for the first time in the 7th Administration in December 2025 in Houghton, Johannesburg. The forum was aimed at ensuring all relevant stakeholders have the common goal of strengthening and coordinating tourism safety across South Africa.

2.1.4 Digital transformation/Technology

The department hosted the inaugural G20 tourism Hackathon, where students, developers, designers, and tech enthusiasts came together from 27 to 28 June 2025, at the University of the Western Cape (UWC) Auditorium. The purpose was to devise creative and innovative solutions that promote sustainable tourism with a people-centred approach. The primary objective of this hackathon was to encourage the development of AI solutions that can enhance tourism experiences, promote sustainability, and benefit society.

2.1.5 Improving access for visitors to South Africa

The TGPP acknowledges South Africa's status as a long-haul destination and emphasises the importance of making every effort to facilitate tourists' visits to the country with ease. Relatedly, the TGPP emphasises the importance of implementing the Electronic Travel Authorisation (ETA) in a cooperative and planned manner; involving all stakeholders. Pursuant to the above, the tourism sector continues to work closely with the Department of Home Affairs (DHA) in facilitating ease of access through visa reforms. The recent visa reform initiatives implemented include, among others, the Trusted Tour Operator Scheme for group travellers from China and India, which enables group applications for visas through the approved Trusted Tour Operators in the tourism industry. This enables group tours from China and India to apply for visas through approved tour operators working with DHA, ensuring an expedited process.

The ETA system, aimed at fully digitalising visa applications, has been implemented for markets such as India, China, Indonesia, and Mexico as part of the pilot during the G20. The intention is to roll out the system to all other markets that still require a visa to come to South Africa and to other visa categories other than the tourist visa.

In addition, the MEETS (Meetings, Events, Exhibitions and Tourism) visa scheme has been introduced to streamline entry for international delegates attending registered events. This visa policy reform intends to support the Meetings, Incentives, Conferences, and Exhibitions (MICE) sub-sector through a dedicated support desk for events.

2.2 Service Delivery Improvement Plan

The Department of Public Service and Administration (DPSA) issued Circular 08 of 2025 and the 2025 Service Delivery Improvement Plan (SDIP) Directive, which required all departments to develop and align a new five-year SDIP with their strategic plans during the 2025/26 financial year. Consequently, the focus during the period under review shifted to the development of the five-year SDIP, resulting in the absence of the SDIP report.

The DPSA focus for the 2025/26 financial year was on the following:

- Replacement of the 2008 SDIP Directive with the revised 2025 SDIP Directive to enable departments to develop credible and realistic SDIPs;
- Assess and provide feedback on the draft SDIP; and
- Obtain the final approved SDIP from departments.

2.3 Organisational environment

During the period under review, a review of the Information Communication Technology (ICT) Risk Register was conducted. It included the assessment of the cybersecurity risk and information security risk, which were subsequently combined into a consolidated risk due to the interrelated nature of the identified threats, vulnerabilities, and control measures. Consolidation is meant to improve risk management efficiency, strengthen oversight, and ensure a coordinated approach in addressing cybersecurity and information security matters across the department.

The current key cyber risk relates to the potential compromise of information assets, systems, and network infrastructure due to evolving cyber threats, vulnerabilities, and unauthorised access attempts. To mitigate the identified risk, the department is currently implementing several security enhancement initiatives. These include continuous vulnerability monitoring and remediation, strengthening of network and perimeter security controls, and enhanced monitoring and incident response capabilities.

The Audit Action Plan was implemented to address audit findings and tighten controls. This was done to aid the department in preventing repeat findings. Controls and corrective actions are being implemented to mitigate the inherent risks in administration.

To determine whether the department's organisational structure, workforce capacity, skills capability, systems, and procedures are suitably aligned with programme delivery responsibilities and support its strategic mandates, the department carried out a Capacity Alignment exercise and an Employee Skills Profiling initiative. The results provided insightful information on areas of duplication, misalignment, capacity gaps, important functions that require strengthening, workforce capabilities, current competencies, and gaps in critical and scarce skills. These results have guided the creation of a high-level implementation roadmap plan that will direct the phased execution of the suggestions and put the department in a position to become more competent, adaptable, and performance-driven.

2.4 Key policy developments and legislative changes

The White Paper on the Development and Promotion of Tourism was approved by the Cabinet in 2024. The White Paper envisions a sector that leverages innovation, builds partnerships, addresses barriers to tourism growth, and responds to the socio-economic imperatives of the country. The White Paper provides a strategic framework for the growth and sustainability of the tourism sector, with a focus on promoting safety and security, facilitating ease of access, strengthening domestic tourism, enhancing crisis management, advancing transformation, enabling technological innovation, and reaffirming the commitment to responsible tourism.

In terms of the guiding principles, the White Paper emphasises that tourism is private sector-driven and that government provides an enabling environment. Furthermore, tourism is identified as a multistakeholder endeavour with a relationship of cooperation seen as vital for the sector's success. Most importantly, the White Paper states that South Africa values its connectedness to the continent and the SADC Region and highlights the aspect of an integrated tourism experience.

Following the approval of the White Paper, the department will be amending the Tourism Act of 2014 to ensure alignment between legislation and policy, thereby creating an enabling environment.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The department pursues two strategic priorities in support of the Government's MTDP 2024-2029. These are Priority 1: Drive inclusive growth and job creation, and Priority 3: Build a capable, ethical, and developmental state. The plans of the department support all three priorities of the Government in general, but specifically priorities 1 and 3.

Priority 1: Drive inclusive growth and job creation

The department implemented the Tourism Monitors Programme. The target was to train and place 1 500 Tourism Monitors (TMs) in all nine (9) provinces; training was conducted for the

targeted number. However, placement for practical experience and exposure was conducted for 711. Placements were made at G20 events, parks managed by South African National Parks (SANParks), ORTIA, and borders managed by the Border Management Agency (BMA). Measures have been put in place to ensure the placement of the outstanding 789 TMs.

Several demand-led skills development programmes were delivered during the period under review. These included the Tourism Graduate Recruitment Programme, Artisan Recognition of Prior Learning (ARPL) Programme, Culinary Programme, Learn and Earn Youth Placement Programme, and Integrated Service Excellence focusing on townships, villages, and small towns.

59 tourism and hospitality graduates and unemployed youth signed employment contracts for the Tourism Graduate Recruitment Programme and 100 for the Culinary Programme. Of these, four (4) learners were placed and commenced with experiential learning with host employers in Limpopo Province for the Tourism Graduate Recruitment Programme.

The department implemented the ARPL project to assist chefs with experience but limited formal education in obtaining a relevant and applicable qualification: the Chef Occupational Qualification (SAQA ID 101697). For the year under review, 50 learners were enrolled from Mpumalanga (20) and Limpopo Province (30). A 100% completion rate was achieved as all 50 learners were deemed competent after undertaking the ARPL Trading testing. The learners graduated and received a Certificate in Chef at National Qualifications Framework (NQF) Level 5, accredited by the Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA) and the Quality Council on Trades Occupations (QCTO). There were success stories as five (5) learners were promoted upon receiving their NQF level 5 certificates.

The department approved 100 job opportunities for Service Excellence Ambassadors, and as at March 2026, 96 were appointed, while four (4) declined the contract, and four (4) dropped out of the programme. As of the end of March 2026, the department had commenced the recruitment process to replace the dropouts and those who declined the contract. The appointed ambassadors were deployed in SANParks-managed national parks in Mpumalanga, Limpopo, Free State, Western Cape, and Northern Cape provinces. Training was provided to equip the ambassadors with practical skills for implementing the Tourism Service Excellence Standard (SANS 1197). A total of R 2 839 780 was transferred to SANParks to cover stipends, Unemployment Insurance Fund, and Compensation for Occupational Injuries and Diseases Act contributions for the ambassadors.

Business Advisory Services Incubator, with a bias towards women-owned enterprises, was implemented and supported 73 women, 10 males, 11 youth, and three (3) people with disabilities. This programme created 6 temporary jobs. Business Advisory Services, focusing on the Homestay Programme, was implemented and supported 28 women and four (4) youth.

Priority 3: Build a capable, ethical, and developmental state

The department's major priorities continue to be good governance and accountability to meet the 7th Administration's objectives for a Capable, Ethical, and Developmental State. In this regard, the department has created a competent procurement system based on the principles of fairness, equity, transparency, competition, and cost-effectiveness. Deviations from standard procurement of goods and services are explained and approved by the relevant authority. These are critical to the department's goal of conducting business in a way that maintains public trust in the State. They contribute to the development of excellent public trust by allowing oversight by State institutions for the public's benefit.

Vulnerabilities that may have had an impact on the department's potential problems were pre-emptively detected by identifying, assessing, and measuring the risks. Risk mitigation strategies were implemented and risks monitored. As a result, risk implementation plans are developed annually in line with the approved APP and AOP and presented to the Risk Management Committee (RMC) for adoption, whereafter they are approved by the external RMC Chairperson.

Risk Assessments for 2025/26 were conducted to assist the department in prioritising the most important risks, which allowed branches to review risks identified in the previous year and to identify new risks based on and informed by the changes within the macro and micro environment. The changes in the macro and micro environment would have a huge impact on the way business is conducted within the department and the delivery of critical business processes, programmes, and services to the sector and the relevant stakeholders.



4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

Purpose:To provide strategic leadership, management, and support services to the department.

Sub-Programmes and purpose:

- **Strategy and Systems:** To manage and coordinate strategy and systems as well as provide public entity oversight.
- **Human Resource Management and Development:** To manage the provision of human resource management and development.
- **Communications:** To manage the coordination and provision of communications support to the department.
- **Legal Services:** To manage the provision of legal support services.
- **Financial Management:** To manage and facilitate the provision of financial management services.
- **Internal Audit:** To manage the provision of internal audit services.
- **ICT Services:** To leverage shared digital infrastructure to improve the quality of services and decision-making.

OUTCOMES, PERFORMANCE INDICATORS, OUTPUTS, PLANNED TARGETS AND ACTUAL ACHIEVEMENT

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
Outcome: Strengthen Organisational capability for service delivery.						
Output: Unqualified audit on financial statements and non-financial performance.						
Output Indicator 1: Audit outcome on financial statements and performance information.						
Clean audit on financial statements and performance information was achieved.	Clean audit on financial statements and performance information was achieved.	Unqualified audit outcome on financial statements and non-financial performance information.	Unqualified audit outcome with no findings on financial statements and non-financial performance information was achieved.	None	None	N/A

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
Output: Departmental expenditure to contribute to the Government's priorities.						
Output Indicator 2: Percentage spending in line with departmental strategic priorities and outcomes.						
-	-	76% budget spent directly related to growth and job creation.	69,28% budget was spent directly related to growth and job creation.	6,72% of the budget was not spent.	EPWP expenditure was low due to delays in obtaining approvals and appointing service providers for the skills projects. The progress on EPWP infrastructure projects was slower than expected. Core programmes also had savings in Travel and Subsistence, Venues and Facilities, and Consultants expenditure.	Improved planning and in-year monitoring
Output Indicator 3: Percentage procurement of goods and services from SMMEs.						
57,97% expenditure was achieved on procurement of goods and services from SMMEs.	43,31% expenditure was achieved on procurement of goods and services from SMMEs.	40% expenditure achieved on procurement of goods and services from SMMEs.	75,07% expenditure was achieved on procurement of goods and services from SMMEs.	Target exceeded by 35,07%.	The department implements targeted procurement from SMMEs through the awarding of points.	N/A

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
Output Indicator 4: Percentage of compliant invoices paid within prescribed timeframes.						
99,35% (15 642 of 15 745) compliant invoices received were paid within 30 days.	99,97% (13 950 of 13 954) of all compliant invoices received were paid within 30 days.	100% payment of all compliant invoices within 30 days.	99,99% (13 834) of 13 835) of all compliant invoices received were paid within 30 days.	0,01% 1 compliant invoice was not paid within 30 days.	2,775 invoices were received for quarter I; 2,774 were paid on time, and 1 invoice was paid late. The invoice was captured on the LOGIS system but was not posted to the next level for further processing.	Generate the transaction report of invoices captured on LOGIS daily to ensure that all posted invoices are processed. Register invoices received in the department in a central place.
Output Indicator 5: Percentage of procurement spend from women-owned businesses.						
41,58% procurement spend from women-owned businesses was achieved.	65,44% procurement spend from women-owned businesses was achieved.	40% procurement spend from women-owned businesses.	61,55% procurement spend from women-owned businesses was achieved.	Target exceeded by 21,55%.	The department implements targeted procurement from Women-owned businesses through the awarding of points.	N/A
Output: Oversight Reports on South African Tourism.						
Output Indicator 6: Number of public entity oversight reports developed.						
Four SA Tourism quarterly oversight reports were developed in terms of the Service Level Agreement (SLA).	Four SA Tourism quarterly oversight reports were developed.	Four public entity oversight reports developed.	Four SA Tourism quarterly oversight reports were developed.	None.	None.	N/A

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
Output: Departmental capacity aligned to strategic priorities.						
Output Indicator 7: Capacity alignment exercise conducted.						
-	-	Conduct an exercise to align departmental capacity to strategic priorities.	An exercise to align departmental capacity to strategic priorities was conducted.	None.	None.	N/A
Output Indicator 8:Assessment of the current skills profile for employees conducted.						
-	-	Assessment of the current skills profile of employees conducted.	Assessment of the current skills profile of employees was conducted.	None.	None.	N/A
Output: Revised HR Strategies to align with organisational goals.						
Output Indicator 9: Human Resource Strategy developed and implemented.						
-	-	Development and implementation of the Human Resource Strategy.	Development and implementation of the Human Resource Strategy was conducted.	None.	None.	N/A
		Report on the Implementation of HR Strategy developed.	Report on the Implementation of the HR Strategy was developed.	None.	None.	N/A
Output Indicator 10:Academic excellence recognition programme for tourism graduates implemented.						
-	-	Pilot academic excellence recognition programme for tourism graduates.	The academic excellence recognition programme for tourism graduates was piloted.	None.	None.	N/A

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
Output: To attract and retain a capable and ethical workforce in a caring environment.						
Output Indicator 11: Compliance with prescribed recruitment timeframes.						
Vacancy rate was 11,5% as at 31 March 2024.	Vacancy rate was 13,2% as at 31 March 2025.	Recruitment cycle for all posts approved for filling concluded within prescribed timeframes.	Recruitment cycle for all posts approved for filling was concluded within the prescribed timeframes.	None.	None.	N/A
Output Indicator 12: Percentage of compliance with Departmental Employment Equity target.						
SMS women representation was maintained at 46% as at 31 March 2024	SMS women representation was maintained at 50,8% as at 31 March 2025	SMS women representation at minimum 50%.	SMS women's representation was maintained at 51,6% as at 31 March 2026.	None.	None.	N/A
Persons with disabilities' representation was 4,8% as at 31 March 2024.	Persons with disabilities' representation was 4,8% as at 31 March 2025.	PWD's representation at 3%.	Persons with disabilities' representation was 4,8% as at 31 March 2026.	None.	None.	N/A
Output Indicator 13: Percentage of Workplace Skills Plan (WSP) implemented.						
100% of WSP was implemented.	100% of WSP was implemented.	100% implementation of WSP.	100% of WSP was implemented.	None.	None.	N/A
Output: Implementation of Departmental Communication Strategy.						
Output Indicator 14: Percentage implementation of the Communications Implementation Plan.						
100% of targets of Communication Implementation Plan achieved.	-	100% implementation of the 2025/26 Communications Implementation Plan aligned to the MTDP.	100% of the 2025/26 Communications Implementation Plan aligned to the MTDP was implemented.	None.	None.	N/A

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
Output: Audit reports with recommendations as per the approved Internal Audit Plan.						
Output Indicator 15: Percentage implementation of the Annual Internal Audit Plan.						
100% of the Annual Internal Audit Plan was implemented.	100% of the Annual Internal Audit Plan was implemented.	100% implementation of the Annual Internal Audit Plan.	100% implementation of the Annual Internal Audit Plan was implemented.	None.	None.	N/A
Output: Digital transformation initiative.						
Output Indicator 16: Digital Transformation initiative monitored.						
-	-	Report on the implementation of the Digital Transformation initiative.	A report on the implementation of the Digital Transformation initiative was developed.	None.	None.	N/A

Narrative of highlights

The department strengthened governance and oversight of the digital transformation programme by implementing structured weekly monitoring meetings during the reporting period. These meetings served as a strategic coordination platform for tracking the progress of digital initiatives, assessing implementation challenges, monitoring project milestones, and ensuring alignment with the departmental strategic objectives and operational priorities. The meetings brought together relevant key stakeholders to provide progress updates, review deliverables, and promote collaborative decision-making. Through these regular engagements, the department enhanced accountability and responsiveness in the execution of digital transformation initiatives.

The department has consistently performed above 4% on employment of Persons with Disabilities, which is above the national target of 3%, and further achieved 51,6% for women representation at the SMS level as at 31 March 2026. Successful podcasts were introduced to showcase the work and beneficiaries of the department.

Linking performance with budgets

Sub- Programme Name	2025/2026			2024/2025		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	39 402	35 636	3 766	36 940	35 466	1 474
Management	11 216	11 216	-	3 662	3 661	1
Corporate Management	213 427	193 551	19 876	208 627	189 902	18 725
Financial Management	55 408	48 347	7 061	64 277	60 074	4 203
Office Accommodation	44 531	41 972	2 559	51 373	51 374	(1)
Total	363 984	330 722	33 262	364 879	340 477	24 402

4.2 Programme 2: Tourism Research, Policy and International Relations

Purpose: Enhance the strategic policy environment, monitor the tourism sector’s performance, and enable stakeholder relations.

Sub-Programmes and Purpose:

- **Research and Knowledge Management** oversees tourism-targeted (for economic growth and job creation) research and knowledge management
- **Policy Planning and Strategy** oversees and guides policy and strategy development for the tourism sector and ensures efficient and effective coordination and management of stakeholder relations in consultation with the Executive Authority.
- **International Relations and Cooperation** drives South Africa's interests through international relations and cooperation, through the implementation of all international Memoranda of Understanding

OUTCOMES, PERFORMANCE INDICATORS, OUTPUTS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
Outcome: Increase the tourism sector’s contribution to inclusive economic growth.						
Output: Provision of knowledge services to inform policy, planning and decision-making.						
Output Indicator 1: Number of tourism monitoring and evaluation initiatives implemented.						
-	-	Four tourism monitoring and evaluation initiatives implemented:				
		1. Monitoring of the implementation of all International Memoranda of Understanding (MoUs).	Monitoring of the implementation of all International MoUs was conducted.	None.	None.	N/A
-	-	2. Monitoring of the implementation of the White Paper.	Monitoring of the implementation of the White Paper was conducted.	None.	None.	N/A

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
-	-	3. National Tourism Statistics Plan Implementation Report for economic growth and job creation.	The National Tourism Statistics Plan Implementation Report for economic growth and job creation was developed.	None.	None.	N/A
-	Three Tourism Sector Masterplan (TSMP) Reports were developed.	4. Quarterly TSMP Implementation Reports.	Quarterly TSMP Implementation Reports were developed.	None.	None.	N/A
Output Indicator 2: Number of departmental systems digitalised.						
-	-	Two departmental systems digitalised:				
		1. National Tourism Information and Monitoring System (NTIMS) developed.	The National NTIMS was developed.	None.	None.	N/A
Tourist Guide Information System was implemented.	Maintenance, support, and enhancement of the Tourist Guide Information System (TGIS) was conducted.	2. Implementation of the National Register of TGIS.	Implementation of the National Register of TGIS was conducted.	None.	None.	N/A

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
Output: Regulatory Initiatives for tourism growth and development.						
Output Indicator 3: Number of initiatives implemented to create an enabling policy and regulatory environment for tourism growth and development.						
-	-	Three initiatives implemented:				
		1. Policy and regulatory reforms plan developed and implemented with relevant departments to deliver growth and employment.	Policy and regulatory reforms plan developed and implemented with relevant departments to deliver growth and employment.	None.	None.	N/A
-	-	2. Red tape reduction action plan developed and implemented.	A red tape reduction action plan was developed and implemented.	None.	None.	N/A
-	-	3. Short-term rental framework developed.	A short-term rental framework was developed.	None.	None.	N/A
Output: Implement the Tourism Growth Partnership Plan						
Output Indicator 4: Tourism Growth Partnership Plan (TGPP) developed and implemented.						
-	-	TGPP developed and implemented.	TGPP was developed and implemented.	None.	None.	N/A

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
Output: Engagement with District Development Model (DDM) stakeholders for tourism growth and development.						
Output Indicator 5: Number of intergovernmental coordination initiatives implemented.						
-	-	Two initiatives implemented:				
		1. Nine tourism DDM supporting outreaches conducted.	Thirteen tourism DDM supporting outreaches were conducted.	Four more tourism DDM supporting outreaches were conducted.	Additional DDM outreaches were conducted at the Ministry's request for the inclusion of more districts.	N/A
-	-	2. Two tourism Ministers and Members of the Executive Councils (MINMEC) hosted.	Two tourism MINMECs were hosted.	None.	None.	N/A
Output: Initiatives facilitated for Regional Integration						
Output Indicator 6: Number of fora prioritised to advance South Africa's tourism interests at regional, continental and global level through multilateral and other groupings.						
South Africa's tourism interests at regional, continental and global level through participation in six multilateral fora, UNWTO, G20, BRICS, SADC, IORA and AU were advanced.	South Africa's tourism interests were leveraged in six multilateral fora, UNWTO, G20, BRICS, SADC, IORA and AU to advance priorities.	South Africa's tourism interests promoted through hosting the G20 Tourism Meetings.	South Africa's tourism interests were promoted through hosting the G20 Tourism Meetings.	None.	None.	N/A
Output: South Africa tourism showcase at priority markets.						
Output Indicator 7: Number of outreach programmes to the diplomatic community implemented.						
Two outreach programmes with prioritised countries were hosted in Kenya on 20-22 November 2023, and in China on 17-23 November 2023.	Two outreach programmes to engage tourism trade, media, and airlines in prioritised countries were implemented in India on 2-6 December 2024, and in Accra, Ghana, on 26-29 March 2025.	Two outreach programmes to prioritised markets undertaken (Africa and Asia).	Two outreach programmes to prioritised markets were undertaken (Africa and Asia).	None.	None.	N/A

Narrative of Highlights

In the financial year 2025/26, the department monitored the implementation of international MoUs and the 2024 Tourism White Paper. Additionally, the monitoring of the 2024 Tourism White Paper sought to assess the extent to which provincial tourism policies are aligned with national tourism policies.

The National Tourism Information and Monitoring System (NTIMS) project achieved significant progress with the successful development and deployment of core functionalities into the production environment. Key milestones included the development of an interactive dashboard to support real-time data analysis and reporting, and enhanced system accessibility for internal stakeholders. The national register of the Tourist Guide Information System (TGIS) project recorded notable performance improvements through the stabilisation and optimisation of the system to better support the capturing and management of tourist guides. Moreover, the department implemented the National Tourism Statistics Plan, which identified various projects and programmes in consultation with key stakeholders. Four quarterly TSMP implementation reports were developed and approved. Overall, the TSMP has enabled the country to fully recover from COVID-19 in terms of international arrivals.

As part of the lasting legacy of South Africa's G20 Presidency, the Department of Tourism also hosted the inaugural South African Tourism Investment Summit in Cape Town, creating a dedicated platform to promote tourism investment opportunities, partnerships, and infrastructure development.

Linking performance with budgets

Sub- Programme Name	2025/2026			2024/2025		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Research, Policy and International Relations Management	11 227	10 032	1 195	9 837	7 643	2 194
Research and Knowledge Management	38 709	35 314	3 395	35 616	32 147	3 469
Policy Planning and Strategy	15 731	10 997	4 734	16 747	12 267	4 480
South African Tourism	1 300 207	1 300 207	-	1 243 555	1 243 555	-
International Relations and Cooperation	42 241	40 418	1 823	29 868	23 443	6 425
Total	1 408 115	1 396 968	11 147	1 335 623	1 319 055	16 568

4.3 Programme 3: Destination Development

Purpose: To facilitate and coordinate tourism destination development enhanced visitor experience.

Sub-Programmes and purpose:

- **Destination Planning and Investment Coordination:** To ensure that tourism infrastructure supports the current and future growth of the sector.
- **Tourism Enhancement:** To increase the competitiveness of South Africa's tourism industry.
- **Working for Tourism** facilitates the development of tourism infrastructure projects under the Expanded Public Works Programme through labour-intensive methods targeted at youth, women, unemployed, and Persons With Disabilities and small, medium, and micro enterprises.

OUTCOMES, PERFORMANCE INDICATORS, OUTPUTS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
Outcome: Increase the tourism sector's contribution to inclusive economic growth.						
Output: Initiatives undertaken on destination planning and investment coordination.						
Output Indicator 1: Number of destinations planning and investment coordination initiatives undertaken.						
The budget resort network and brand concept were implemented.	The budget resort network and brand concept were implemented.	Four initiatives undertaken:				
		1. Implementation of the budget resort network and brand concept.	The budget resort network and brand concept were implemented.	None.	None.	N/A
A pipeline of nationally prioritised tourism investment opportunities (greenfield and brownfield projects) was managed.	A pipeline of nationally prioritised tourism investment opportunities /projects was managed.	2. A pipeline of nationally prioritised tourism investment opportunities managed.	A pipeline of nationally prioritised tourism investment opportunities was managed.	None.	None.	N/A

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
Thirteen investment promotion platforms were facilitated.	Three investment promotion platforms were facilitated.	3. One tourism investment promotion platform hosted.	One tourism investment promotion platform was hosted.	None.	None.	N/A
-	-	4. Tourism partnership plan with departments and entities developed.	Tourism partnership plan with departments and entities was developed.	None.	None.	N/A
Output: Enhancement initiatives at tourist attractions supported.						
Output Indicator 2: Number of destination enhancement initiatives supported.						
Infrastructure maintenance and beautification programme was implemented in five (5) provinces: • Mpumalanga • Limpopo • Eastern Cape • Free State • Western Cape	Infrastructure maintenance and beautification programme was implemented in four (4) provinces: • Gauteng • KwaZulu-Natal • North West • Northern Cape	Seven initiatives supported:				
		1. Seventeen (17) ¹ community-based Tourism projects completed.	Seventeen (17) community-based Tourism projects were completed.	None.	None.	N/A
Implementation of 29 Community-based Tourism Projects was monitored.	Implementation of Twenty-two (22) Community-based Tourism Projects was monitored.	2. Implementation of five (5) ² Community-based tourism projects monitored.	Implementation of five (5) Community-based tourism projects was monitored.	None.	None.	N/A

¹ Mthonisi Lodge (DBSA); Qatywa Lodge (DBSA); QwaQwa Guest House (DBSA); Ngove (DBSA); Tisane (DBSA); Tshathogwe Game Farm (DBSA); Mapate Recreational Social Tourism Facility (DBSA); Matsila Lodge (DBSA); Muzi Pan (DBSA); The Oaks Lodge; Mtiti Game Farm; Royal Khalanga; Phiphidi Waterfall; Nandoni Dam; Numbi Gate: Mdhluli Safari Lodge; Lehurutshe Bird and Trophy Hunting; Manyane Lodge
² Numbi Gate-Nkambeni Safari Lodge (DBSA); Platfontein Lodge (DBSA); Kamiesberg Tourism Development (DBSA); Lotlamoreng Dam (DBSA); VhaTsonga (DBSA)

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
-	Tourism enhancement projects were implemented in one (1) World Heritage Site: Robben Island Museum (RIM).	3. Develop and implement support model for sustainable operations on community projects.	A support model for sustainable operations on community projects was developed and implemented.	None.	None.	N/A
-	-	4. Implementation of fourteen (14) ³ tourism infrastructure projects by various entities monitored.	Implementation of fourteen (14) tourism infrastructure projects by various entities was monitored.	None.	None.	N/A

3 Carnarvon Science Exploratorium (SARAO); Robben Island Museum (RIM); Midmar Resort (Ezemvelo); Nelson Mandela Capture Site (TKZN); Lilani Hot Springs; (TIKZN); Shangoni Gate (SANParks); Addo Elephant Park (SANParks); Cape Agulhas (SANParks); Mapungubwe (SANParks); Peoples Park (Constitutional Hill); Goukamma Nature Reserve (Cape Nature); Mokopane Biodiversity Conservation Centre (SANBI); Six Day Hiking Trail (ECPTA); Universal Access at Blyde River Canyon (MTPA).

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
-	-	5. Thirty-three (33) ⁴ completed maintenance project sites handed back to owning entities.	Twenty-two (22) maintenance project sites were completed, of which thirteen (13) thereof were handed back to owning entities.	Off target by eleven (11) maintenance project sites, which were not completed and handed back to the owning entities.	Eleven (11) projects remain incomplete and not handed over due to various reasons, namely: –Dispute between the professional service provider and the implementing agent on the scope of work; –Projects not achieving completion; –Conducting due diligence on the closeout documentation. Due diligence had been fully completed on the final project documents for 22 projects that had been handed over.	To work with the newly appointed Programme Support Unit to fast-track the completion, closeout, and handover of the projects back to the owning entities.

⁴ McGregor Work Package 1; McGregor Work Package 2; Anton Lembede, Sol Plaatjie; Suikerbosrand Nature Reserve; Gariiep Dam; Maria Moraka Resort; Phillip Saunders Resort; Sterkfontein Dam Nature Reserve; Manyeleti Nature Reserve; Andover Nature Reserve; Songimvelo Nature Reserve; SS Skosana Nature Reserve; Thomas Baines Nature Reserve; Double Mouth Nature Reserve; Oviston Nature Reserve; Baviaanskloof Nature Reserve; Mpofu and Fordyce Nature Reserve; Doornkloof Nature Reserve; Goegap and Witsand Nature Reserve; Rolfontein Nature Reserve; Makapans Valley WHS; Nwanedi Nature Reserve; Blouberg Nature Reserve; Musina Nature Reserve; Modjadji Nature Reserve; Kogelberg Nature Reserve; Goukamma Nature Reserve; Lookout Hill; De Hoop Nature Reserve; Wolwekloof Nature Reserve; Cedarberg Wilderness Area, Dwesa and Cwebe Nature Reserve.

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
		6. DBSA implementation of two (2) ⁵ maintenance projects monitored.	DBSA implementation of two (2) maintenance projects was monitored.	None.	None.	N/A
		7. Condition assessment in five (5) identified heritage sites completed.	Condition assessment in five (5) identified heritage sites was completed.	None.	None.	N/A
Output Indicator 3: Number of work opportunities created through Working for Tourism projects.						
4234 Work opportunities were created.	3282 Work opportunities were created.	1400 Work opportunities created.	2103 Work opportunities were created.	703 additional work opportunities were created.	The original target of 1400 was based on the implementation of the Tourism Monitors Programme only. Other skills projects also went into implementation, hence the additional WO created.	N/A

Narrative of Highlights

In the period under review, the Branch has achieved eleven of the twelve or 92% of the APP targets. A successful inaugural Tourism Investment Summit was held on the sidelines of the G20, with eight (8) tourism infrastructure projects being packaged for investors. Significant progress has been made on infrastructure projects, with seventeen community projects reaching either practical or final completion condition assessments being concluded in five (5) world heritage sites and 2 099 work opportunities being created through the EPWP. There was significant work done on the target that was not achieved, with thirteen maintenance projects being completed and handed over to owning entities, and an additional eight (8) maintenance projects were completed this financial year, but not handed over for various reasons, with the remaining three (3) sites requiring completion. All remaining 11 maintenance sites will be completed and handed over in the new financial year.

Linking performance with budgets

Sub- Programme Name	2025/2026			2024/2025		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Destination Development Management	14 218	6 685	7 533	8 164	7 778	386
Tourism Enhancement	26 713	20 628	6 085	24 936	20 853	4 083
Destination Planning and Investment Coordination	32 811	23 397	9 414	28 821	25 292	3 529
Working for Tourism	257 414	159 906	97 508	300 428	244 046	56 382
Total	331 156	210 616	120 540	362 349	297 969	64 380

4.4 Programme 4: Tourism Sector Support Services

Purpose: Enhance transformation of the sector; increase demand-led skills, and support the development of the sector to ensure that South Africa is a competitive tourism destination.

Sub-Programmes and Purpose:

- **Tourism Incentive Programme:** Manages the establishment of capital and non-capital tourism incentives to promote and encourage the development and growth of the tourism sector.
- **Tourism Visitor Services:** Ensures a good visitor experience and the integrity of information and facilitates accurate tourism information.
- **Tourism Human Resource Development:** Facilitates and supports the efficient planning, management, and implementation of impactful job and income-earning opportunities.
- **Enterprise Development and Transformation:** Facilitates inclusive participation and sustainability in the tourism sector.

OUTCOMES, PERFORMANCE INDICATORS, OUTPUTS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
Outcome: Increase the tourism sector's contribution to inclusive economic growth and job creation.						
Output: Implementation of incentives to support tourism SMMEs.						
Output Indicator 1: Number of incentives implemented to support tourism SMMEs.						
Green Tourism Incentive Programme (GTIP) was implemented.	Green Tourism Incentive Programme (GTIP) was implemented.	Four incentive programmes implemented to stimulate inclusive growth and job creation: • GTIP. • Tourism Transformation Fund (TTF). • Market Access Support Programme (MASP). • Tourism Equity Fund (TEF) migrated to another implementing agent	Three incentive programmes were implemented to stimulate inclusive growth and job creation: • GTIP. • TTF. • MASP. • TEF was not migrated to another implementing agent	None. Non-migration of TEF to another implementing agent.	None The Public Investment Corporation (PIC) was identified as an entity to migrate the TEF to. Negotiations with PIC revealed that PIC will not be able to implement the TEF in its current format.	None. A decision was taken that the Small Enterprise Development and Finance Agency (SEDFA) should continue with the implementation of the TEF and commit the remaining funds. SEDFA is currently administering the TEF under an approved implementation plan.
-	-	Review the Tourism Incentive Programme.	The Tourism Incentive Programme was reviewed.	None.	None.	N/A

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
Output Indicator 2: Number of Tourism Monitors enrolled to enhance visitor service and experiences.						
The Tourism Monitors was implemented in all provinces, including South African National Biodiversity Institute (SANBI) and iSimangaliso. The programme was also implemented at Ezemvelo Nature Reserve and airports managed by Airports Company South Africa (ACSA).	The Tourism Monitors was implemented in all provinces including the following entities: • SANBI Gardens • iSimangaliso Wetland Park • ACSA managed Airports • Ezemvelo Nature Reserve	Training and placement of 1500 Tourism Monitors in 9 provinces.	Training of 1500 Tourism Monitors (TMs) was conducted in all 9 provinces. However, placement was conducted for 711.	Off target by 789 Tourism Monitors who were not placed.	The 789 Tourism Monitors were not placed because they had not completed all phases of training. Delivery of training was affected by the time that it took for the concept and the mechanism (appointment of service providers) to be approved.	The concept and mechanism employed for the implementation of the Tourism Monitors Programme will be reviewed to cover more than one financial year. This will promote seamless implementation while affording the department more time to conceptualise and implement the programme.
Output: Implementation of Visitor Experience Programme to enhance understanding of government institutions on the tourism sector knowledge.						
Output Indicator 3: Number of sessions implemented on Visitor Experience Enhancement Programme with government institutions.						
-	-	Ten (10) Visitor Experience Enhancement Programme sessions implemented with government institutions.	Fourteen (14) Visitor Experience Enhancement Programme sessions were implemented with government institutions.	Four additional Visitor Experience Enhancement Programme sessions were implemented.	The overachievement was due to the demand for the programme by the various ports under the management of the BMA.	N/A

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
Output: Implementation of demand led skills initiatives for tourism sector job and work opportunity creation.						
Output Indicator 4: Number of demand-led skills initiatives implemented through collaboration with various social partners for tourism sector growth and sustainability.						
-	-	Ten demand-led skills development programmes implemented across the sector to create jobs and work opportunities with skills programmes identified according to demand.				
		1. Tourism Graduate Recruitment Programme.	The Tourism Graduate Recruitment Programme was implemented.	None.	None.	N/A
-	-	2. Artisan Recognition of Prior Learning (ARPL) Programme.	Artisan Recognition of Prior Learning (ARPL) Programme was implemented.	None.	None.	N/A
RECP Training and Business Support Programme was implemented.	RECP Training and Business Support Programme was implemented.	3. Resource Efficiency Cleaner Production (RECP).	Resource Efficiency Cleaner Production (RECP) was implemented.	None.	None.	N/A
-	-	4. Learn and Earn Youth Placement Programme.	The Learn and Earn Youth Placement Programme was implemented.	None.	None.	N/A
-	-	5. Women Executive Development Programme.	Women Executive Development Programme was implemented.	None.	None.	N/A
-	-	6. Tourist Guides Training.	Tourist Guides Training was implemented.	None.	None.	N/A
-	-	7. Educator Development Programme.	The Educator Development Programme was implemented.	None.	None.	N/A

Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
-	-	8. Small, Micro, and Medium Enterprises (SMMEs) training on Occupational Health and Safety norms and standards.	Small, Micro, and Medium Enterprises (SMMEs) training on Occupational Health and Safety norms and standards was implemented.	None.	None.	N/A
-	-	9. Integrated Service Excellence focusing on townships, villages, and small towns.	Integrated Service Excellence, focusing on townships, villages, and small towns, was implemented.	None.	None.	N/A
-	-	10. Culinary Programme.	The Culinary Programme was implemented.	None.	None.	N/A
Output Indicator 5: Number of initiatives implemented to support the targeted job and income-earning opportunity programmes.						
-	-	Two initiatives implemented:				
-	-	1. Develop a concept to further collaboration with Pathway Management Network role players to identify a pipeline of initiatives.	A concept to further collaboration with Pathway Management Network role players to identify a pipeline of initiatives was developed.	None.	None.	N/A
-	-	2. Submit MoU with Pathway Management Network Role players for signing.	The MoU with Pathway Management Network Role players was submitted for signing.	None.	None.	N/A
Output Indicator 6: Roadmap developed for alignment of tourism skills supply with demand.						
-	-	Roadmap developed and implemented.	Roadmap was developed and implemented.	None.	None.	N/A



Actual Achievement 2023/2024	Actual Achievement 2024/2025	Planned Target 2025/2026	Actual Achievement 2025/2026	Deviation from planned target to Actual Achievement 2025/2026	Reasons for deviations	Strategy to overcome areas of under performance
Output: Promote sustainability and improve market access for SMMEs.						
Output Indicator 7: Number of initiatives implemented to promote sustainability and improve market access for SMMEs.						
Incubation Programme was implemented: • Existing business incubators implemented: i. Tourism Technology & Innovation Incubator: ii. Food Service Incubator: iii. Community-based tourism Enterprises Incubator: New business incubators were established: i. Business Advisory Services focusing on Women in Tourism in Limpopo ii. Business Advisory Services focusing on Homestay Pilot Programme.	Business Incubation Programme was implemented: i. Community-based Tourism Enterprises Incubator: ii. Business Advisory Services focusing on Women in Tourism in Limpopo. iii. Business Advisory Services focusing on the Homestay Pilot Programme in Eastern Cape.	Two initiatives implemented: 1. Implement the Incubation programme: i. Business Advisory Services Incubator with a bias towards women-owned enterprises. ii. Improve income generation at household level through Homestay Incubation Programme. iii. Improve sustainability of tourism SMMEs through a compliance and resilience support.	The Incubation programme was implemented: i. Business Advisory Services Incubator with a bias towards women-owned enterprises. ii. Improve income generation at the household level through the Homestay Incubation Programme. iii. Improve the sustainability of tourism SMMEs through a compliance and resilience support.	None.	None.	N/A
-	-	2. Enterprise development programme for inclusive participation and sustainability in the tourism sector to ensure job creation reviewed.	Enterprise development programme for inclusive participation and sustainability in the tourism sector to ensure job creation was reviewed.	None.	None.	N/A

Narrative of Highlights

The department has successfully forged collaborations and partnerships with multiple stakeholders, including the Pathways Management Network, focusing on earning, learning, employment, and entrepreneurship initiatives that connect youth potential with sector needs. A Tourism Action Lab was launched, establishing an official launch pad for an expert structure with the primary goal of coordinating and enhancing the tourism sector's efforts to generate sustainable youth employment at scale.

Linking performance with budgets

Sub- Programme Name	2025/2026			2024/2025		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Sector Support Services Management	12 894	6 388	6 506	9 232	6 328	2 904
Tourism Human Resource Development	31 430	29 848	1 582	33 483	33 483	-
Enterprise Development and Transformation	57 358	37 772	19 586	52 802	37 709	15 093
Tourism Visitor Services	32 795	30 791	2 004	31 095	29 746	1 349
Tourism Incentive Programme	197 160	190 810	6 350	191 445	187 376	4 069
Total	331 637	295 609	36 028	318 057	294 642	23 415



5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

The South African Tourism Board is a Schedule 3A Public Entity (PFMA) established in terms of the Tourism Act, 1993 (Act No. 72 of 1993) and continues to exist in terms of the Tourism Act, 2014 (Act No. 3 of 2014).

Functions of the South African Tourism Board:

- Market South Africa as a domestic and international tourist destination;
- Market South African products and facilities internationally and domestically;
- Develop and implement a marketing strategy for tourism that promotes the objectives of the Act and the NTSS;
- Advise the Minister on any other matter relating to tourism marketing;
- With the approval of the Minister, establish a National Convention Bureau to market South Africa as a business tourism destination by
- Coordinating bidding for international conventions;
- Liaise with other organs of state and suitable bodies to promote South Africa as a business events destination; and
- Implement and manage the national grading system for tourism.

Name of Public Entity	Key outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
<i>South African Tourism</i>	• Market South Africa as a tourist destination internationally and domestically. • Market South Africa as a tourism brand. • Provide quality assurance for tourism products. • Market South Africa as a meetings destination and provide support for bids.	R1 300 207 000.00	R1 083 037 000.00	• International tourist arrivals: 10.8 million. • International tourists spend: R102.4 billion. • Domestic tourist trips: 46.4 million. • Domestic tourists spend R110.3 billion. • Number of bids won (MICE): 174. • Economic impact of bids won (MICE): R1.45 billion.

5.2. Transfer payments to all organisations other than public entities

Transfer payments were made to departmental agencies, foreign governments, non-profit institutions and households. The Department complied with section 38 (1)(j) of the Public Finance Management Act (PFMA), and the amounts transferred and the monitoring thereof are covered in a memorandum of agreement, business plan, membership agreement or contract.

The table below reflects the transfer payments made for the period 1 April 2025 to 31 March 2026

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
United Nations World Tourism Organisation (UNWTO)	Foreign Governments and International Organisations	Membership fee	N/A	2 619	2 619	-
Leave gratuity and other retirement benefits	Households	Employee social benefits	N/A	8 363	8 363	-
Bursaries (Non-employees)	Households	Training	N/A	252	252	-
Employee Service Benefits	Households	Donation	N/A	120	120	-
Bursaries (Non-Employees)	Household	National Tourism Research Framework	Yes	2 084	1 643	Funds to be spent in the 2026/27 financial year
Federated Hospitality Association of South Africa (Fedhasa)	Non-Profit Organisation	To implement the Educators Development Programme across all the nine (09) provinces	Yes	480	47	Funds to be spent in the 2026/27 financial year
Culture Art Tourism Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	Non-business entities	Training contribution	Yes	212	212	-
Tourism Transformation Council of South Africa	Non-Profit Organisation	Operational expenditure of the Council	Yes	4 831	-	Funds committed to be spent in the 2026/27 financial year
Various Beneficiaries	Public Corporation and Private Enterprises	Exhibition participation	N/A	14 941	14 941	-
South African Tourism	Departmental Agency	Tourism grading support (discounts on fees)	Yes	20 000	14 700	Multi-year project - Funds committed for 2026/27 financial year
Industrial Development Cooperation (IDC)	Public Corporation	Energy efficiency support	Yes	135 000	13 389	Multi-year project - Funds committed for 2026/27 financial year
Council for Scientific and Industrial Research (CSIR)	Public Corporation	Resource efficiency assessor training	Yes	5 112	5 112	-

The table below reflects the transfer payments which were budgeted for in the period 1 April 2025 to 31 March 2026, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
N/A	N/A	N/A	N/A	N/A

Payments were made for all transfer payments included in the final budget.

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

There were no conditional grants paid for the period 1 April 2025 to 31 March 2026.

6.2. Conditional grants and earmarked funds received

There were no conditional grants received for the period 1 April 2025 to 31 March 2026.

7. DONOR FUNDS

7.1. Donor Funds Received

Donor Fund : G20 South African Tourism Hackathon Challenge-2025: Sponsorship of stipends

Name of donor	The Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA)
Full amount of the funding	R960 000.00
Period of the commitment	4 months
Purpose of the funding	Sponsorship towards payment of stipends to participants in the G20 South African Tourism Hackathon Challenge-2025
Expected outputs	Payment of stipends for participants in the G20 Hackathon Challenge
Actual outputs achieved	Payment of stipends for participants in the G20 Hackathon Challenge
Amount received (R'000)	R950 000.00
Amount spent by the department (R'000)	R920 000.00
Reasons for the funds unspent	The amount of stipends claimed and paid was less than budgeted. Unspent funds will be surrendered back to the RDP Fund.
Monitoring mechanism by the donor	No monitoring mechanism prescribed by the donor.

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

The table below reflects expenditure on capital infrastructure assets for the period 1 April 2025 to 31 March 2026.

Infrastructure projects	2025/2026			2024/2025		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets						
Existing infrastructure assets						
• Upgrades and additions						
• Rehabilitation, renovations and refurbishments	104 700	71 364	33 336	65 450	61 810	3 640
• Maintenance and repairs	4 110	4 110	-	6 934	6 934	-
Infrastructure transfer						
• Current						
• Capital						
Total	108 810	75 474	33 336	72 384	68 744	3 640

PART C
GOVERNANCE

1. INTRODUCTION

Effective risk management involves analysing hazards, adopting mitigation strategies, and adapting to new threats, which assists the department in turning potential disasters into managed encounters.

2. RISK MANAGEMENT

The department has a fully occupied organisational structure for the risk and integrity directorate in that all posts are currently filled. The department has an approved Risk Management Policy and Strategy. Risk assessments are facilitated with other business units to develop a departmental risk profile with different risk registers. The department has the following risk registers:

- Strategic Risk Register.
- Operational Risk Register.
- Fraud Risk Register.
- Supply Chain and Asset Management Register.
- Information and Communications Technology Risk Register.

Risk Implementation Plans are developed annually in line with the approved APP and AOP and presented to the Risk Management Committee (RMC) for adoption, whereafter they are approved by the external RMC Chairperson.

Risk assessments for the 2025/26 financial year were conducted to assist the department in prioritising the most important risks, which allowed branches to review risks identified in the previous year and to identify new risks based on and informed by the changes within the macro and micro environment.

The changes in the macro and microenvironment would have a huge impact on the way business is conducted within the department and the delivery of critical business processes, programmes, and services to the sector and the relevant stakeholders.

The RMC is in place and chaired by an external independent chairperson appointed by the Director-General (DG). The RMC meets quarterly to review the progress of all implementation and monitoring of mitigation strategies on all risks identified. An oversight report on the proceedings and resolutions of the RMC is developed for the DG.

The Audit Committee advises the department on risk management matters independently and monitors the effectiveness of the system of risk management. The department provides the Audit Committee with quarterly risk management reports on the status of risk management.

The department has, over time, seen a constant performance in the management of risks to an acceptable level across all the risk registers

3. FRAUD AND CORRUPTION

The department is committed to a zero-tolerance approach to fraud and corruption. The department has an approved Fraud Prevention Plan that is managed by the officials in the Directorate: Risk and Integrity Management (R&IM).

The Directorate: R&IM raised awareness in the department by developing articles, which were shared with the employees through emails, and conducting awareness sessions.

The RMC provided oversight over the implementation of the Fraud Prevention Plans. When cases of suspected fraud and corruption are reported to the risk team, a preliminary investigation is done, and a report on the findings and recommendations is developed and sent to the DG. Whistleblowing is reported on the National Anti-Corruption Hotline, to the DG, Chief Audit Executive, Top Management, and/or Risk Management officials.

Allegations of fraud and corruption are often reported anonymously to the top management of the department.

4. MINIMISING CONFLICT OF INTEREST

The department manages potential and actual conflicts of interest by implementing the financial disclosure framework. During the year in review, 61 SMS members submitted their financial disclosure forms by the due date of 30 April 2025 as required by Regulation 18 of the PSR of 2016, which means the department had a 100% compliance rate. Other designated officials within the department submitted their financial disclosure forms during the period of 1 June to 31 July 2025.

The Directorate: R&IM officials processed all gifts received by employees in line with the approved departmental Gift Policy. All applications from employees for requesting permission to perform

Other Remunerative Work (ORW) outside employees' employment have been presented to the DG for approval in compliance with the DPSA's directive on the performance of ORW in the public service.

5. CODE OF CONDUCT

The implementation of the Code of Conduct as provided for in the Public Service Regulations of 2016 is mandatory. The department applies the Code of Conduct and other legal frameworks as part of its strategic interventions to enforce ethical conduct among its employees. Counter-corruption measures and disciplinary procedures are consistently applied.

6. HEALTH, SAFETY, AND ENVIRONMENTAL ISSUES

The department has policies in place that promote the health and well-being of employees, ensuring safety within the working environment. Various mechanisms have been established to create awareness and advocate for a safe and healthy workplace.

During the period under review, the department conducted two Occupational Health and Safety (OHS) risk assessments, as mandated by the Occupational Health and Safety Act 85 of 1993. These assessments were aimed at identifying potential hazards and risks, evaluating their likelihood, and implementing appropriate control measures to protect employees. The following risk assessments were conducted:

- Noise level assessment.
- Ventilation and Air Quality assessment.

The department also appointed a Safety, Health, Environment, Risk, and Quality Management Committee to provide oversight and monitor compliance with Occupational Health and Safety requirements in the workplace.

In addition, a Sports Day was hosted to foster teamwork, boost staff morale, and enhance productivity.

7. PORTFOLIO COMMITTEES

During the year under review, the department and SA Tourism had a total of thirty-one (31) interactions with Parliament Committees. The interactions are broken down below as follows:

- The Portfolio Committee on Tourism had twenty-five (25) briefings and two (2) oversight visits.
- The Portfolio Committee on Small Business Development had one (1) briefing.
- The Select Committee on Economic Development and Trade had two (2) briefings and one (1) oversight visit.

The matters raised by the committees range from the Auditor-General's Audit Findings for both the department and SA Tourism in terms of the following:

- Audit outcomes for 2024/25;
- Performance reporting for 2024/25;
- SA Tourism challenges regarding the dissolution of the Board and the suspension of the Chief Executive Officer (CEO);
- The department's collaborations to align with national priorities, such as partnerships with:
 - CATHSSETA on training programmes,
 - Development Bank of Southern Africa (DBSA) on implementing the Tourism Infrastructure Projects, and
 - South African Township and Village Tourism Association (SATOVITO) on alignment with National Tourism Development Goals, particularly within villages (villages and small dorps), growth of domestic tourism and communities, especially the small dorps in villages);
- Withholding of the Tourism Marketing Levy South Africa (TOMSA) levies and the current discussions with the private sector on a Joint Marketing Plan;
- Special Investigation Unit (SIU) investigations into maladministration at SA Tourism;
- Expediting the filling of prioritised posts and vacant posts because of early retirements by both the department and SA Tourism; and
- Develop a dashboard tracking by SA Tourism regarding the implementation of the Tourism Route Development Marketing Plan.

During oversight visits, the Committee identified a need for TMs in townships with tourism activities to improve the performance of the department on work opportunities created through the EPWP programme; the Seamless processing of the Tourism Amendment Bill to Parliament, and the need to ensure that the Act is passed in the current 2026/27 financial year. The list of committee briefings is indicated below:

7.1 PORTFOLIO COMMITTEE ON TOURISM (NATIONAL ASSEMBLY)

- 7.1.1** Briefing by department and SA Tourism on 2025/26 APP on 22 April 2025.
- 7.1.2** Briefing by DBSA on progress made in Implementing Tourism Infrastructure Projects on 27 May 2025.
- 7.1.3** Briefing by the department on South Africa's preparations for 2025 G20 Tourism engagements and the Status of the TEF on 3 June 2025.
- 7.1.4** Briefing by SATOVITO on its work and alignment with National Tourism Development Goals, particularly within villages, and small dorpias on 10 June 2025.
- 7.1.5** Briefing by the department and SA Tourism on progress made in addressing 2024 Audit Findings on 24 June 2025.
- 7.1.6** Briefing by the department on Fourth Quarter Performance Report for the 2024/25 Financial Year on 1 July 2025.
- 7.1.7** Briefing by SA Tourism on Fourth Quarter Performance Report for 2024/25 on 15 July 2025.
- 7.1.8** Briefing on the Resignation of the Chairperson of the SA Tourism Board, Reasons to dissolve the SA Tourism Board, and updates regarding the suspended CEO on 2 September 2025.
- 7.1.9** Oversight Visit to Gauteng: The Committee visited Sedibeng District Municipality, the department, SA Tourism, and the tourism infrastructure in the Gauteng province. The oversight visit included inspection of the infrastructure projects implemented by the Department, visits to tourist attractions, the focus on township tourism, and stakeholder engagements with various tourism role players in the Gauteng Province on 6 to 10 October 2025.
- 7.1.10** Briefing by the department on Audit Outcomes by AGSA for the 2024/25 financial year on 14 October 2025.
- 7.1.11** Joint Committee with Portfolio Committee on Tourism and Portfolio Committee on Employment and Labour briefing on the Employment of Foreign Nationals in the hospitality sector by the Department of Labour (DEL), Federated Hospitality Association of South Africa (FEDHSA), and the Tourism Business Council of South Africa (TBCSA) on 21 October 2025.
- 7.1.12** Briefing by SA Tourism on Active Contracts with Service Providers and the department's Budgetary Review and Recommendation Report (BRRR) on 28 October 2025.
- 7.1.13** Briefing by SA Tourism on litigation cases (Nature and Ruling) on 4 November 2025.
- 7.1.14** Briefing by Tourism Transformation Council of South Africa and South African Tourism on

Transformation of the tourism sector: TTCSA on 11 November 2025.

- 7.1.15** Briefing by the department and SA Tourism, SANParks, and TBCSA on efforts to promote domestic tourism on 18 November 2025.
- 7.1.16** Briefing by the department and SA Tourism on the 2025/26 First Quarter Report, SA Tourism's active contracts with service providers, and related challenges on 25 November 2025.
- 7.1.17** Oversight Visit to Western Cape Province: Tourism Infrastructure Development Projects and Assessing the state of Township Tourism on 27 to 30 January 2026.
- 7.1.18** Briefing by the department and SA Tourism on the second and third quarters' performance on 17 February 2026.
- 7.1.19** Briefing by National Public Transport Regulator (NPTR) and South African Tourism Services Association (SATSA) on challenges experienced on tour operator licencing backlog on 24 February 2026.
- 7.1.20** Briefing by the department on TGPP on 3 March 2026.
- 7.1.21** Briefing by South African Tourism on Route Development Strategy on 10 March 2026.
- 7.1.22** Briefing on Framework for regulating sharing economy (Short-Term Rentals Framework) on 17 March 2026.
- 7.1.23** Briefing by CATHSETTA on their training programmes and collaboration with the department and the TBCSA on 24 March 2026.
- 7.2** Portfolio Committee on Small Business Development (National Assembly):
 - 7.2.1** Briefing by the department on TEF on 25 March 2026
- 7.3** Select Committee on Economic Development and Trade (NCOP):
 - 7.3.1** Briefing by the department on TEF - 2 July 2025
 - 7.3.2** Briefing by the department and SA Tourism on the 2025/26 APP and SPs 2025/30 on 16 July 2025.
 - 7.3.3** Oversight visits to Eastern Cape (Gqeberha) and Western Cape: The strategic focus of the oversight visit was to enable the Committee to track public spending related to economic and industrial development, and to assess the effectiveness of development programmes in meeting government policy priorities on 20 to 24 October 2025.

8. SCOPA RESOLUTIONS

None.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

None.

10. INTERNAL CONTROL UNIT

The Internal Control Unit is a function of the department established to ensure compliance with the PFMA, Treasury Regulations, Supply Chain Management Legislation, and any other legislation. The function is responsible for the Audit Action Plan of the department, managing and reporting on irregular, fruitless, and wasteful expenditure, and monitoring compliance with Internal Controls.

One (1) Deputy Director is currently assigned to this function, with two (2) contract positions created to assist with capacity. One (1) Senior Admin Officer and an Admin Clerk were appointed to the contract posts at the end of the financial year 2025/26. The structure for the unit is in the process of realignment.

During the period under review, a comprehensive Audit Action Plan was developed in response to twelve (12) audit findings raised by the Auditor-General in the previous 2024/25 financial year. Progress on the Audit Action Plan was monitored regularly by the Internal Control Unit. The DG, in conjunction with the CFO, led the Audit Action Plan meeting to monitor the implementation of the audit mitigations. Based on the 2024/25 audit outcome, sixteen (16) actions were identified as part of the response in this Audit Action Plan, 14 (88%) of which were achieved as at the end of the financial year, with two (2) (12%) remaining in progress.

During the financial year, one (1) case of irregular expenditure was identified by the AGSA. An investigation was sanctioned by the Accounting Officer, and recommendations were made by Internal Control. Corrective Action was taken, and the irregular expenditure was ultimately condoned by the National Treasury.

85 cases of alleged fruitless and wasteful expenditure were reported to Internal Control during the 2025/26 financial year. 31 cases were finalised as at the end of the year, with 54 cases remaining in advanced stages of finalisation as at the end of the financial year.

11. INTERNAL AUDIT

Strategic Role and Purpose of Internal Audit

Internal Audit performs its duties as per the mandate derived from Section 38 (1) (a) (ii) of the Public Finance Management Act, 1999 which states that an Accounting Officer for a department must ensure that the department has and maintains a system of Internal Audit under the control of the Audit Committee complying with and operating in accordance with regulations and instructions prescribed in terms of section 76 and 77 of the Act.

The purpose of the internal audit function is to strengthen the Department of Tourism's ability to create, protect, and sustain value by providing the Audit Committee and Management with independent, risk-based, and objective assurance, advice, insight, and foresight, and to assist the department in enhancing the achievement of its objectives, governance, risk management, and internal control processes. The Internal Audit Charter, approved by the Audit Committee, formally defines the internal audit's purpose, authority, and responsibility within the department consistent with the Global Internal Audit Standards.

Strategic Positioning and Independence

The internal audit function works independently through effective use of the dual reporting method, by reporting functionally to the audit committee and administratively to the Accounting Officer as per the approved audit committee and internal audit charters, ensuring organisational independence. The Audit Committee is responsible for overseeing the internal audit function, including approving its charter, strategy, annual plan, resource plan, and budget. The CAE has unrestricted access to the Chairperson of the Audit Committee.

Key activities and objectives of the internal audit function

Purpose and mandate: The Internal Audit Function's primary objective is to provide independent, objective assurance and advisory services designed to add value and improve the department's operations. It achieves this by bringing a systematic, disciplined approach to evaluating and enhancing the effectiveness of the department's risk management and control processes. The Internal Audit function maintains its organisational independence through continuous maintenance of the dual reporting system as per the approved audit committee and internal audit charters.

Strategy: Internal audit vision is to be a valuable and trusted partner that provides independent, objective assurance and advisory services that improve Departmental operations.

Internal audit key strategy for 2025/26 includes:

- **Aligning internal audit activities with departmental strategic goals:** Ensuring audit coverage is directly aligned to the department's Vision, Mission, and Programmes.
- **Strengthening risk management:** Providing assurance on the effectiveness of the Department's enterprise risk management framework and processes, including the proactive identification and assessment of emerging risks.
- **Enhancing audit quality:** Maintaining adherence to Global Internal Audit Standards (GIAS), implementing a robust Quality Assurance and Improvement Program (QAIP), and fostering continuous professional development.
- **Promoting stakeholder engagement:** Building and maintaining strong, collaborative relationships with the Audit Committee, Accounting Officer, Management, AGSA, and other assurance providers to maximise value and leverage insights.
- **Fostering continuous improvement related to Departmental operations and systems of governance, risk management, and internal control:** Providing actionable insights and recommendations that drive improvements in Departmental operations and systems of governance, risk management, and internal control.
- **Ensuring compliance:** Providing assurance on adherence to applicable laws, regulations (e.g., PFMA, Treasury Regulations), and internal policies.
- **Charter and internal audit plans:** The internal audit charter, three-year rolling internal audit plan, and the annual operational plan were all reviewed and approved by the Audit Committee consistent with the Global Internal Audit Standards.
- **Independence and objectivity:** The Internal Audit function has performed its responsibilities independently and objectively without any interference and compromise through the practise of the dual reporting system.
- **Internal Audit modality:** Internal audit function is fully in-sourced, and all the planned audits were conducted by the in-house audit team, whilst one investigation was out-sourced, and one IT audit was co-sourced as follows:
 - ICT-Cybersecurity was co-sourced conducted by Thabi Consulting for a duration of 02 months from October to November 2025.
- **Forensic** investigation was outsourced and conducted by FUMI & MIXO CONSULTING for a duration of 6 months from March to September 2025.

- **Staffing:** Internal Audit function structure consists of 7 approved positions all of them are filled. There was a mixture of relevant expertise and knowledge to deliver on the internal audit plan. Annually, internal audit staff attend training on various topics based on their developmental needs in respect of their key performance areas identified in the workplan and personnel development plan, including the Global Institute of Internal Auditors' Annual National Conference.

- The internal audit total budget for 2025/26 is R7 891 000.00, of which R7 194 000.00 (Compensation of Employees) and R697 000.00 (Goods and services).

- **Quality Assurance and Improvement Programme:** The Internal Audit Function maintains a Quality Assurance and Improvement (QAIP) to evaluate and continuously improve the effectiveness, efficiency and quality of internal audit activities, while promoting conformance with the Global Internal Audit Standards (GIAS). The QAIP includes ongoing supervision and quality monitoring of audit engagements, continuous professional development, stakeholder feedback and periodic assessments aimed at enhancing the value and effectiveness of the Internal Audit Function.

During the year under review, the Auditor-General of South Africa identified opportunities to strengthen the Quality Assurance and Improvement Programme, specifically relating to the completion of an External Quality Assessment (EQA) within the prescribed five-year cycle, the performance of documented periodic internal quality assessments, and the review and updating of the Internal Audit Methodology to align with the Global Internal Audit Standards, which became effective on 9 January 2025.

Following the Auditor-General's observation, the Internal Audit Function developed an operational response and action plan, supported by the Accounting Officer and Audit Committee, to strengthen conformance with the Global Internal Audit Standards. The approved action plan includes:

- Reviewing and modernising the Internal Audit Methodology to ensure alignment with the Global Internal Audit Standards;
- Strengthening the Quality Assurance and Improvement Programme through the implementation of documented periodic internal quality assessments;
- Appointment of an independent External Quality Assessor; and

- Providing regular progress reports to the Audit Committee as part of its governance oversight responsibilities.

The Audit Committee will monitor implementation of the approved corrective actions during the 2026/27 financial year to ensure that the Internal Audit Function achieves full conformance with the Global Internal Audit Standards and continues to enhance the quality, effectiveness and value of the assurance and advisory services provided to the Department.

- **Stakeholder Relationships:** Internal Audit has maintained an effective relationship with all internal and external stakeholders of the department as well as other assurance providers e.g. AGSA.

- **Combined Assurance:** Internal audit provided an independent assurance on the adequacy and effectiveness of internal controls, on various aspects through the verification of the progress reported and information/evidence submitted by other assurance providers to ensure that all key risks are adequately addressed.
- **Value-Add:** Internal audit function impact on the department is witnessed through the department achievement of the clean audit outcome from AGSA as well as the continuous positive outcome on the audit of performance information.
- **Limitations:** Lack of data analytics tool to timeously detect fraudulent transactions.

Specific summary of the work done by the IAF in the reporting period

Planned and completed audits: For the financial year under review, all planned audits as per the approved annual plan were executed and completed (100%) as listed below:

- Review of the Interim Financial Statements September 2025.
- Tenders – Financial and Compliance.
- Quotations – Financial and Compliance.
- Pre-determined objectives - Performance and Compliance (Q1 to Q4).
- Annual Report Review - Performance and Compliance (2024/25).
- Payment of Invoices – Financial.
- ICT Audit – Cybersecurity (co-sourced).
- Project Site Visits – Operational.

Follow-up Reviews: audit reports issued during 2024/25:

- AGSA -Financial - Compliance, Operational and Assurance.
- Asset Management - Financial, Compliance and Operational.
- Business Incubation Programme - Operational and Assurance.

Audit rolled over: The internal audit annual coverage plan was fully implemented and there were no audits rolled over.

Ad-hoc projects: One ad-hoc project was outsourced and completed as follows:

- Investigation Asset Management Irregularities was conducted by FUMI & MIXO CONSULTING for a duration of 6 months from March to September 2025.

Status of audit findings addressed:

Name	Number of findings	Total Addressed	Not Yet Due	Total Not Addressed	No. of recurring findings Last 3 Financial Years
IAF Findings	75	34	33	08	13
AGSA Findings	11	9	-	02	3

12. AUDIT COMMITTEE

Key activities and objectives of the audit committee

- **Purpose and mandate:** The Audit Committee is an independent statutory committee established in terms of Section 76(4)(d) and 77 of the Public Finance Management Act (PFMA) and operates in accordance with Treasury Regulations. The Committee provides oversight and advisory services to the Executive Authority, Accounting Officer and Management on matters relating to governance, risk management, internal control, financial reporting, performance reporting, and compliance with applicable legislation and regulations.

- The Committee operates under formally approved Audit Committee Charter, which outlines its roles, responsibilities, and authority. During the year under review, the Audit Committee fulfilled its responsibilities in accordance with its mandate and charter.

- **Independence:** The Audit Committee maintained its independence and objectivity throughout the reporting period. All members are non-executive and independent of the Department, and none are employees of the Department or any organ of state. The Committee executed its duties without any undue influence or limitations, thereby ensuring unbiased oversight over governance, risk management, internal control, and reporting processes.

- **Protecting the independence of the IAF:** The Audit Committee ensured that the Internal Audit Function operated independently and objectively. This was achieved through:

- Approval of the Internal Audit Charter, strategic plan, and annual operational plan;
- Ensuring that the Chief Audit Executive (CAE) has unrestricted access to the Chairperson of the Audit Committee;
- Monitoring the performance, resources, and effectiveness of the Internal Audit Function; and
- Safeguarding the dual reporting relationships of Internal Audit (functional reporting to the Audit Committee and administrative reporting to the Accounting Officer).

- **Performance against statutory duties:** The Audit Committee discharged its statutory responsibilities as required by the PFMA and Treasury Regulations. Key activities performed during the year include:

- Reviewing and approving the Internal Audit Plan and monitoring progress against the plan;
- Reviewing Internal Audit reports and management responses, and monitoring implementation of the agreed action plans;
- Reviewing the work of the AGSA, including audit findings and audit strategy;
- Monitoring the implementation of AGSA audit action plans and progress in resolving audit findings;

- Reviewing quarterly financial and performance reports and assessing the reliability and accuracy of reported information;
- Overseeing the effectiveness of risk management processes, including the review of the strategic risk register;
- Reviewing compliance with applicable laws and regulations, including SCM and ICT governance frameworks; and
- Reviewing the Annual Financial Statements and performance information prior to submission for audit.

- **Composition of the AC:** The Audit Committee consists of five (5) independent, non-executive members with a diverse mix of skills, qualifications, and experience in areas such as accounting, auditing, governance, risk management, ICT, and compliance. The composition of the Committee ensures effective oversight and informed decision-making.

- **Meeting Attendance:** The Audit Committee convened a total of six (6) meetings during the 2025/26 financial year, comprising four (4) ordinary meetings and two (2) special meetings. Attendance by members was satisfactory and enabled the Committee to effectively discharge its responsibilities.

(Refer to detailed table under Section 12.1.)

- **Combined assurance:** The Audit Committee facilitated a combined assurance approach to ensure that key risks facing the Department are adequately addressed. This included coordination and reliance on assurance provided by:

- Internal Audit;
- Risk Management;
- Management;
- External Audit (AGSA); and
- Other assurance providers.

The Committee is satisfied that the combined assurance model has enhanced the adequacy, effectiveness, and reliability of governance, risk management, and internal control processes.

Resolution of AC recommendations: The Audit Committee monitored the implementation of its recommendations and those arising from Internal Audit and AGSA findings. Management provided regular progress reports on the status of action plans.

Based on the reports reviewed, the Committee noted satisfactory progress in the implementation of agreed corrective actions, although certain actions remain in progress and are being closely monitored to ensure timely resolution.



Audit committee composition and attendance of audit committee meetings by audit committee members

The table below discloses relevant information on the audit committee members

Name (Full name and Surname, including professional title)	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment Term of Office	No. of meetings attended 2025/26	Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)		
			Start date	End Date	Ordinary meetings	Special Meetings				
Mr. Roy Mnisi	LLB; Post-Grad Certificate in Compliance Management.	Law Society of SA, IoD	05-03-2023	31-07-2026	4	2	Yes	No	2	0
Ms. Pertelia Ramutsheli	Certified Internal Auditor; Certified Ethics Officer; Master's in Internal Auditing.	IIA SA, Ethics Institute of SA	05-03-2023	31-07-2026	3	1	Yes	No	3	2
Mr. Suleman Badat	Chartered Accountant, CA (SA), Chartered Director (SA).	SAICA, IODSA, IRMSA, IIA(SA)	05-03-2023	31-07-2026	2	1	Yes	No	4	2
Ms. Mmathabo Sukati	B. Com, BCom (Honours), OGDA, MBA, CA(SA), CIA, PLD	SAICA, IIA, IRMSA, CISA, IOD SA	05-03-2023	31-07-2026	4	2	Yes	No	3	4
Mr. Karabo Modipane	Certified Information Systems Auditor (CISA). B.Sc. Honours in Computer Science.	ISACA	05-03-2023	31-07-2026	4	2	Yes	No	3	2

Remuneration of audit committee members

- Rates
 - National Treasury and SAICA rates/SAICA rates
- Whether audit committee members who worked or are working for an organ of state are being remunerated:
 - None
- Total audit committee expenditure for the reporting period:
 - R270 790.00

13. AUDIT COMMITTEE REPORT

Audit Committee Report

We are pleased to present the Audit Committee Report for the financial year ended 31 March 2026.

Part I - Audit Committee reflections - 2025/26

The Audit Committee ("the Committee") maintains its independence and objectivity throughout the reporting period and continued to provide strategic oversight and advisory support to the Executive Authority, Accounting Officer, and Management on matters relating to governance, risk management, internal control, financial reporting, performance reporting, compliance, and combined assurance.

The Committee operated in accordance with its approved Audit Committee Charter and fulfilled its oversight responsibilities as prescribed by the Public Finance Management Act (PFMA) and Treasury Regulations. The Committee maintained effective relationship with the Accounting Officer, Executive Management, Internal Audit Function (IAF), Auditor-General South Africa (AGSA), and other assurance providers to strengthen governance and accountability within the Department.

The Committee continuously monitored declarations of interests by members to safeguard its independence and ensure that any actual or perceived conflicts of interest

were appropriately managed. All Audit Committee members submitted declarations of private and business interests during meetings held throughout the reporting period.

The Committee remained committed to protecting the independence, objectivity, and organisational positioning of the Internal Audit Function. The Committee ensured that Internal Audit continued to operate under the dual reporting model, reporting functionally to the Audit Committee and administratively to the Accounting Officer. The Committee further ensured that the Chief Audit Executive (CAE) had unrestricted access to the Chairperson of the Audit Committee.

The Committee confirms that it consistently provided reports and briefings to the Accounting Officer on matters deliberated during meetings, including identified risks, control weaknesses, governance matters, and recommended corrective actions. The Committee also engaged with the Executive Authority on matters relating to governance, audit outcomes, and overall control environment.

Audit Committee Responsibilities:

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 3.1. The Audit Committee further reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter, and has discharged all its responsibilities as contained therein.

The Committee recognises its duty to serve the public interest and confirms that it diligently upheld this responsibility throughout the reporting period. The Committee functioned without hindrance, limitations, or threats to its independence during the year under review.

The Committee confirms that it has internalised the relevant requirements of the Global Internal Audit Standards (GIAS) in the execution of its oversight responsibilities and ensured alignment between the Internal Audit Charter and Audit Committee Charter. The Committee is well aware of the Internal Audit effort in ensuring compliance with the Global Internal Audit Standards.

The Committee applied professional scepticism in executing its duties by critically evaluating information presented by Management, Internal Audit, and other assurance providers, requesting additional information where necessary, and continuously assessing whether appropriate ethical and professional standards were maintained.

Part 2 - Audit Committee Composition and Attendance

The Audit Committee is properly constituted and consists of five (5) independent non-executive members with an appropriate mix of skills, qualifications, experience, and expertise in governance, auditing, accounting, information technology, risk management, compliance, and leadership.

The Committee convened six (6) meetings during the 2025/26 financial year, comprising four (4) ordinary meetings and two (2) special meetings. Attendance by members was satisfactory and enabled the Committee to effectively discharge its oversight responsibilities. Details of the Audit Committee composition and attendance are disclosed under Section 12.1 of this Annual Report.

Part 3 - Audit Committee Focus Areas

- **Effectiveness of internal control systems:** The Committee obtained assurance regarding the effectiveness of the Department's internal control systems through reports presented by Management, Internal Audit, AGSA, Risk Management, and other assurance providers.

The Committee is satisfied that Management has implemented processes and controls aimed at maintaining an effective internal control environment and that relevant policies and procedures are periodically reviewed and approved. Processes are also in place to monitor compliance with legislation, regulations, and internal policies.

Based on reports reviewed during the year, the overall control environment within the Department remains stable; however, areas requiring improvement were identified, particularly relating to supply chain management processes and ICT controls. Management has implemented corrective action plans to address identified weaknesses, and progress is continuously monitored by the Committee.

The Committee noted that both Internal Audit and AGSA findings were appropriately addressed by Management through agreed action plans, although some corrective actions remain in progress.

- **Effectiveness of the internal audit function:** The Committee is satisfied that the Internal Audit Function operated effectively throughout the reporting period in accordance with its approved mandate, strategy, and annual operational plan.

The Committee reviewed and approved the rolling three-year Internal Audit Strategic Plan and the annual operational plan and received quarterly reports on progress against the approved audit coverage plan. The Committee also reviewed internal audit reports and

monitored Management's implementation of corrective actions relating to audit findings. The Internal Audit Function continued to align its activities with the Global Internal Audit Standards and maintained organisational independence through the dual reporting structure. The Committee is satisfied with the independence, objectivity, and professionalism of the Internal Audit Function and the Chief Audit Executive.

The Committee assessed the performance of the Internal Audit Function through review of audit coverage, quality of reports, responsiveness to emerging risks, stakeholder engagement, and implementation of the Quality Assurance and Improvement Programme (QAIP). Based on this assessment, the Committee concluded that the Internal Audit Function remains effective and continues to add value to the Department.

The Internal Audit Function was adequately capacitated during the year with an appropriate mix of skills and expertise. The Committee supported initiatives aimed at modernising internal audit processes through skills development, co-sourcing specialised ICT audit services, and promoting future implementation of data analytics capabilities and digital audit tools.

The Committee is satisfied with the level of co-operation and support provided to Internal Audit by Management. Internal Audit also coordinated its activities with AGSA, Risk Management, and other assurance providers to strengthen combined assurance efforts.

The Committee held separate engagements with the Chief Audit Executive, AGSA, and the Accounting Officer during the reporting period and confirms that there were no unresolved matters of significant concern.

- **Effectiveness of Risk Management:** The Committee obtained assurance regarding the effectiveness of the Department's risk management processes through quarterly reviews of strategic risk registers, reports from the Risk Management Unit, Internal Audit reports, and Management presentations.

The Committee is satisfied that the Department has implemented an enterprise risk management framework and processes to identify, assess, manage, and monitor strategic and operational risks.

The Committee further confirms that both internal and external audit plans considered key strategic and operational risks identified by the Department.

The Committee oversaw the management of financial and non-financial risks that could impact the integrity and reliability of external reporting, including risks relating to ICT, performance information, compliance, and supply chain management.

- **Adequacy, reliability and accuracy of the financial and performance information:** The Committee reviewed quarterly financial and performance reports submitted during the year and assessed the adequacy, reliability, and accuracy of the information reported.

The Committee is satisfied that adequate processes and controls are in place to support the preparation of reliable financial and performance information. Where concerns relating to supporting evidence, compliance, or reporting accuracy were identified, these were communicated to Management for corrective action.

The Committee monitored the Department's performance against predetermined objectives and reviewed the consistency between reported performance information and supporting evidence.

- **Adequacy and effectiveness of Information and Communication Technology (ICT) Governance:** The Committee reviewed the adequacy and effectiveness of the Department's ICT governance framework, policies, and controls supporting the confidentiality, integrity, and availability of information and ICT systems.

The Committee considered reports relating to ICT Governance, cybersecurity, access management, incident management, change management, and patch management. The Committee further reviewed assurance provided through the co-sourced cybersecurity audit conducted during the reporting period.

The Committee confirms that ICT-related risks, including information security and cybersecurity risks, were identified, monitored, and subjected to assurance processes through Internal Audit and Management oversight structures.

The Committee further confirms that Disaster Recovery and Business Continuity arrangements are in place. Opportunities for further strengthening ICT controls and enhancing cybersecurity maturity were identified and are being addressed by Management.

- **Accounting and auditing concerns identified as a result of internal and external audits:** The Committee reviewed key findings raised by Internal Audit and AGSA during the reporting period and monitored Management's implementation of corrective actions.

Areas requiring ongoing management attention included supply chain management compliance, ICT controls, and strengthening preventative controls to minimise the risk of irregular expenditure and non-compliance.

The Committee reviewed reports relating to irregular, fruitless and wasteful expenditure and monitored the implementation of consequence management processes where applicable. The Committee also monitored progress relating to investigations conducted during the year and Management's implementation of recommendations arising from such investigations.

The Committee continued to emphasise the importance of preventative controls, ethical leadership, and accountability to minimise financial misconduct and strengthen governance processes.

- **Compliance with legal and regulatory provisions:** The Committee obtained assurance on compliance with applicable laws and regulations through reports from Management, Internal Audit, AGSA, and Risk Management.

The Committee monitored compliance with the PFMA, Treasury Regulations, SCM prescripts, POPIA requirements, and other applicable legislation. Compliance assessments and internal audits were conducted during the year to identify and address areas of non-compliance.

- **The quality of the in-year management and monthly/quarterly reports submitted in terms of legislation:** The Committee confirms that the Department submitted monthly and quarterly reports to National Treasury as required by the PFMA.

The Committee reviewed quarterly financial and performance reports throughout the year and is satisfied that the reports were of acceptable quality and provided useful information for oversight and decision-making purposes.

- **Combined Assurance:** The Committee facilitated and monitored the implementation of a combined assurance approach within the Department through coordination between Internal Audit, AGSA, Risk Management, Management, and other assurance providers.

The Committee is of the view that the combined assurance model continues to mature and contributes positively towards strengthening governance, risk management, internal controls, and accountability processes within the Department.

• **Evaluation of annual financial statements:**

- The Committee:
 - Reviewed and discussed the audited Annual Financial Statements and Annual Report with Management, AGSA, and the Accounting Officer;
 - Reviewed the AGSA Management Report and Management's responses thereto;
 - Reviewed significant accounting judgements, estimates, and accounting policies;
 - Reviewed compliance with applicable legal and regulatory requirements;
 - Reviewed performance information included in the Annual Report;
 - Reviewed significant audit adjustments identified during the audit process;
 - Assessed the quality and timeliness of financial information submitted for oversight purposes, including the interim financial statements; and
 - Considered whether significant financial reporting issues were adequately resolved between Management and the auditors.

The Committee is satisfied that the Annual Financial Statements comply, in all material respects, with the prescribed accounting framework and relevant legal requirements.

The Committee recommended the Annual Financial Statements for approval prior to submission to AGSA for auditing.

The Committee noted Management's continued commitment towards maintaining clean administration and addressing audit findings and control weaknesses identified during the reporting period.

- **External Audit:** The Committee reviewed the AGSA audit strategy and engagement scope and is satisfied with the independence and objectivity of the external auditors.

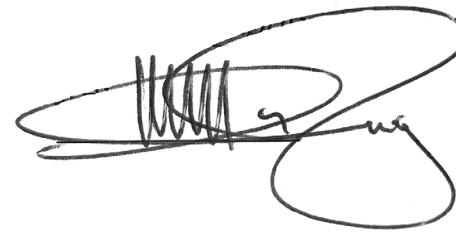
- **Auditor-General's Report:** The Committee reviewed the Department's implementation plan relating to prior year audit findings and monitored progress made in addressing identified control weaknesses.

The Committee is satisfied that significant progress has been made in resolving prior year findings, although certain matters relating to EPWP Infrastructure, Supply Chain Management, ICT, Fruitless and Wasteful Expenditure controls will continue to receive oversight during the 2026/27 financial year.

The Committee concurs with and accepts the conclusions of the Auditor-General on the Annual Financial Statements should be accepted and read together with the Auditor-General's Report.

Conclusion: The Audit Committee is satisfied that it has fulfilled its responsibilities in accordance with its approved Charter, the PFMA, and Treasury Regulations during the 2025/26 financial year.

The Committee appreciates the co-operation and support received from the Executive Authority, Accounting Officer, Management, Internal Audit Function, AGSA, and other assurance providers throughout the reporting period.



Mr. Patrick Roy Mnisi
Chairperson of the Audit Committee
Department of Tourism

31 July 2026

I. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance with the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	No	The concession guidelines were developed for the tourism sector, but were not approved.
Developing and implementing a preferential procurement policy?	Yes	To contribute to the Government's economic transformation agenda, the Procurement Policy of the department uses B-BBEE as a lever. There is a minimum of a 40% procurement target spend from women-owned businesses. There is also a 40% procurement target set for buying goods and services from SMMEs.
Determining qualification criteria for the sale of state-owned enterprises?	No	The criteria have not yet been developed. The gazetted Tourism B-BBEE Sector Code should be used.
Developing criteria for entering into partnerships with the private sector?	No	Partnership criteria not yet developed. The gazetted Tourism B-BBEE Sector Code should be used.
Determining criteria for the awarding of incentives, grants, and investment schemes in support of Broad-Based Black Economic Empowerment?	Yes	Inputs were made for applying the targets set under the gazetted Tourism B-BBEE Sector Code on the Tourism Transformation Fund and Green Tourism Incentive Programme.



PART D HUMAN RESOURCE MANAGEMENT



I. INTRODUCTION

The Department is committed to its professionalism, which is critical in building the capacity of the state. The Department implements strategic human resource management through the application of sound human resource practices. The Departmental MTEF HR Plan supports the requirements of the Public Service Act, 1994 as amended and the Public Service Amendment Regulations, 2023. The implementation of the Departmental Human Resource Plan seeks to ensure that the Department has the correct number of employees with the required skills in the correct positions in line with the approved Organisational Structure. The Department has facilitated the implementation of all functional areas:

- Organisational Development and Change Management
- Human Resource Practices and Administration
- Human Resource Utilisation and Development
- Human Resource Planning and Information Systems
- Employee Health and Wellness

2. OVERVIEW OF HUMAN RESOURCES

As of 31 March 2026, the Departmental post establishment was at 507 and 453 positions filled, 54 positions recorded as vacant which translates to a 10.7% vacancy rate. The department were faced with several challenges listed below:

- Cost Containment Measures implemented by the National Treasury, which came into effect on 1 October 2023 and was terminated with effect from 1 April 2025 and left the Department with vacancies which had to be filled in phases.
- The Directive on Human Resources Management and Development for Public Service Professionalisation, volume I which came into effect from 1 April 2024 guided on some critical changes throughout PILLARS to create an agile, public-orientated professional public service. It aims to instil best practices and enable the management of the whole Human Resource Management and Development value chain in grounded professionalism, capability, impartiality, and fairness, contributing to a competent and ethical state.

- The Minister for the Public Service and Administration (MPSA) has issued a Determination and Directive on the implementation of the automated Compensate-Evaluate JE and Job Grading System for the Public Service, effective from 1 August 2024. According to the Determination and Directive, departments are mandated to evaluate all posts on the approved organisational structure and staff establishment as of 1 June 2025 before advertising. This excludes posts already graded by the MPSA under the applicable regulation or OSD framework.

The Department has consistently performed above 4% on employment of Persons With Disabilities which is above the national target of 3%.

In all, 34 employees were appointed to the Department while 50 employees exited the Department. Representation of the turnover rate of 10.8% is listed as follows:

- 15 Resignations: 30%
- 3 Transfers out of the Department: 6%
- 2 Mandatory Retirements: 4%
- 6 Early Retirement without Pension Penalties (ERP): 12%
- 2 Voluntary Exit Programme (VEP): 4%
- 22 Expiry of Contracts: 44%

Following the outcome of performance moderations, employees who performed satisfactorily were afforded pay progressions in accordance with policy guidelines.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2025 to 31 March 2026

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Programme 1: Administration	330 722	176 737	2 907	5 421	53	743
Programme 2: Tourism Research, Policy and International Relations	1 396 968	61 986	-	2 045	4	969
Programme 3: Destination Development	210 616	65 327	32	737	31	990
Programme 4: Tourism Sector Support Services	295 609	89 024	-	2 613	30	1000
Total	2 233 915	393 074	2 939	10 816	18	860

Table 3.1.2 Personnel costs by salary band for the period 1 April 2025 to 31 March 2026

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	235	1	3	78
Skilled (level 3-5)	11 749	3	40	294
Highly skilled production (levels 6-8)	66 111	16	128	516
Highly skilled supervision (levels 9-12)	212 503	54	223	953
Senior and Top management (levels 13-16)	102 476	26	63	1627
Total	393 074	100	457	860

Table 3.1.3 Salaries, Overtime, Homeowners Allowance and Medical Aid by programme for the period 1 April 2025 to 31 March 2026

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Programme 1: Administration	154 424	87	3 571	2	4 003	2	7 126	4
Programme 2: Tourism Research, Policy and International Relations	54 603	88	7	-	1 545	2	1 726	3
Programme 3: Destination Development	57 315	88	197	-	1 417	2	2 007	3
Programme 4: Tourism Sector Support Services	78 018	88	803	1	1 589	2	2 913	3
Total	344 360	88	4 578	1	8 554	2	13 772	4

Table 3.1.4 Salaries, Overtime, Homeowners Allowance and Medical Aid by salary band for the period 1 April 2025 to 31 March 2026

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	198	84	-	-	12	5	-	-
Skilled (level 3-5)	8 800	75	197	2	656	6	1 133	10
Highly skilled production (levels 6-8)	49 393	75	2 178	3	2 742	4	5 592	8
Highly skilled supervision (levels 9-12)	193 785	91	2 203	1	4 087	2	6 340	3
Senior management (level 13-16)	92 184	90	-	-	1 057	1	549	1
Total	344 360	88	4 578	1	8 554	2	13 772	4

3.2 Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2026

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1: Administration	259	234	9.7%	4
Programme 2: Tourism Research, Policy and International Relations	72	64	11.1%	0
Programme 3: Destination Development	73	66	9.6%	0
Programme 4: Tourism Sector Support Services	103	89	13.6%	0
Total	507	453	10.7	4

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2026

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	5	3	0.7%	0
Skilled (3-5)	43	40	8.8%	0
Highly skilled production (6-8)	138	125	24.6%	3
Highly skilled supervision (9-12)	248	223	49.1%	0
Senior management (13-16)	73	62	13.6%	1
Total	507	453	10.7%	4

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2026

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
None	0	0	0	0
Total	0	0	0	0

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2026

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	3	3	100	0	0
Salary Level 15	4	3	75	1	25
Salary Level 14	16	13	81	3	19
Salary Level 13	49	42	86	7	14
Total	73	62	85	11	15

Table 3.3.2 SMS post information as on 30 September 2025

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	3	3	100	0	0
Salary Level 15	4	4	100	0	0
Salary Level 14	16	12	75	4	25
Salary Level 13	48	42	88	6	12
Total	72	62	86	10	14

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2025 to 31 March 2026

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	2	0	0
Salary Level 13	3	0	1
Total	5	0	1

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2025 and 31 March 2026

Reasons for vacancies not advertised within six months
Director: Strategic Management, Monitoring and Evaluation: Job Evaluation process had to be concluded before advertising.

Reasons for vacancies not filled within twelve months
Job Evaluation process to be completed before advertising.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2025 and 31 March 2026

Reasons for vacancies not advertised within six months
None
Reasons for vacancies not filled within six months
None

3.4 Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2025 and 31 March 2026

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	5	0	0	0	0	0	0
Skilled (Levels 3-5)	43	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	138	31	22%	0	0	0	0
Highly skilled supervision (Levels 9-12)	248	31	13%	0	0	2	1%
Senior Management Service Band A	49	6	12%	0	0	0	0
Senior Management Service Band B	16	3	19%	0	0	0	0
Senior Management Service Band C	4	1	25%	0	0	0	0
Senior Management Service Band D	4	1	25%	0	0	0	0
Total	507	82	16%	0	0	2	1%

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2025 and 31 March 2026[

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0
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Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2025 and 31 March 2026

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
ASD: Content Writer and Editor	1	09	11	Post downgraded by the DPSA
Total number of employees whose salaries exceeded the level determined by job evaluation				1
Percentage of total employed				0.2%

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2025 and 31 March 2026

Gender	African	Asian	Coloured	White	Total
Female	0	0	1	0	1
Male	0	0	0	0	0
Total	0	0	1	0	1
Employees with a disability	0	0	0	0	0
Total number of Employees whose salaries exceeded the grades determine by job evaluation					1

3.5 Employment Changes

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2025 and 31 March 2026

Salary band	Number of employees at beginning of period-1 April 2025	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	2	0	0
Skilled (Levels 3-5)	35	6	3	8.6
Highly skilled production (Levels 6-8)	119	8	5	4.2
Highly skilled supervision (Levels 9-12)	221	7	13	5.9
Senior Management Service Bands A	43	0	2	4.7
Senior Management Service Bands B	14	1	1	7.1
Senior Management Service Bands C	3	0	2	66.7
Senior Management Service Bands D	4	0	0	0
Contracts	24	10	24	100
Total	463	34	50	10.8

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2025 and 31 March 2026

Critical occupation	Number of employees at beginning of period-April 2025	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
None	0	0	0	0
TOTAL	0	0	0	0

Table 3.5.3 Reasons why staff left the department for the period 1 April 2025 and 31 March 2026

Termination Type	Number	% of Total Resignations
Death	0	0
Resignation	15	30
Expiry of contract	22	44
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Mandatory Retirement	2	4
Transfer to other Public Service Departments	3	6
Early Retirement no Penalisation (ERP)	6	12
Voluntary Exit Programme (VEP)	2	4
Other	0	0
Total	50	100
Total number of employees who left as a % of total employment	50	11

Table 3.5.4 Promotions by critical occupation for the period 1 April 2025 and 31 March 2026

Occupation	Employees 1 April 2025	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
None	0	0	0	0	0
TOTAL	0	0	0	0	0

Table 3.5.5 Promotions by salary band for the period 1 April 2025 and 31 March 2026

Salary Band	Employees 1 April 2025	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	35	0	0	10	24.4
Highly skilled production (Levels 6-8)	119	9	7.6	77	61.6
Highly skilled supervision (Levels 9-12)	221	2	0.9	166	74.7
Senior Management (Level 13-16)	64	1	1.6	39	60.9
Total	439	12	2.7	292	64.1

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2026

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	25	1	2	2	22	1	4	5	62
Professionals	91	1	4	4	103	11	5	4	223
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	40	2	0	0	76	7	0	0	125
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	1	0	0	0	2	0	0	0	3
Elementary occupations	23	1	0	1	13	2	0	0	40
Total	180	5	6	7	216	21	9	9	453
Employees with disabilities	10	0	0	1	8	1	1	1	22

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	3	0	1	2	7
Senior Management	24	1	2	2	19	1	3	3	55
Professionally qualified and experienced specialists and mid-management	91	1	4	4	103	11	5	4	223
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	40	2	0	0	76	7	0	0	125
Semi-skilled and discretionary decision making	23	1	0	1	13	2	0	0	40
Unskilled and defined decision making	1	0	0	0	2	0	0	0	3
Total	180	5	6	7	216	21	9	9	453

Table 3.6.3 Recruitment for the period 1 April 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	1	0	0	0	0	2
Senior Management	2	1	0	0	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management	3	0	1	0	4	3	0	0	11
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	0	0	0	4	0	0	0	9
Semi-skilled and discretionary decision making	2	1	0	0	3	0	0	0	6
Unskilled and defined decision-making	1	0	0	0	2	0	0	0	3
Total	14	2	1	1	13	3	0	0	34
Employees with disabilities	0	0	0	0	0	1	0	0	1



Table 3.6.4 Promotions for the period 1 April 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	2	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	0	0	0	3	1	0	0	9
Semi-skilled and discretionary decision-making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0
Total	6	0	0	0	5	1	0	0	12
Employees with disabilities	0	0	0	0	0	0	0	0	0



Table 3.6.5 Terminations for the period 1 April 2025 to 31 March 2026

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	1	0	0	0	1	4
Senior Management	4	0	0	0	1	0	0	0	5
Professionally qualified and experienced specialists and mid-management	6	1	0	0	5	1	0	1	14
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	9	1	0	0	13	0	0	1	24
Semi-skilled and discretionary decision-making	2	0	0	0	1	0	0	0	3
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0
Total	23	2	0	1	20	1	0	3	50
Employees with Disabilities	0	0	0	0	1	0	0	1	2

Table 3.6.6 Disciplinary action for the period 1 April 2025 to 31 March 2026

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Gross Financial Misconduct	1	0	0	0	0	0	0	0	1
Gross Dishonesty	2	0	0	0	4	0	0	0	6
Dishonesty	2	0	0	0	1	0	0	0	3
Negligence	1	0	0	0	1	0	0	0	2

Table 3.6.7 Skills development for the period 1 April 2025 to 31 March 2026

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	10	0	2	0	12	0	2	3	29
Professionals	122	0	8	10	135	2	13	12	302
Technicians and associate professionals	42	2	0	3	97	10	2	0	156
Clerks	4	0	0	1	4	0	0	0	9
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	12	2	0	0	20	1	0	0	35
Total	190	4	10	14	268	13	17	15	531
Employees with disabilities	12	0	0	2	4	0	0	0	18

3.7 Signing of Performance Agreements by SMS Members**Table 3.7.1 Signing of performance agreements by SMS members as on 31 May 2025**

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	3	2	2	100%
Salary Level 15	4	3	5	100%
Salary Level 14	16	14	13	100%
Salary Level 13	48	42	42	100%
Total	72	63	63	100%

*NB: Minister and Deputy Minister Performance Agreements are not kept within the department PMDS Unit

Table 3.7.2 Reasons for not having concluded performance agreements for all SMS members as on 31 May 2025

Reasons
N/A

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 May 2025

Reasons
N/A

3.8 Performance Rewards

Table 3.8.1 Performance rewards by race, gender and disability for the period 1 April 2025 to 31 March 2026

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	146	397	36,7%	0	0
Male	78	180	43%	0	0
Female	77	216	35,6%	0	0
Asian	6	15	40%	0	0
Male	3	6	50%	0	0
Female	3	9	33%	0	0
Coloured	13	26	50%	0	0
Male	2	5	40%	0	0
Female	11	21	52%	0	0
White	11	16	68,7%	0	0
Male	4	7	57%	0	0
Female	7	9	77,7%	0	0
Total	176	453	38,8%	0	0

Table 3.8.2 Performance rewards by salary band for personnel below SMS for the period 1 April 2025 to 31 March 2026

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (levels 1-2)	0	3	0	0	0	0
Skilled (levels 3-5)	0	40	0	0	0	0
Highly skilled production (levels 6-8)	0	125	0	0	0	0
Highly skilled supervision (levels 9-12)	0	223	0	0	0	0
Total	0	391	0	0	0	0

Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2025 to 31 March 2026

Critical occupation	Beneficiary Profile		Cost		
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
None	0	0	0	0	0
Total	0	0	0	0	0

Table 3.8.4 Performance-related rewards (cash bonus), by salary band for SMS for the period 1 April 2025 to 31 March 2026

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	42	0	0	0	0
Band B	0	13	0	0	0	0
Band C	0	3	0	0	0	0
Band D	0	4	0	0	0	0
Total	0	62	0	0	0	0

3.9 Foreign Workers

Table 3.9.1 Foreign workers by salary band for the period 1 April 2025 and 31 March 2026

Salary band	01 April 2025		31 March 2026		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2025 and 31 March 2026

Major occupation	01 April 2025		31 March 2026		Change	
	Number	% of total	Number	% of total	Number	% Change
None	0	0	0	0	0	0

3.10 Leave utilisation

Table 3.10.1 Sick leave for the period 1 January 2025 to 31 December 2025

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	203	80.3	19	5.3	11	244
Highly skilled production (levels 6-8)	980	72.7	121	33.7	8	1 847
Highly skilled supervision (levels 9-12)	1 327	74.6	175	48.7	8	4 852
Top and Senior management (levels 13-16)	303	80.3	44	12.3	7	1 680
Total	2 813	75.2	359	100	8	8 623

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2025 to 31 December 2025

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	2	100	1	100	2	7
Senior management (Levels 13-16)	19	100	1	100	19	98
Total	21	100	2	100	21	105

Table 3.10.3 Annual Leave for the period 1 January 2025 to 31 December 2025

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	8	3	3
Skilled Levels 3-5)	808	38	21
Highly skilled production (Levels 6-8)	3 471	142	24
Highly skilled supervision (Levels 9-12)	6 044	230	26
Senior management (Levels 13-16)	1 589	67	24
Total	11 920	480	25

Table 3.10.4 Capped leave for the period 1 January 2025 to 31 December 2025

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2026
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	55
Highly skilled production (Levels 6-8)	0	0	0	9
Highly skilled supervision (Levels 9-12)	0	0	0	21
Senior management (Levels 13-16)	0	0	0	27
Total	0	0	0	23

Table 3.10.5 Leave payouts for the period 1 April 2025 and 31 March 2026

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2025/26 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2025/26	0	0	0
Current leave payout on termination of service for 2025/26	1 794	41	43 756
Total	1 794	41	43 756

3.11 HIV/AIDS and Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
None	None

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Ms Ramatsimela Thobejane Director: HRU and EHW
2. Does the department have a dedicated unit, or has it designated specific staff membersto promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		Two (2) 1 x Social Worker 1 x Occupational Health Practitioner Budget: R40 000
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		The Employee Health and Wellness programme is implemented in line with four pillars of the EHW Strategic Framework for the Public Service, 2023, - HIV, STI, and TB Management - Health and Productivity Management - Safety, Health, Environment, Risk, and Quality Management (SHERQ) And Employee Assistance services (EAP) through the Wellness Management pillar

Question	Yes	No	Details, if yes
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter I of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		The SHERQ Committee which convenes quarterly. Stakeholders - Chairperson: Dr E Mkhavale - Dir: Security and Facility Management . Mr M Mohlabeng . Mr L Molefe . Ms T Selamolela . Mr K Ramoshaba . Ms M Mello - Dir: Human Resource Utilisation and EHW . Ms R Thobejane . Ms M Sibande . Sr A Peterson - Disability Management Forum . Mr J Mmako - Organised Labour . Nehawu . PSA Trained SHE representatives . Mr R Nthani – ground floor . Mr S Kunene- 1st- floor . Mr J Baloyi – 2nd floor . Ms N Mokoena – 3rd - floor . Mr B Ripinga – 4th -floor . Mr J Ndlovu- 5th-floor . Mr N Nodada – 6th-floor . Mr C Mgwena – 7th floor . Ms Y Makalima – 8th-floor . Ms T Zondi – 9th – floor . Ms Y Makalima – 10th-floor . Ms M Masemola – 11th-floor
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees based on their HIV status? If so, list the employment policies/practices so reviewed.	X		The policies that are due for review; - HIV, STI, and TB Management Policy - Health and Productivity Management - Wellness Management
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		EHW services for HIV interventions are aligned to; - Section 5 of the Employment Equity Act 55 of 1998, - Section 20(1) of the National Health Act, 2024 - National Strategic Plan for HIV, TB, and STI, 2023 -2028. Departmental policy on HIV, STI and TB Management

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		HCT services are conducted quarterly. A total of 187 employees participated in the HCT campaigns during the financial year 2025-2026.
8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Evaluation forms were completed by participants after awareness sessions.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2025 and 31 March 2026

Subject matter	Date
Total number of Collective agreements	None

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2025 and 31 March 2026

Outcomes of disciplinary hearings	Number	% of total
Total number of Disciplinary hearings finalised		None

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2025 and 31 March 2026

Type of misconduct	Number	% of total
Gross financial misconduct	1	8.3
Gross dishonesty	6	50
Dishonesty	3	25
Negligence	2	16.7
Total	12	100

Table 3.12.4 Grievances logged for the period 1 April 2025 and 31 March 2026

Grievances	Number	% of Total
Number of grievances resolved	0	0
Number of grievances not resolved	0	0
Total number of grievances lodged	0	0

Table 3.12.5 Disputes logged with Councils for the period 1 April 2025 and 31 March 2026

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	1	100
Total number of disputes lodged	1	100

Table 3.12.6 Strike actions for the period 1 April 2025 and 31 March 2026

Total number of persons' working days lost	0
Total costs working days lost	0
Amount recovered because of no work no pay (R'000)	0

Table 3.12.7 Precautionary suspensions for the period 1 April 2025 and 31 March 2026

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension (R'000)	0

3.13 Skills development

Table 3.13.1 Training needs identified for the period 1 April 2025 and 31 March 2026

Occupational category	Gender	Number of employees as at 1 April 2025	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	33	0	27	0	27
	Male	31	0	25	0	25
Professionals	Female	121	0	115	0	115
	Male	100	0	98	0	98
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	81	0	80	0	80
	Male	38	0	32	0	32
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	13	0	10	0	10
	Male	22	0	20	0	20
Sub Total	Female	248	0	232	0	232
	Male	191	0	175	0	175
Total		439	0	407	0	407

Table 3.13.2 Training provided for the period 1 April 2025 and 31 March

Occupational category	Gender	Number of employees as at 1 April 2025	Training provided within the reporting period			
			Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	33	0	17	0	17
	Male	31	0	11	1	12
Professionals	Female	121	0	127	20	147
	Male	100	0	142	13	155
Technicians and associate professionals	Female	0	0	84	25	109
	Male	0	0	43	4	47
Clerks	Female	81	0	2	2	4
	Male	38	0	5	0	5
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	13	0	0	0	0
	Male	22	0	0	0	0
Sub Total	Female	248	10	0	11	21
	Male	191	9	0	5	14
Total		439	19	431	81	531

3.14 Injury on duty

Table 3.14.1 Injury on duty for the period 1 April 2025 and 31 March 2026

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	2	100

3.15 Utilisation of Consultants

The following tables relate to information on the utilisation of consultants in the department. In terms of the Public Service Regulations, “consultant” means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- The execution of a specific task which is of a technical or intellectual nature but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2025 and 31 March 2026

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
To provide professional services of support and maintenance for Microsoft SharePoint and related environment to function effectively and efficiently.	2	4 Months	R937 664.00
To provide professional services of support and maintenance for Microsoft SharePoint and related environment to function effectively and efficiently.	2	1 Month	R239 798.00

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
1	2	4 Months	R937 664.00
1	2	1 Month	R239 798.00

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2025 and 31 March 2026

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
To provide professional services of support and maintenance for Microsoft SharePoint and related environment to function effectively and efficiently.	100%	50%	2
To provide professional services of support and maintenance for Microsoft SharePoint and related environment to function effectively and efficiently.	100%	50%	2

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2025 and 31 March 2026

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None			

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None			

Table 3.15.4 Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2025 and 31 March 2026

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None			

3.16 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2025 and 31 March 2026

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision(Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0



PART E PFMA COMPLIANCE REPORT



I. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSE

I.1. Irregular expenditure

a. Reconciliation of irregular expenditure

Description	2025/2026	2024/2025
	R'000	R'000
Opening balance	3 397	3 451
Adjustment to opening balance		-
Opening balance as restated	3 397	3 451
Add: Irregular expenditure confirmed	-	127
Less: Irregular expenditure condoned	3 397	-
Less: Irregular expenditure not condoned and removed	-	(181)
Less: Irregular expenditure recoverable ⁶	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	-	3 397

Reconciling notes

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	-	127
Total	-	127

b. Details of irregular expenditure (under assessment, determination, and investigation)

Description ⁷	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure under assessment	4 683	-
Irregular expenditure under determination	-	3 397
Irregular expenditure under investigation	-	-
Total	4 683	3 397

⁶Transfer to receivables

⁷Group Similar Items

c. Details of irregular expenditure condoned

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure condoned	3 397	-
Total	3 397	-

Irregular expenditure was condoned by National Treasury.

d. Details of irregular expenditure removed - (not condoned)

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	181
Total	-	181

e. Details of irregular expenditure recoverable

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	-	-

f. Details of irregular expenditure written off (irrecoverable)

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

Additional disclosure relating to Inter-Institutional Arrangements

g. Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)⁷

Description	2025/2026	2024/2025
	R'000	R'000
None	-	-
Total	-	-

Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Consequence management was instituted against officials causing irregular expenditure relating to prior year cases that were condoned

1.2. Fruitless and wasteful expenditure

a. Reconciliation of fruitless and wasteful expenditure

Description	2025/2026	2024/2025
	R'000	R'000
Opening balance	194 752	194 756
Adjustment to opening balance	-	-
Opening balance as restated	194 752	194 756
Add: Fruitless and wasteful expenditure confirmed	184	49
Less: Fruitless and wasteful expenditure recoverable ⁸	(131)	(15)
Less: Fruitless and wasteful expenditure not recoverable and written off	(53)	(38)
Closing balance	194 752	194 752

Fruitless and wasteful expenditure incurred for the current year relates to no shows, cancellations, waiting time, double bookings, after-hours costs and amendments with regards to flight, shuttle and accommodation bookings.

⁷ Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

⁸ Transfer to receivables

Reconciling notes

Description	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	184	49
Total	184	49

b. Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description ⁹	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure under assessment	313	16
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	313	16

c. Details of fruitless and wasteful expenditure recoverable

Description	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure recoverable	131	15
Total	131	15

d. Details of fruitless and wasteful expenditure not recoverable and written off

Description	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure written off	53	38
Total	53	38

Fruitless and Wasteful Expenditure written off relates to instances where it was not due to any fault of the individual.



Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
-
Total

No fruitless and wasteful expenditure was due to criminal conduct.

I.3. Unauthorised expenditure

The Department did not have any Unauthorised expenditure in the reporting period and the prior year.

I.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) and (iii)¹⁰

a. Details of material losses through criminal conduct

Material losses through criminal conduct	2025/2026	2024/2025
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	-	-

¹⁰ Information related to material losses must be disclosed in the annual financial statements.

b. Details of other material losses

Nature of other material losses	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure related to no shows, cancellations, waiting time, double bookings, after hours costs and amendments with regards to flight, shuttle and accommodation bookings.	184	49
Total	184	49

c. Other material losses recoverable

Nature of losses	2025/2026	2024/2025
	R'000	R'000
Eight (8) cases of Fruitless and Wasteful expenditure related to No-shows, Cancellations, Waiting Time, Double Bookings, After Hours costs and Amendments with regards to Flight, Shuttle and Accommodation bookings	12	18
Total	12	18

d. Other material losses not recoverable and written off

Nature of losses	2025/2026	2024/2025
	R'000	R'000
Seven cases of Fruitless and wasteful expenditure related to No-shows, Cancellations, Waiting Time, Double Bookings, After Hours costs and Amendments with regards to Flight, Shuttle and Accommodation bookings	53	38
Total	53	38

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	13 835	2 589 082
Invoices paid within 30 days or agreed period	13 834	2 589 080
Invoices paid after 30 days or agreed period	1	2
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	0	0
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	0	0

The invoices were paid late due to year-end closure processes and system closure. They are for the financial year 2024/25 and were paid in the 2025/26 financial year.

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Appointment of a service provider to render a service for Africa Travel Indaba 2025 floor space, online diary management access and accreditation badges.	Blaq Origin CC	Participation Procurement	OR-011857	3 066
Appointment of a service provider to render a service for Africa Travel Indaba 2025 stand design, construction, dismantle and exhibition elements associated with the stand.	Scan Display Solutions	Participation Procurement	OR-011856	2 140
Appointment of a service provider to render a service for catering on Occupational Health and Safety training on 14 April 2025.	NOSA	Single Source Procurement	AJ-352892/ OR-011989	3
Appointment of a service provider to render a service to the attendance of the Employee Assistance Professionals' Association of South Africa annual Edu Week from 15 to 18 September 2025.	Employee Assistance Association of South Africa	Sole Source Procurement	OR-011988	24

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Appointment of a service provider to render a service to attend the 28th Southern African Audit Hybrid Conference from 11 to 13 August 2025	The Institute of Internal Auditor	Single Source Procurement	OR-011984	34
Appointment of a service provider to render a service for catering of the launch at the Kgodumodumo Dinosaur Interpretation Centre,	South African National Parks	Single Source Procurement	BAS Process	219
Appointment of a service provider to do annual preventative maintenance on all X-ray screening equipment and replacement of 1X HS503si Conveyor belt on level 2.	Xscann Technologies	Sole Source Procurement	OR-011995	17
Appointment of a service provider to render a service for exhibition space and stand at Tourism Investment Forum Africa.	Millvest	Single Source Procurement	OR-012012	26
Appointment of a service provider to render a service for annual IPM convention from 16-19 November 2025 in Limpopo Province.	Institute of People Management	Single Source Procurement	OR-012023	31
Appointment of a service provider to render a service to enrol the further education and training certificate in general business management at NQF4.	Institute of People Management	Single Source Procurement	OR-012026	12
Appointment of a service provider to render a service for annual IPM convention from 16-19 November 2025 in Limpopo Province.	Institute of People Management	Single Source Procurement	OR-012033	50
Appointment of a service provider to render a service for exhibition space, booth and branding for fifteen (15) SMMEs IMEX AMERICA	South African Tourism	Participation Procurement	OR-012049	1 518
Appointment of a service provider to render a service for catering for Superwave2 and Supercross training on 12 November 2025 at Statistics South Africa.	Servest	Single Source Procurement	OR-012096	25
Appointment of a service provider to render a service for officials to attend an annual labour law update seminar scheduled on 5 November 2025 at the CSIR International Convention Centre.	Juta & Company	Single Source Procurement	OR-012101	28

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Appointment of a service provider to render a service to attend the IRMSA conference at the Gallagher Convention Centre in Johannesburg.	The Institute of Risk Management	Single Source Procurement	OR-012107	14
Appointment of a service provider to render a service to attend a conference of the South African Society of Occupational Health Nursing on 19 -21 November 2025.	SASOHN	Sole Source Procurement	OR-012119	6
Appointment of a service provider to render a service for litigation support services for an urgent case.	SNG Grant Thornton	Single Source Procurement	OR-012125	806
Appointment of a service provider for a litigation support service in relation to the already instituted civil litigation by the department in the year 2020, the purpose of recovering the departmental financial losses arising from the mismanagement of project funds.	IBP Construction	Single Source Procurement	OR-012167	229
Appointment of a service provider to render a service of 210 square meter exhibition space to accommodate 50 exhibitor booths allocated to SMMEs supported by the Market Access Support Programme at WTM Africa 2026 in 13-15 April 2026, and stand design including all furniture and graphics, building and dismantling.	Reed Exhibitions (Pty)Ltd	Participation Procurement	OR-01210	2 773
Appointment of a service provider to render a service for venue and catering for Departmental sports and wellbeing day on 27 February 2026 at the Department of Correctional Services.	Department of Correctional Services	Single Source Procurement	OR-012219	59
Appointment of a service provider to render a service for 100 square metres exhibition space to accommodate 20 exhibitor booths allocated to SMMEs, s supported by the Market Access Support Programme under the department's main stand at Meeting Africa 2026.	Synergy Business Events	Participation Procurement	OR-012243	1 226
Appointment of a service provider to provide a one-year subscription with Exford Economics to access tourism data and information which will expire in January 2027.	NKC Africa Economics	Sole Source Procurement	OR-012255	560
Appointment of a service provider to render a service of 20 exhibitor and packages at ITB Berlin in March 2026.	South African Tourism	Participation Procurement	OR-012256	1 920

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Appointment of a service provider to provide security services at Lilani Hotspring site to guard the facility for seven (7) Months.	Nkombele Security Pty Ltd	Emergency Procurement	OR-012269	128
Appointment of a service provider to maintain and service the ID card printer linked to the security access control identification card and system.	IBO- Data PTY (LTD)	Sole Source Procurement	OR-012276	6
Total				14 920

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
Appointment of a service provider to render a physical security service for the period of 4 months from 6 January to 30 April 2025.	Ditaung Security Services & Projects	Expansion	OR-011842	973 276.24	None	243
Appointment of a service provider to render a physical security service for the period of 4 months from 6 January to 30 April 2025.	Ditaung Security Services & Projects	Expansion	OR-011932	973 276.24	None	486
Appointment of a service provider to render a physical security service for the period of 4 months from 6 January to 30 April 2025.	Ditaung Security Services & Projects	Expansion	OR-011990	973 276.24	None	243

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Appointment of a service provider to render a service for events management company for World Tourism Day celebration in Constitution Hill, Braamfontein 27 September 2025.	Maiktronix CC	Variation	OR-012048	644 012.50	None	95
Appointment of a service provider to render a service for cleaning and hygiene services in the department for the period of four months.	Pharakwane (PTY) Ltd	Variation	OR-012137	377 958.88	None	5
Appointment of a service provider to render a service for Microsoft SharePoint application maintenance and support in line with SITA Traversal contract 1183 for a 4-month period.	DLK Group (PTY) Ltd	Expansion	OR012315/ AJ-352703	937 664	None	239
Total						1 311



PART F FINANCIAL INFORMATION



1. Report of the auditor-general to Parliament on vote no. 38: Department of Tourism

Report on the audit of the financial statements Opinion

1. I have audited the financial statements of the Department of Tourism (the Department) set out on pages 115 to 168, which comprise the appropriation statement, statement of financial position as at 31 March 2026, statement of financial performance and statement of changes in net assets and the cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department as at 31 March 2026 and financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the Auditor-General for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Unaudited supplementary information

7. The supplementary information set out on pages 169 to 183 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.
8. My opinion is not modified in respect of this matter

Responsibilities of the accounting officer for the financial statements

9. The Accounting Officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Modified Cash Standard (MCS) as issued by National Treasury of South Africa and the requirements of the Section 40(1)(b) of the Public Finance Management Act (PFMA); and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the Accounting Officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx, forms part of my auditor's report.

Report on the annual performance report

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
14. I selected the following material performance indicators related to Programme 3: Destination Development programme presented in the annual performance report for the year ended 31 March 2026. I selected those indicators that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.
15. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the Department's planning and delivery on its mandate and objectives.
16. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are

specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets

17. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
18. I did not identify any material findings on the reported performance information for the selected indicators

Other matters

19. I draw attention to the matter below.

Achievement of planned targets

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under- achievements
21. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages xx to xx

Programme 3: Destination Development

Output: Enhancement initiatives at tourist attractions supported.	Planned target	Reported achievement
	Thirty-three (33)	Twenty-two (22) maintenance
Output 2: Number of destination enhancements initiatives supported.	completed maintenance project sites handed back to owning entities.	project sites were completed, of which 13 thereof were handed back to owning entities.

Report on compliance with legislation

22. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Accounting Officer is responsible for the department's compliance with legislation.
23. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
24. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
25. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

26. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.
27. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
28. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement

therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

30. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
31. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria

31 July 2026



Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the department and department's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of

accounting estimates and related disclosures made.

- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. I am responsible for the direction, supervision and review of audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the department with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 1; 38(1){b}; 38(1)(c)(i); 38(1)(c)(ii); 38(1){d}; 38(1)(f); 38(1){h}(iii); 39(1)(a); 39(2){a}; 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(1); 43(4); 44(1)(a); 44(1)(b); 45(b); 56(1); 57(b)
Treasury Regulations, 2005	Regulation 3.1.2; 3.1.3 3.2.2; 3.2.7 (a); 3.2.7 (b); 3.2.7 (c) 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 6.3.1 {a}; 6.3.1 (b); 6.3.1 (c); 6.3.1 (d); 6.4.1 (b); 7.2.1; 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1 {a}; 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A8.3; 16A8.4; 16A9.1 (b)(ii); 16A9.1 {d}; 16A9.1 (e); 16A9.1 (f); 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; 19.8.4
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A); 25(9)(a); 25(10)
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury Instruction No. 7 of 2017/18	Paragraph 4.3
PFMA National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2(1)(a); 2(1)(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Service Regulations, 2016	Regulation 18(1); 18(2); 25(1)(e)(i); 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998	Section 7(3)



DEPARTMENT OF TOURISM - VOTE 38
ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2026

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DEPARTMENT OF TOURISM - VOTE 38

APPROPRIATION STATEMENT for the year ended 31 March 2026

Appropriation per programme

	2025/26							2024/25	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Voted funds and Direct charges									
Programme									
1. ADMINISTRATION	364 184	-	(200)	363 984	330 722	33 262	90,9%	364 879	340 477
2. TOURISM RESEARCH, POLICY AND INTERNATIONAL RELATIONS	1 408 014	-	101	1 408 115	1 396 968	11 147	99,2%	1 335 623	1 319 055
3. DESTINATION DEVELOPMENT	331 057	-	99	331 156	210 616	120 540	63,6%	362 349	297 969
4. TOURISM SECTOR SUPPORT SERVICES	331 637	-	-	331 637	295 609	36 028	89,1%	318 057	294 642
TOTAL	2 434 892	-	-	2 434 892	2 233 915	200 977	91,7%	2 380 908	2 252 143
Reconciliation with Statement of Financial Performance									
Add:									
			Departmental receipts	174 543				92 858	
			NRF Receipts	-				-	
			Aid assistance	950				-	
Actual amounts per Statement of Financial Performance (Total revenue)				<u>2 610 385</u>				2 473 766	
Add:			Aid assistance		920				
			Prior year unauthorised expenditure approved without funding						
Actual amounts per Statement of Financial Performance (Total expenditure)					<u>2 234 835</u>				2 252 143

DEPARTMENT OF TOURISM - VOTE 38

APPROPRIATION STATEMENT for the year ended 31 March 2026

Appropriation per economic classification

	2025/26							2024/25	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	835 226	(7 747)	-	827 479	661 603	165 876	80,0%	867 246	742 392
Compensation of employees	432 867	-	-	432 867	393 074	39 793	90,8%	411 949	377 238
Goods and services	402 359	(7 747)	-	394 612	268 529	126 083	68,0%	455 294	365 151
Interest and rent on land	-	-	-	-	-	-	0,0%	3	3
Transfers and subsidies	1 489 297	6 690	-	1 495 987	1 494 222	1 765	99,9%	1 431 585	1 431 314
Departmental agencies and accounts	1 305 250	21 519	(4 831)	1 321 938	1 321 938	-	100,0%	1 248 382	1 248 382
Higher education institutions	-	-	-	-	-	-	0,0%	-	-
Foreign governments and international organisations	2 872	-	-	2 872	2 619	253	91,2%	2 750	2 478
Public corporations and private enterprises	176 566	(21 519)	-	155 047	153 535	1 512	99,0%	172 067	172 067
Non-profit institutions	480	-	4 831	5 311	5 311	-	100,0%	459	459
Households	4 129	6 690	-	10 819	10 819	-	100,0%	7 927	7 928
Payments for capital assets	1 110 369	1 003	-	1 111 372	78 036	33 336	70,1%	82 064	78 424
Buildings and other fixed structures	104 700	-	-	104 700	71 364	33 336	68,2%	65 450	61 810
Machinery and equipment	5 669	1 003	-	6 672	6 672	-	100,0%	16 614	16 614
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	54	-	54	54	-	100,0%	13	13
TOTAL	2 434 892	-	-	2 434 892	2 233 915	200 977	91,7%	2 380 908	2 252 143

DEPARTMENT OF TOURISM - VOTE 38

APPROPRIATION STATEMENT for the year ended 31 March 2026

Programme I: ADMINISTRATION

	2025/26							2024/25	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 MINISTRY	36 570	2 832	-	39 402	35 636	3 766	90,4%	36 940	35 466
2 MANAGEMENT	2 899	8 317	-	11 216	11 216	-	100,0%	3 662	3 661
3 CORPORATE MANAGEMENT	212 949	478	-	213 427	193 551	19 876	90,7%	208 627	189 902
4 FINANCIAL MANAGEMENT	67 235	(11 627)	(200)	55 408	48 347	7 061	87,3%	64 277	60 074
5 OFFICE ACCOMMODATION	44 531	-	-	44 531	41 972	2 559	94,3%	51 373	51 374
TOTAL	364 184	-	(200)	363 984	330 722	33 262	90,9%	364 879	340 477
Economic classification									
Current payments	358 901	(8 424)	-	350 477	317 215	33 262	90,5%	345 005	320 603
Compensation of employees	201 459	-	-	201 459	176 737	24 722	87,7%	195 617	171 215
Goods and services	157 442	(8 424)	-	149 018	140 478	8 540	94,3%	149 385	149 385
Interest and rent on land	-	-	-	-	-	-	0,0%	3	3
Transfers and subsidies	212	8 370	-	8 582	8 582	-	100,0%	5 468	5 468
Departmental agencies and accounts	212	-	-	212	212	-	100,0%	203	203
Higher education institutions	-	-	-	-	-	-	0,0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	0,0%	-	-
Public corporations and private enterprises	-	-	-	-	-	-	0,0%	-	-
Non-profit institutions	-	-	-	-	-	-	0,0%	-	-
Households	-	8 370	-	8 370	8 370	-	100,0%	5 265	5 265
Payments for capital assets	5 071	-	(200)	4 871	4 871	-	100,0%	14 406	14 406
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	5 071	-	(200)	4 871	4 871	-	100,0%	14 406	14 406
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	54	-	54	54	-	100,0%	-	-
TOTAL	364 184	-	(200)	363 984	330 722	33 262	90,9%	364 879	340 477

DEPARTMENT OF TOURISM - VOTE 38

APPROPRIATION STATEMENT for the year ended 31 March 2026

Programme 2: TOURISM RESEARCH, POLICY AND INTERNATIONAL RELATIONS

	2025/26							2024/25	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 TOURISM RESEARCH, POLICY AND INTERNATIONAL RELATIONS	10 124	1 103	-	11 227	10 032	1 195	89,4%	9 837	7 643
2 RESEARCH AND KNOWLEDGE MANAGEMENT	38 578	131	-	38 709	35 314	3 395	91,2%	35 616	32 147
3 POLICY PLANNING AND STRATEGY	17 410	(1 679)	-	15 731	10 997	4 734	69,9%	16 747	12 267
4 SOUTH AFRICAN TOURISM	1 300 207	-	-	1 300 207	1 300 207	-	100,0%	1 243 555	1 243 555
5 INTERNATIONAL RELATIONS AND COOPERATION	41 695	445	101	42 241	40 418	1 823	95,7%	29 868	23 443
TOTAL	1 408 014	-	101	1 408 115	1 396 968	11 147	99,2%	1 335 623	1 319 055

Economic classification

Current payments	100 478	1 939	-	102 417	91 523	10 894	89,4%	86 274	69 977
Compensation of employees	65 012	-	-	65 012	61 986	3 026	95,3%	60 777	57 029
Goods and services	35 466	1 939	-	37 405	29 537	7 868	79,0%	25 497	12 948
Interest and rent on land	-	-	-	-	-	-	0,0%	-	-
Transfers and subsidies	1 307 208	(1 939)	-	1 305 269	1 305 016	253	100,0%	1 248 560	1 248 289
Departmental agencies and accounts	1 300 207	-	-	1 300 207	1 300 207	-	100,0%	1 243 555	1 243 555
Higher education institutions	-	-	-	-	-	-	0,0%	-	-
Foreign governments and international organisations	2 872	-	-	2 872	2 619	253	91,2%	2 750	2 478
Public corporations and private enterprises	-	-	-	-	-	-	0,0%	-	-
Non-profit institutions	-	-	-	-	-	-	0,0%	-	-
Households	4 129	(1 939)	-	2 190	2 190	-	100,0%	2 255	2 256
Payments for capital assets	328	-	101	429	429	-	100,0%	789	789
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	328	-	101	429	429	-	100,0%	789	789
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	-	-	-	-	-	0,0%	-	-
TOTAL	1 408 014	-	101	1 408 115	1 396 968	11 147	99,2%	1 335 623	1 319 055

DEPARTMENT OF TOURISM - VOTE 38

APPROPRIATION STATEMENT for the year ended 31 March 2026

Programme 3: DESTINATION DEVELOPMENT

		2025/26						2024/25		
		Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme										
1	DESTINATION DEVELOPMENT MANAGEMENT	12 308	1 910	-	14 218	6 685	7 533	47,0%	8 164	7 778
2	TOURISM ENHANCEMENT	27 421	(708)	-	26 713	20 628	6 085	77,2%	24 936	20 853
3	DESTINATION PLANNING AND INVESTMENT COORDINATION	34 721	(1 910)	-	32 811	23 397	9 414	71,3%	28 821	25 292
4	WORKING FOR TOURISM	256 607	708	99	257 414	159 906	97 508	62,1%	300 428	244 046
TOTAL		331 057	-	99	331 156	210 616	120 540	63,6%	362 349	297 969
Economic classification										
Current payments		226 167	(257)	-	225 910	138 706	87 204	61,4%	295 963	235 223
	Compensation of employees	69 029	-	-	69 029	65 327	3 702	94,6%	64 530	61 776
	Goods and services	157 138	(257)	-	156 881	73 379	83 502	46,8%	231 433	173 447
	Interest and rent on land	-	-	-	-	-	-	0,0%	-	-
Transfers and subsidies		-	74	-	74	74	-	100,0%	277	277
	Departmental agencies and accounts	-	-	-	-	-	-	0,0%	-	-
	Higher education institutions	-	-	-	-	-	-	0,0%	-	-
	Foreign governments and international organisations	-	-	-	-	-	-	0,0%	-	-
	Public corporations and private enterprises	-	-	-	-	-	-	0,0%	-	-
	Non-profit institutions	-	-	-	-	-	-	0,0%	-	-
	Households	-	74	-	74	74	-	100,0%	277	277
Payments for capital assets		104 890	183	99	105 172	71 836	33 336	68,3%	66 109	62 469
	Buildings and other fixed structures	104 700	-	-	104 700	71 364	33 336	68,2%	65 450	61 810
	Machinery and equipment	190	183	99	472	472	-	100,0%	659	659
	Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets		-	-	-	-	-	-	0,0%	-	-
TOTAL		331 057	-	99	331 156	210 616	120 540	63,6%	362 349	297 969

DEPARTMENT OF TOURISM - VOTE 38

APPROPRIATION STATEMENT for the year ended 31 March 2026

Programme 4: TOURISM SECTOR SUPPORT SERVICES

	2025/26							2024/25	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 TOURISM SECTOR SUPPORT SERVICES MANAGEMENT	11 989	905	-	12 894	6 388	6 506	49,5%	9 232	6 328
2 TOURISM HUMAN RESOURCE DEVELOPMENT	35 122	1 139	(4 831)	31 430	29 848	1 582	95,0%	33 483	33 483
3 ENTERPRISE DEVELOPMENT AND TRANSFORMATION	56 520	(3 993)	4 831	57 358	37 772	19 586	65,9%	52 802	37 709
4 TOURISM VISITOR SERVICES	30 804	1 991	-	32 795	30 791	2 004	93,9%	31 095	29 746
5 TOURISM INCENTIVE PROGRAMMES	197 202	(42)	-	197 160	190 810	6 350	96,8%	191 445	187 376
TOTAL	331 637	-	-	331 637	295 609	36 028	89,1%	318 057	294 642
Economic classification									
Current payments	149 680	(1 005)	-	148 675	114 159	34 516	76,8%	140 004	116 589
Compensation of employees	97 367	-	-	97 367	89 024	8 343	91,4%	91 025	87 218
Goods and services	52 313	(1 005)	-	51 308	25 135	26 173	49,0%	48 979	29 371
Interest and rent on land	-	-	-	-	-	-	0,0%	-	-
Transfers and subsidies	181 877	185	-	182 062	180 550	1 512	99,2%	177 280	177 280
Departmental agencies and accounts	4 831	21 519	(4 831)	21 519	21 519	-	100,0%	4 624	4 624
Higher education institutions	-	-	-	-	-	-	0,0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	0,0%	-	-
Public corporations and private enterprises	176 566	(21 519)	-	155 047	153 535	1 512	99,0%	172 067	172 067
Non-profit institutions	480	-	4 831	5 311	5 311	-	100,0%	459	459
Households	-	185	-	185	185	-	100,0%	130	130
Payments for capital assets	80	820	-	900	900	-	100,0%	760	760
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	80	820	-	900	900	-	100,0%	760	760
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	-	-	-	-	-	0,0%	13	13
TOTAL	331 637	-	-	331 637	295 609	36 028	89,1%	318 057	294 642

1. Details of transfers and subsidies as per Appropriation Act (after virement)

Details of these transactions can be viewed in the note "Transfers and subsidies", as well as Annexure I (A-E) to the annual financial statements.

2. Details of specifically and exclusively appropriated amounts voted (after virement)

Details of these transactions can be viewed in note I, "Annual appropriation", to the annual financial statements.

3. Details on payments for financial assets

Details of these transactions can be viewed in the note on "Payments for financial assets" to the annual financial statements.

4. Explanations of material variances from amounts voted (after virement)**4.1 Per programme****Administration**

	Final budget	Actual expenditure	Variance	Variance as a % of final budget
	R'000	R'000	R'000	%
Administration				
Compensation of employees	201 459	176 737	24 722	12%
Goods and services	149 018	140 478	8 540	6%
Interest and rent on land	-	-	-	-
Transfers and subsidies	8 582	8 582	-	0%
Payment for capital assets	4 871	4 871	-	0%
Payment for financial assets	54	54	-	0%
TOTAL	363 984	330 722	33 262	9%

Explanation of variance

The variance is mainly attributable to savings in Office Accommodation, Cell phone costs, Audit Fees as well as Legal fees which was due to delayed/outstanding invoices from the office of the State Attorney. The underspending in Compensation of Employees is a result of vacant funded posts.

Tourism Research, Policy and International Relations

	Final budget	Actual expenditure	Variance	Variance as a % of final budget
	R'000	R'000	R'000	%
Compensation of employees	65 012	61 986	3 026	5%
Goods and services	37 405	29 537	7 868	21%
Interest and rent on land	-	-	-	-
Transfers and subsidies	1 305 269	1 305 016	253	0%
Payment for capital assets	429	429	-	0%
Payment for financial assets	-	-	-	-
TOTAL	1 408 115	1 396 968	11 147	1%

Explanation of variance

The variance is primarily attributed to savings on Venues and Facilities, as well as Travel and Subsistence, driven by an increase in virtual meetings and changes in the delivery approach of some projects which reduced expenditure on these items. The savings under transfers and subsidies for the United Nations World Tourism Organisation (UNWTO) contributions is attributed to fluctuations in foreign currency exchange rates. The underspending in Compensation of Employees is due to moderate vacancy rate, mainly within management positions.

Destination Development

	Final budget	Actual expenditure	Variance	Variance as a % of final budget
	R'000	R'000	R'000	%
Compensation of employees	69 029	65 327	3 702	5%
Goods and services	156 881	73 379	83 502	53%
Interest and rent on land	-	-	-	-
Transfers and subsidies	74	74	-	0%
Payment for capital assets	105 172	71 836	33 336	32%
Payment for financial assets	--	-	-	-
TOTAL	331 156	210 616	120 540	36%

Explanation of variance

The variance is mainly attributable to underspending within the Expanded Public Works Programme (EPWP), arising from delays in the appointment of service providers for the skills projects as well as slower than expected progress with the infrastructure projects. Additional savings were realised on cell phone costs and Travel and Subsistence. The underspending in Compensation of Employees is due to vacant funded posts.

Tourism Sector Support Services

	Final budget	Actual expenditure	Variance	Variance as a % of final budget
	R'000	R'000	R'000	%
Compensation of employees	97 367	89 024	8 343	9%
Goods and services	51 308	25 135	26 173	51%
Interest and rent on land	-	-	-	-
Transfers and subsidies	182 062	180 550	1 512	1%
Payment for capital assets	900	900	-	0%
Payment for financial assets	-	-	-	-
TOTAL	331 637	295 609	36 028	11%

Explanation of variance

The variance is primarily attributable to savings on Travel and Subsistence and Consultants. The underspending in Compensation of Employees is due to vacant funded posts.

4.2 Per economic classification

	Final budget	Actual expenditure	Variance	Variance as a % of final budget
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	432 867	393 074	39 793	9%
Goods and services	394 612	268 529	126 083	32%
Interest and rent on land	-	-	-	-
Transfers and subsidies				
Departmental agencies and accounts	1 321 938	1 321 938	-	0%
Public corporations and private enterprises	155 047	153 535	1 512	1%
Foreign governments and international organisations	2 872	2 619	253	9%
Non-profit institutions	5 311	5 311	-	0%
Households	10 819	10 819	-	0%
Payments for capital assets				
Buildings and other fixed structures	104 700	71 364	33 336	32%
Machinery and equipment	6 672	6 672	-	0%
Software and other intangible assets	54			
Payment for financial assets	54	54	-	0%
TOTAL	2 434 892	2 233 915	200 977	8%

DEPARTMENT OF TOURISM - VOTE 38

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2026

	Note	2025/26 R'000	2024/25 R'000
REVENUE			
Annual appropriation	1	2 434 892	2 380 908
Departmental revenue	2	174 543	92 858
Aid Assistance	3	950	-
TOTAL REVENUE		2 610 385	2 473 766
EXPENDITURE			
Current expenditure			
Compensation of employees	4	393 074	377 238
Goods and services	5	268 529	365 151
Interest and rent on land	6	-	3
Aid assistance		920	
Total current expenditure		662 523	742 392
Transfers and subsidies			
Transfers and subsidies	8	1 494 222	1 431 314
Aid Assistance		-	-
Total transfers and subsidies		1 494 222	1 431 314
Expenditure for capital assets			
Tangible assets	9	78 036	78 424
Intangible assets	9	-	-
Total expenditure for capital assets		78 036	78 424
Payments for financial assets	7	54	13
TOTAL EXPENDITURE		2 234 835	2 252 143
SURPLUS/(DEFICIT) FOR THE YEAR		375 550	221 623
Reconciliation of net surplus/(deficit) for the year			
Voted funds		200 977	128 765
Annual appropriation		200 977	128 765
Departmental revenue	2	174 543	92 858
Aid assistance	3	30	-
SURPLUS/(DEFICIT) FOR THE YEAR		375 550	221 623

DEPARTMENT OF TOURISM - VOTE 38

STATEMENT OF FINANCIAL POSITION as at 31 March 2026

	Note	2025/26 R'000	2024/25 R'000
ASSETS			
Current assets		202 791	128 492
Cash and cash equivalents	10	199 543	126 004
Prepayments and advances	11	37	52
Receivables	12	3 211	2 436
Non-current assets		243	1 040
Receivables	12	243	1 040
TOTAL ASSETS		203 034	129 532
LIABILITIES			
Current liabilities		202 345	128 902
Voted funds to be surrendered to the revenue fund	13	200 977	128 765
Departmental revenue to be surrendered to the revenue fund	14	1 166	9
Payables	15	172	128
Aid assistance repayable	3	30	-
TOTAL LIABILITIES		202 345	128 902
NET ASSETS		689	630
Represented by:			
Recoverable revenue		689	630
TOTAL		689	630

DEPARTMENT OF TOURISM - VOTE 38

STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2026

	Note	2025/26	2024/25
		R'000	R'000
NET ASSETS			
Recoverable revenue			
Opening balance		630	460
Transfers:		59	170
Debts recovered (included in departmental receipts)		(139)	(177)
Debts raised		198	347
Closing balance		689	630
TOTAL		689	630

DEPARTMENT OF TOURISM - VOTE 38

CASH FLOW STATEMENT for the year ended 31 March 2026

CASH FLOW FROM OPERATING ACTIVITIES

	Note	2025/26 R'000	2024/25 R'000
Receipts		2 610 341	2 473 733
Annual appropriated funds received	1	2 434 892	2 380 908
Departmental revenue received	2	495	1 276
Interest received	2	174 004	91 549
Aid assistance received		950	-
Net (increase)/decrease in working capital		81	(777)
(Surrendered to)/received from the revenue fund		(302 151)	(181 223)
Surrendered to RDP fund/Donor		-	-
Current payments		(662 523)	(742 389)
Interest and rent on land		-	(3)
Payments for financial assets		(54)	(13)
Transfers and subsidies paid		(1 494 222)	(1 431 314)
Net cash flow available from operating activities	16	151 472	118 014
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(78 036)	(78 424)
Proceeds from sale of capital assets	2	44	33
(Increase)/decrease in non-current receivables	12	-	-
Net cash flow from investing activities		(77 992)	(78 391)
CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		59	170
Net cash flow from financing activities		59	170
Net increase/(decrease) in cash and cash equivalents		73 539	39 793
Cash and cash equivalents at beginning of period		126 004	86 211
Cash and cash equivalents at end of period	17	199 543	126 004

DEPARTMENT OF TOURISM - VOTE 38

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2026

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act

1 Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

2 Going concern

The financial statements have been prepared on a going concern basis.

3 Presentation currency

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

4 Rounding

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

5 Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

6 Comparative information

6.1 Prior period comparative information

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7 Revenue

7.1 Appropriated funds

Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

Appropriated funds are measured at the amounts receivable.

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

7.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Departmental revenue is measured at the cash amount received.

In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

DEPARTMENT OF TOURISM - VOTE 38

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2026

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write-off policy.

8 Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.

8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.

The operating lease commitments are recorded in the notes to the financial statements.

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

At commencement of the finance lease term, finance lease assets acquired are recorded and measured at:

the fair value of the leased asset; or if lower,

the present value of the minimum lease payments.

Finance lease assets acquired prior to 1 April 2024, are recorded and measured at the present value of the minimum lease payments.

9 Aid Assistance

9.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

CARA Funds are recognised when receivable and measured at the amounts receivable

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

9.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

DEPARTMENT OF TOURISM - VOTE 38

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2026

10 Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11 Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

Prepayments and advances expensed before 1 April 2024 are recorded until the goods, services, or capital assets are received, or the funds are utilised in accordance with the contractual agreement.

12 Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

13 Investments

Investments are recognised in the statement of financial position at cost.

14 Financial assets**14.1 Financial assets (not covered elsewhere)**

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

14.2 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

15 Payables

Payables recognised in the statement of financial position are recognised at cost.

16 Capital Assets**16.1 Immovable capital assets**

Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

16.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

16.3 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

16.4 Project Costs: Work-in-progress

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

17 Provisions and Contingents

17.1 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

17.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

17.3 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

17.4 Capital Commitments

Capital commitments are recorded at cost in the notes to the financial statements.

18 Unauthorised expenditure

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:

1. approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
2. approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
3. transferred to receivables for recovery.

Unauthorised expenditure recorded in the notes to the financial statements comprise of

1. unauthorised expenditure that was under assessment in the previous financial year;
2. unauthorised expenditure relating to previous financial year and identified in the current year; and
3. Unauthorised expenditure incurred in the current year

19 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of:

1. fruitless and wasteful expenditure that was under assessment in the previous financial year;
2. fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and
3. fruitless and wasteful expenditure incurred in the current year.

20 Irregular expenditure

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:

1. irregular expenditure that was under assessment in the previous financial year;
2. irregular expenditure relating to previous financial year and identified in the current year; and
3. irregular expenditure incurred in the current year.

21 Changes in accounting policies, estimates and errors

Changes in accounting policies are applied in accordance with Modified Cash Standards (MCS) requirements.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

22 Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

23 Principal-Agent arrangements

The department is party to a principal-agent arrangement for Tourism Incentive Programme projects. In terms of the arrangement the department is the principal and is responsible for the appointment of an Implementing Agent.

All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

24 Departures from the MCS requirements

Management has concluded that the financial statements present fairly the department's primary and secondary information and the department complied with the Standard.

25 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National Revenue Fund when the underlying asset is disposed and the related funds are received.

26 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

27 Related party transactions

Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

The full compensation of key management personnel is recorded in the notes to the financial statements.

28 Inventories

At the date of acquisition, inventories are recognised at cost in the statement of financial performance.

Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventories is assigned by using the weighted average cost basis.

29 Public-Private Partnerships

Public Private Partnerships (PPP) are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.

30 Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note.

Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

31 Transfers of functions

Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.

Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.

32 Mergers

Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.

Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

PART B: EXPLANATORY NOTES

1. Annual appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for national departments (voted funds):

	2025/26			2024/25		
	Final Budget	Actual Funds Received	Funds not requested/ not received	Final budget	Appropriation received	Funds not requested/ not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	363 984	363 984	-	364 879	364 879	-
Tourism Research, Policy and International Relations	1 408 115	1 408 115	-	1 335 623	1 335 623	-
Destination Development	331 156	331 156	-	362 349	362 349	-
Tourism Sector Support Services	331 637	331 637	-	318 057	318 057	-
TOTAL	2 434 892	2 434 892	-	2 380 908	2 380 908	-

All funds for the financial year were requested and received.

2. Departmental revenue

	Note	2025/26	2024/25
		R'000	R'000
Sales of goods and services other than capital assets	2.1	177	175
Interest, dividends and rent on land	2.2	174 004	91 549
Sales of capital assets	2.3	44	33
Transactions in financial assets and liabilities	2.4	318	1 101
TOTAL DEPARTMENTAL REVENUE COLLECTED		174 543	92 858

2.1 Sales of goods and services other than capital assets

	Note	2025/26	2024/25
		R'000	R'000
Sales of goods and services produced by the Department	2	177	175
Sales by market establishment		69	70
Other sales (Commissions and Sale of Assets < R5000)		108	105
Sales of scrap, waste and other used current goods		-	-
TOTAL		177	175

2.2 Interest, dividends and rent on land

	Note	2025/26	2024/25
	2	R'000	R'000
Interest		174 004	91 549
TOTAL		174 004	91 549

Note:

The high interest revenue is attributable to interest refunds by public entities in respect of advances made for projects undertaken on behalf of the Department.

2.3 Sale of capital assets

	Note	2025/26	2024/25
	2	R'000	R'000
Tangible assets		44	33
Machinery and equipment		44	33
TOTAL		44	33

2.4 Transactions in financial assets and liabilities

	Note	2025/26	2024/25
	2	R'000	R'000
Receivables		135	360
Other receipts, including recoverable revenue (including project refunds)		183	741
TOTAL		318	1 101

2.5 Gifts, donations and sponsorships received in kind (not included in the main note or sub note)

	Note	2025/26	2024/25
	2	R'000	R'000
Sponsorships		1 476	-
TOTAL		1 476	-

2.6 Cash received not recognised (not included in main note) 2025/26

Name of entity	Opening balance	Amount received	Amount paid to Revenue Fund	Closing balance
	R'000	R'000	R'000	R'000
Absa Bank	-	2		2
South African National Parks (SANPARKS)	5 712	-	(5 712)	-
Total	5 712	2	(5 712)	2

Cash received not recognised (not included in main note) 2024/25

Name of entity	Opening balance	Amount received	Amount paid to Revenue Fund	Closing balance
	R'000	R'000	R'000	R'000
Absa Bank	1	-	(1)	-
South African National Parks (SANPARKS)	-	5 712	-	5 712
Total	1	5 712	(1)	5 712

3. Aid assistance

	2025/26	2024/25
	R'000	R'000
Opening balance	-	-
Prior period error	-	-
As restated	-	-
Transferred from statement of financial performance	30	-
Paid during the year	-	-
CLOSING BALANCE	30	-

3.1 Analysis of balance by source

	Note	2025/26	2024/25
	3	R'000	R'000
Aid assistance from other sources		-	-
Aid assistance from RDP		30	-
Closing balance		30	-

3.2 Analysis of balance

	Note	2025/26	2024/25
	3	R'000	R'000
Aid assistance unutilised		-	-
Aid assistance repayable		30	-
Closing balance		30	-

3.3 Aid assistance expenditure per economic classification

	2025/26	2024/25
	R'000	R'000
Current	920	-
Capital	-	-
Total aid assistance expenditure	920	-

4. Compensation of employees

4.1 Analysis of balances

	Note	2025/26	2024/25
		R'000	R'000
Basic salary		273 590	263 808
Performance award		-	82
Service-based		345	364
Compensative/circumstantial		7 047	4 968
Periodic payments		22	116
Other non-pensionable allowances		63 356	61 394
TOTAL		344 360	330 732

4.2. Social Contributions

	Note	2025/26	2024/25
		R'000	R'000
Employer contributions			
Pension		34 878	33 501
Medical		13 772	12 949
Bargaining council		64	56
Insurance		-	-
TOTAL		48 714	46 506

TOTAL COMPENSATION OF EMPLOYEES	393 074	377 238
Average number of employees	453	463

5. Goods and services

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	Note	2025/26	2024/25
		R'000	R'000
Administrative fees		224	163
Advertising		7 458	3 841
Minor assets	5.1	396	155
Bursaries (employees)		517	2 267
Catering		4 624	3 330
Communication		7 268	7 356
Computer services	5.2	34 909	39 674
Consultants: Business and advisory services		10 816	14 352
Legal services		2 165	4 765
Contractors		5 468	5 174
Agency and support/outsourced services		40 236	104 738
Entertainment		-	-
Audit cost – external	5.3	6 882	9 662
Fleet services		2 187	1 802
Consumables	5.4	8 106	14 087
Operating leases		37 461	46 467
Rental and hiring		176	19
Property payments	5.5	9 872	12 671
Travel and subsistence	5.6	51 253	44 554
Venues and facilities		16 493	9 297
Training and development		19 405	38 455
Other operating expenditure	5.7	2 613	2 322
TOTAL		268 529	365 151

Note:

- Advertising costs increased by 94% (R3,6 million). This is due mainly to an increase in spending on Promotional Items and Marketing costs for the G20 events.
- Bursaries (employees) costs decreased by 77% (R1,8 million). There was a delay in the bursary approval process and payments had to be deferred to the next financial year.
- Catering costs increased by 39% (R1,3 million). The increase is due to G20 events.
- Consultants costs decreased by 25% (R3,5 million). Spending on project management consultants decreased in the current year.
- Legal Service costs decreased by 55% (R2,6 million). There were fewer claims received for litigation fees in 2025/26.
- Agency and support/outsourced services costs decreased by 62% (R64,5 million). Payments of stipends on EPWP projects decreased due to delays in the appointment of service providers for the skills projects.
- Venues and Facilities expenditure increased by 77% (R7,2 million). The increase is due to G20 events.
- Training and development costs decreased by 50% (R19,1 million). Expenditure in this regard for EPWP skills projects decreased significantly compared to the previous year due to delays in the appointment of service providers for the skills projects.
- Computer services costs decreased by 12% (R4,8 million). Due to the breach of the Department's Information and Communication Technology systems in 2024/25, costs were incurred in that year in the restoration thereof and putting in measures to mitigate against such an event from reoccurring. Hence costs for 2024/25 were higher compared to 2025/26.
- Audit Costs-External decreased by 29% (R2,8 million). There was a decrease in forensic investigation fees when compared to the previous year.
- Consumables costs decreased by 42% (R5,9 million). There was a decrease in Uniform and Protective Clothing costs related to EPWP projects. There was also a decrease in stationery costs related to printing cartridges.
- Property payments costs decreased by 22% (R2,8 million). Expenditure on EPWP maintenance projects decreased slightly compared to the previous year.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2026

5.1 Minor assets

	Note	2025/26	2024/25
		R'000	R'000
Tangible assets		396	155
Machinery and equipment		396	155
TOTAL		396	155

5.2 Computer services

	Note	2025/26	2024/25
		R'000	R'000
State Information Technology Agency (SITA) computer services		21 441	28 202
External computer service providers		13 468	11 472
TOTAL		34 909	39 674

5.3 Audit cost – external

	Note	2025/26	2024/25
		R'000	R'000
Regularity audits		6 722	7 988
Investigations		160	1 674
TOTAL		6 882	9 662

5.4 Consumables

	Note	2025/26	2024/25
		R'000	R'000
Consumable supplies		4 473	8 999
Uniform and clothing		1 412	5 296
Household supplies		1 138	1 675
Building material and supplies		-	179
Communication accessories		3	230
IT consumables		343	1 004
Other consumables		1 577	615
Stationery, printing and office supplies		3 633	5 088
TOTAL		8 106	14 087

DEPARTMENT OF TOURISM - VOTE 38

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2026

5.5 Property payments

	Note	2025/26	2024/25
		R'000	R'000
Municipal services		4 511	4 944
Property management fees		-	-
Property maintenance and repairs		4 110	6 934
Other		1 251	793
TOTAL		9 872	12 671

5.6 Travel and subsistence

	Note	2025/26	2024/25
		R'000	R'000
Local		39 088	37 909
Foreign		12 165	6 645
TOTAL		51 253	44 554

5.7 Other operating expenditure

	Note	2025/26	2024/25
		R'000	R'000
Professional bodies, membership and subscription fees		770	1 004
Resettlement costs		51	90
Other		1 792	1 228
TOTAL		2 613	2 322

6. Interest and rent on land

	Note	2025/26	2024/25
		R'000	R'000
Interest paid		-	3
TOTAL		-	3

7. Payments for financial assets

2025/26

	Note	2025/26 R'000	2024/25 R'000
Other material losses written off	7.1	18	-
Debts written off	7.2	36	13
TOTAL		54	13

7.1 Other material losses written off

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	Note	2025/26 R'000	2024/25 R'000
Nature of losses	7		
Losses (damage to vehicles due to accidents)		18	196
TOTAL		18	196

7.2 Debts written off

Department of Tourism

	Note	2025/26 R'000	2024/25 R'000
	7	36	13
		36	13

8. Transfers and subsidies

	Note	2025/26 R'000	2024/25 R'000
Departmental agencies and accounts	Annex 1A	1 321 938	1 248 382
Public corporations and private enterprises	Annex 1B	153 535	172 067
Foreign governments and international organisations	Annex 1C	2 619	2 478
Non-profit institutions	Annex 1D	5 311	459
Households	Annex 1E	10 819	7 928
TOTAL		1 494 222	1 431 314

8.1 Gifts, Donations and sponsorships made in kind (not included in the main note)

		2025/26	2024/25
	Note	R'000	R'000
	Annex 1H		
Gifts		33	76
Donations		95	467
Sponsorships		-	-
TOTAL		128	543

9. Expenditure for capital assets

	Note	2025/26	2024/25
		R'000	R'000
Tangible assets		78 036	78 424
Building and other fixed structures	30	71 364	61 810
Machinery and equipment	28	6 672	16 614
Intangible assets		-	-
Software	29	-	-
TOTAL		78 036	78 424

Note:

Expenditure of R71,4 million under *Buildings and other fixed structures* is for the Expanded Public Works Programme projects.

9.1 Analysis of voted funds utilised to acquire capital assets

	2025/26	2024/25
	Voted Funds	Voted Funds
	R'000	R'000
Tangible assets	78 036	78 424
Building and other fixed structures	71 364	61 810
Machinery and equipment	6 672	16 614
Intangible assets	-	-
Software	-	-
TOTAL	78 036	78 424

9.2 Finance lease expenditure included in expenditure for capital assets

	2025/26	2024/25
	R'000	R'000
Tangible assets		
Machinery and equipment	992	1 066
TOTAL	992	1 066

10. Cash and cash equivalents

	2025/26	2024/25
	R'000	R'000
Consolidated Paymaster general account	220 218	142 312
Cash receipts	-	-
Disbursements	(20 760)	(16 393)
Cash on hand	85	85
TOTAL	199 543	126 004

Note:

All cash and cash equivalents held by the department are available for use.

An amount of R2 thousand was deposited into the departmental bank account (ABSA) and the interface with the Department's Paymaster General account took place in April 2026. As the Department is on modified cash accounting, this amount is not part of the cash and cash equivalents as stated above.

II. Prepayments and advances

	Note	2025/26	2024/25
		R'000	R'000
Travel and subsistence		37	52
Advances paid (Not expensed)	11.1	-	-
TOTAL		37	52

Analysis of total prepayments and advances

Current prepayments and advances	37	52
Non-current prepayments and advances	-	-
TOTAL	37	52

11.1 Advances paid (Not expensed)-2025/26

Note	Amount as at 1 April 2025	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advance payments	Amount as at 31 March 2026
	R'000	R'000	R'000	R'000	R'000
11					
National departments	-	-	-	-	-
Total	-	-	-	-	-

Advances paid (Not expensed)-2024/25

Note	Amount as at 1 April 2024	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advance payments	Amount as at 31 March 2025
	R'000	R'000	R'000	R'000	R'000
11					
National departments	-	-	-	-	-
Total	-	-	-	-	-

11.2 Prepayments (Expensed) - 2025/26

	Amount as at 1 April 2025	Less: Received in the current year	Less: Other	Amount as at 31 March 2026
	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-
Capital assets	-	-	-	-
Total	-	-	-	-

Prepayments (Expensed) - 2024/25

	Amount as at 1 April 2024	Less: Received in the current year	Add or Less: Other	Amount as at 31 March 2025
	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-
Capital assets	-	-	-	-
Total	-	-	-	-

11.3 Advances paid (Expensed) - 2025/26

	Amount as at 1 April 2025	Less: Received in the current year	Less: Other	Amount as at 31 March 2026
	R'000	R'000	R'000	R'000
Public entities	163 196	(81 753)	-	81 443
Total	163 196	(81 753)	-	81 443

Advances paid (Expensed) - 2024/25

	Amount as at 1 April 2024	Less: Received in the current year	Add or Less: Other	Amount as at 31 March 2025
	R'000	R'000	R'000	R'000
Public entities	424 071	(256 512)	(4 363)	163 196
Total	424 071	(256 512)	(4 363)	163 196

Note:

Advances are paid to the service providers for the Expanded Public Works Programme and Destination Development projects as per contract terms.

The following Expanded Public Works Programme and Destination Development projects received advance payments for commencement of the projects

Entity / Project Name	Amount as at 1 April 2025 R'000	Less: Received in the current year R'000	Add/Less: Other R'000	Amount as at 31 March 2026 R'000
Ezemvelo KZN Wildlife – KZN-Wildlife Roofing of 5 resorts	3 733	(546)	-	3 187
Ezemvelo KZN Wildlife – KZN Ezemvelo Midmar Resort upgrade project	5 511	(1 981)	-	3 530
Trade and Investment KwaZulu-Natal (TIKZN)	1 323	-	-	1 323
South African National Biodiversity Institute (SANBI)	22 194	-	-	22 194
Eastern Cape Parks & Tourism Agency (ECPTA)	8 331	(314)	-	8 017
Constitutional Hill (CONHILL)	2 311	(2 311)	-	-
CapeNature- Goukamma Nature Reserve	14 971	(928)	-	14 043
Ezemvelo KZN Wildlife-Upgrade and expansion of Giant Castle	4 112	-	-	4 112
Tourism KwaZulu-Natal (TKZN)-Mandela Capture Site	8 461	(8 461)	-	-
Mpumalanga Tourism and Parks Agency- Universal Access Project	7 728	-	-	7 728
DBSA- Infrastructure and Maintenance Projects	81 785	(67 212)	-	14 573
DBSA- Security Project	2 736	-	-	2 736
Total	163 196	(81 753)	-	81 443

12. Receivables

	Note	2025/26			2024/25		Total
		Current	Non- Current	Total	Current	Non- Current	
		R'000	R'000		R'000	R'000	
	12.1	-	-	-	132	-	132
Claims recoverable	Annex 3						
Recoverable expenditure	12.2	2 080	-	2 080	1 980	-	1 980
Staff debt	12.3	909	243	1 152	137	1 040	1 177
Other receivables	12.4	222	-	222	187	-	187
TOTAL		3 211	243	3 454	2 436	1 040	3 476

12.1 Claims recoverable

	Note	2025/26	2024/25
	12	R'000	R'000
National departments		-	132
TOTAL		-	132

12.2 Recoverable expenditure (disallowance accounts)

	Note	2025/26	2024/25
	12	R'000	R'000
Departmental suspense accounts (Damage Vehicles & Disallowance account)		2 080	1 980
TOTAL		2 080	1 980

12.3 Staff debt

	Note	2025/26	2024/25
	12	R'000	R'000
Departmental debt account		1 152	1 177
TOTAL		1 152	1 177

12.4 Other receivables

	Note	2025/26	2024/25
	12	R'000	R'000
Fruitless and wasteful expenditure		222	181
Tourist Guide Relief Fund Debts		-	6
TOTAL		222	187

13. Voted funds to be surrendered to the revenue fund/ (voted funds receivable)

	2025/26	2024/25
	R'000	R'000
Opening balance	128 765	88 293
Prior period error	-	-
As restated	128 765	88 293
Transfer from statement of financial performance (as restated)	200 977	128 765
Paid during the year	(128 765)	(88 293)
CLOSING BALANCE	200 977	128 765

14. Departmental revenue to be surrendered to the revenue fund

	2025/26	2024/25
	R'000	R'000
Opening balance	9	81
Prior period error	-	-
As restated	9	81
Transfer from statement of financial performance	174 543	92 858
Paid during the year	(173 386)	(92 930)
CLOSING BALANCE	1 166	9

15. Payables – current

	Note	2025/26 R'000	2024/25 R'000
Clearing accounts	15.1	167	66
Other payables	15.2	5	62
TOTAL		172	128

15.1 Clearing Accounts

	Note	2025/26 R'000	2024/25 R'000
Sal Income Tax	15	167	64
Sal Pension Fund		-	2
TOTAL			66

15.2 Other payables

	Note	2025/26 R'000	2024/25 R'000
Salary-related payables	15	5	39
Government Employees Housing Scheme (GEHS)		-	23
TOTAL		5	62

16. Net cash flow available from operating activities

2025/26

ANNUAL REPORT

Department of Tourism

	2025/26	2024/25
	R'000	R'000
Net surplus/(deficit) as per statement of financial performance	375 550	221 623
Add back non-cash/cash movements not deemed operating activities	(224 078)	(103 609)
(Increase)/decrease in receivables – current	22	(737)
(Increase)/decrease in prepayments and advances	15	(52)
Increase/(decrease) in payables – current	44	12
Proceeds from sale of capital assets	(44)	(33)
Expenditure on capital assets	78 036	78 424
Surrendered to / received from the Revenue Fund	(302 151)	(181 223)
Surrenders to RDP Fund/Donor	-	-
Net cash flow generated by operating activities	151 472	118 014

17. Reconciliation of cash and cash equivalents for cash flow purposes

	2025/26	2024/25
	R'000	R'000
Consolidated Paymaster general account	220 218	142 312
Cash receipts	-	-
Disbursements	(20 760)	(16 393)
Cash on hand	85	85
	-	-
TOTAL	199 543	126 004

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

		2025/26	2024/25
		R'000	R'000
Liable to Nature			
Housing loan guarantees Employees	Annex 2A	-	-
Claims against the Department	Annex 2B	10 435	11 707
Intergovernmental contingent liabilities (unconfirmed balances)	Annex 4	-	583
TOTAL		10 435	12 290

Note:

The department uses the claim amount as a best estimate as the exact amount will only be determined by the court when cases are finalised. Due to the sensitivity of claims against the Department that are currently within the legal domain, no indication can be provided on the possible outflow or reimbursement.

Claim against the state was understated by R 2,25 million in the 2024-25 financial year. The prior year amount has been adjusted.

18.2 Contingent assets

	2025/26	2024/25
Nature of contingent asset	R'000	R'000
MBB Consulting-Claim for damages - Breach of contract	12 215	12 215
Bonwelong Skills Development CC, Mr. Inama and Nedbank (Pty) Ltd – refund of money advanced for training projects.	9 930	9 930
Second Generation Consulting CC - Claim for damages - Breach of contract	68	68
Amathemaba Skills (Pty) Ltd-Refund of money advanced for project	3 193	3 193
Wayne Smith & Associates-Claim for damages	-	9
Umbuso Training Services (Pty)Ltd - Refund of money owed to the Department	169	169
Total	25 575	25 584

19. Capital Commitments

	2025/26	2024/25
	R'000	R'000
Machinery and Equipment	2 885	2 171
Buildings and other fixed structures	287 943	230 864
TOTAL	290 828	233 035

Note:

Capital commitments for buildings and other fixed structures are for the Expanded Public Works Programme and Destination Development infrastructure projects.

20. Accruals and payables not recognised

20.1 Accruals

			2025/26	2024/25
			R'000	R'000
Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	7 602	2 063	9 665	6 879
Transfers and subsidies	-	6 269	6 269	3 333
Capital assets	114	48	162	512
Other (assets and liabilities)	129	1	130	190
TOTAL	7 845	8 381	16 226	10 914

	2025/26	2024/25
	R'000	R'000
Intergovernmental accruals (included above)	2 451	583

Annex 4

20.2 Payables not recognised

			2025/26	2024/25
			R'000	R'000
Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	1 175		1 175	1 140
Capital	16	8	24	-
Other	-	-	-	-
TOTAL	1 191	8	1 199	1 140

Intergovernmental payables not recognised (included above)

Annex 4

2025/26	2024/25
R'000	R'000
27	-

Material accruals and payables not recognised (above R1 million) relate to the following:

Audit Fees: Ext Current Year-R1,6 million

TIP MASP Payments-R6,3 million

21. Employee benefits

Leave entitlement

Service bonus

Performance awards

Capped leave commitments

Provision for long service awards

TOTAL

2025/26	2024/25
R'000	R'000
21 589	19 686
9 969	9 391
-	-
2 212	2 190
294	389
34 064	31 656

Intergovernmental employee benefits (included above)

Annex 4

2025/26	2024/25
R'000	R'000

Note: At this stage the department is not able to reliably measure the long-term portion of the long service awards. Due to the utilization of leave within the first quarter of the leave cycle (leave taken without any leave credits available) there is a negative leave entitlement amounting to R263 thousand.

DEPARTMENT OF TOURISM - VOTE 38

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2026

22. Lease commitments

22.1 Operating lease commitments

2025/26		Machinery and equipment	Total
Not later than 1 year		3 152	3 152
Total lease commitments		3 152	3 152

	2024/25	Machinery and equipment	Total
Not later than 1 year		2 973	2 973
Total lease commitments		2 973	2 973

General description of the material leasing arrangements:

Operating lease commitments for buildings and other fixed structures are for the lease of office buildings through the Department of Public Works and Infrastructure (DPWI). The lease agreement expired on 31 May 2024. The Department has continued with the lease on a month-to-month basis.

22.2 Finance lease commitments

	2025/26	Machinery and equipment	Total
Not later than 1 year		691	691
Later than 1 year but not later than 5 years		553	553
Total lease commitments		1 244	1 244

	2024/25	Machinery and equipment	Total
Not later than 1 year		820	820
Later than 1 year but not later than 5 years		430	430
Total lease commitments		1 250	1 250

General description of the material leasing arrangements:

-Finance lease commitments include photocopier machines. The lease period for photocopiers is usually 36 months.

-No asset of the Department is sub-leased. Restrictions on finance leases for photocopier machines are imposed on the Department and included maintenance and repairs.

Finance Lease Commitments was understated by R237 thousand in the 2024/25 financial year. The prior year comparative amount has been adjusted.

23. Unauthorised, Irregular and Fruitless and Wasteful expenditure

	Note	2025/26	2024/25
		R'000	R'000
Unauthorised expenditure			-
Irregular expenditure		-	127
Fruitless and wasteful expenditure		184	49
Total		184	176

Note

Information on any criminal or disciplinary steps taken as a result of irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report.

Fruitless and Wasteful Expenditure incurred relates to No Shows, Cancellations, Waiting Time, Double Bookings, After hours costs and Amendments with regards to Flight, Shuttle and Accommodation bookings.

24. Related-party transactions

Payments made to South African Tourism	2025/26	2024/25
	R'000	R'000
Goods and Services		-
Transfers and subsidies	21 519	4 852
TOTAL	21 519	4 852

Note

South African Tourism (SAT) is a Public Entity of the Department under the Minister's portfolio. Programme 2: Tourism Research, Policy and International Relations; sub programme South African Tourism. Transfer payments to South African Tourism have been included in Annexure 1A and 1B to the financial statements.

25. Key management personnel

	2025/26	2024/25
	R'000	R'000
Political office-bearers	5 092	7 790
Officials:		
Level 15 to 16	11 830	10 171
Level 14	25 517	25 883
TOTAL	42 439	43 844

26. Provisions

	2025/26	2024/25
	R'000	R'000
EPWP Programme		
Expanded Public Works Programme – Final completion reports not submitted or signed off. Retention fees outstanding.	7 527	7 527
TOTAL	7 527	7 527

26.1 Reconciliation of movement in provisions

	2024/25	2024/25
	R'000	R'000
Opening balance	7 527	7 132
Increase in provision	-	395
Closing balance	7 527	7 527

Note:

The provisions relate to Expanded Public Works Programme projects retention fees outstanding. The payments of the retention fees are made after the final completion report is submitted and the timing of these payments are unknown. The estimate of the retention fees is based on a percentage of the service providers fees.

27. Non-adjusting events after reporting date

	2025/26
	R'000
None	-
TOTAL	-

28. Movable tangible capital assets

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2026

	Opening balance	Value adjust-ments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	87 160	-	6 509	(2 216)	91 453
Transport assets	22 779	-	1 577	-	24 356
Computer equipment	41 630	-	4 129	(2 195)	43 564
Furniture and office equipment	14 067	-	366	(7)	14 426
Other machinery and equipment	8 683	-	437	(14)	9 106
FINANCE LEASE ASSETS	2 466	-	565	(600)	2 431
Finance lease assets	2 466	-	565	(600)	2 431
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	89 626	-	7 074	(2 816)	93 884

Note: The finance leased assets comprise of photocopy machines leased by the Department through the National Treasury transversal contracts.

Movable Tangible Capital Assets under investigation

	Number	Value
		R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	299	5 546

Note

A total number of 299 movable tangible capital assets, with a total value of R5,546 million, are under investigation.

28.1 Movement for 2024/25

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	74 285	-	15 606	(2 731)	87 160
Transport assets	11 621	-	11 158	-	22 779
Computer equipment	40 676	-	3 584	(2 630)	41 630
Furniture and office equipment	13 433	-	683	(49)	14 067
Other machinery and equipment	8 555	-	181	(52)	8 683
FINANCE LEASE ASSETS	1 797	1 564	457	(1 352)	2 466
Finance lease assets	1 797	1 564	457	(1 352)	2 466
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	76 082	1 564	16 063	(4 083)	89 626

28.1.1 Prior period error

Nature of prior period error

Relating to 2023/24 (affecting the opening balance)

Finance lease assets understated in 2023/2024 by R1,564 million

Relating to 2024/25

Finance lease assets additions for 2024/25 was understated by R172 thousand

Finance lease assets disposals for 2024/25 was understated by R1,352 million

Note

2024/25

R'000

1 564

1 564

(1 180)

172

(1 352)

Total prior period errors

384

28.2 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2026

	Intangible assets	Machinery and equipment	Finance lease assets	Total
	R'000	R'000	R'000	R'000
Opening balance	-	12 935	-	12 935
Additions	-	284	-	284
Disposals	-	(8)	-	(8)
TOTAL MINOR ASSETS	-	13 211	-	13 211

	Intangible assets	Machinery and equipment	Finance lease assets	Total
Number of RI minor assets	-	339	-	339
Number of minor assets at cost	-	6 118	-	6 118
TOTAL NUMBER MINOR ASSETS	-	6 457	-	6 457

Minor Assets under investigation

Number	Value
	R'000

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:

Machinery and equipment	868	1 834
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Note

A total number of 868 movable tangible capital assets, with a total value of R1,834 million, are under investigation.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	Intangible assets	Machinery and equipment	Finance lease assets	Total
	R'000	R'000	R'000	R'000
Opening balance	-	13 039	-	13 039
Prior period error	-	-	-	-
Additions	-	159	-	159
Disposals	-	(263)	-	(263)
TOTAL MINOR ASSETS	-	12 935	-	12 935

	Intangible assets	Machinery and equipment	Finance lease assets	Total
Number of RI minor assets	-	491	-	491
Number of minor assets at cost	-	6 219	-	6 219
TOTAL NUMBER OF MINOR ASSETS	-	6 710	-	6 710

29. Intangible capital assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2026

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	902	-	-	902
TOTAL INTANGIBLE CAPITAL ASSETS	902	-	-	902

29.1 Movement for 2024/25

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	Opening balance	Prior-period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	497	-	405	-	902
TOTAL INTANGIBLE CAPITAL ASSETS	497	-	405	-	902

30. Immovable tangible capital assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2026

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Other fixed structures	17 955	96 906	17 179	97 682
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	17 955	96 906	17 179	97 682

Expanded Public Works Programme infrastructure projects completed (Additions).

	2025/26
	R'000
KZN-Isibhubu project owned by King Goodwill Cultural Development Trust	29 548
EC-Chalets at Nyandeni Great Place	21 440
NW- Lehurutshe Bird and Trophy Hunting owned by the Bakgatala ba Lencoe Trust	21 263
NW- Product Enhancement at Sol Plaatjie Exhibition in Mahikeng Museum	7 476
South African Biodiversity Institute-Thohoyandou	17 179
TOTAL	96 906

Expanded Public Works Programme infrastructure projects completed and handed over / written off (Disposals).

	2025/26
	R'000
South African Biodiversity Institute-Thohoyandou	17 179
TOTAL	17 179

Expanded Public Works Programme infrastructure projects completed and not handed over.

	2025/26 R'000
GP - Alexandra Mandela Yard Project	6 158
LP – Ngove Cultural Centre & Theatre	9 434
NW - Lehurutshe Bird & Supingstad Trophy Hunting	2 363
KZN-Isibhubu project owned by King Goodwill Cultural Development Trust	29 548
EC-Chalets at Nyandeni Great Place	21 440
NW- Lehurutshe Bird and Trophy Hunting owned by the Bakgatala ba Lencoe Trust	21 263
NW- Product Enhancement at Sol Plaatjie Exhibition in Mahikeng Museum	7 476
TOTAL	97 682

30.1 Movement for 2024/25

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE

YEAR ENDED 31 MARCH 2025

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
Other fixed structures	17 955	-	-	-	17 955
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	17 955	-	-	-	17 955

30.2 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2026

	Note	Opening balance 1 April 2025 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2026 R'000
	Annexure 5				
Buildings and other fixed structures		984 465	82 460	(96 906)	970 019
TOTAL		984 465	82 460	(96 906)	970 019

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2025

	Note	Opening balance 1 April 2023	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated)	Closing balance 31 March 2024
	Annex 5	R'000	R'000	R'000	R'000	R'000
Buildings and other fixed structures		771 800	-	212 665	-	984 465
TOTAL		771 800	-	212 665	-	984 465

30.3 Immovable assets written-off

IMMOVABLE ASSETS WRITTEN-OFF FOR THE YEAR ENDED 31 MARCH 2026

	Buildings and other fixed structures	Total
	R'000	R'000
Immovable assets written-off	-	-
TOTAL IMMOVABLE ASSETS WRITTEN-OFF	-	-

IMMOVABLE ASSETS WRITTEN-OFF FOR THE YEAR ENDED 31 MARCH 2025

	Buildings and other fixed structures	Total
	R'000	R'000
Immovable assets written-off	-	-
TOTAL IMMOVABLE ASSETS WRITTEN-OFF	-	-

31. Principal-agent arrangements
 31.1 Department acting as the principal for Tourism Incentive VProgramme Projects

List of the entities acting as agents for the department and the fee paid as compensation to the agent		Fee Paid	
		2025/26	2024/25
		R'000	R'000
PROJECTS	AGENT		
Tourism Equity Fund (TEF)	Small Enterprise Development Finance Agency (SEDFA)	-	-
Tourism Transformation Fund (TTF)	National Empowerment Fund (NEF)	-	-
Green Tourism Incentive Programme (GTIP)	Industrial Development Corporation (IDC)	6 268	6 268
TOTAL		6 268	6 268

Note

The relationship with the three entities listed is regulated by contracts/MOAs between the Department and the entities. In terms of the contracts, the entities(agents) act on behalf of the Department to manage incentive programmes/funds that benefit third parties. The agents receive a fee for managing the programme on behalf of the Department. The agents account for moneys transferred into the fund, which is held in dedicated bank accounts. Should the fund cease to exist, all unused funds are payable back to the Department. The Department is involved in directing the activities of the agents/funds through the Project Steering Committees that are in place which provide policy direction and management oversight over the projects/funds. The Agents are expected to provide reports to the Department at least quarterly on the progress with the projects.

There were no changes to the terms of the agreements with the agents during the reporting period.

The significant risks associated with the Principal-Agent arrangement are:

- The Agent reneges on the contractual obligations that may result in a new agent being appointed at significant cost to the Department.
- Non-performance by agent.

These risks are mitigated through standard contractual provisions for breach of contract Furthermore there is continuous reporting and monitoring through the Project Steering Committee.

» The primary benefit of using the agents to implement the TIP programmes is that we leverage their institutional capacity and expertise, which the Department does not have, to implement these programmes.

32. Natural disaster or relief expenditure

	Note	2025/26	2024/25
	Annexure 7	R'000	R'000
Goods and services		-	-
TOTAL		-	-

33. Prior period errors

Correction of prior period errors

	Note	Amount before error correction	Prior period error 2024/25	Restated Amount
		R'000	R'000	R'000
Assets:				
Finance lease assets understated in 2023/2024 by R1,564 million	28	1 797	1 564	3 361
Finance lease assets additions for 2024/25 was understated by R172 thousand	28	285	172	457
Finance lease assets disposals for 2024/25 was understated by R1,352 million	28	-	(1 352)	(1 352)
Net effect		2082	384	2 466

	Note	Amount before error correction	Prior period error 2024/25	Restated Amount
		R'000	R'000	R'000
Liabilities:				
Contingent Liability	18	9 457	2 250	11 707
Finance Lease Commitments	22.2	1 013	237	1 250
Net effect		10 470	2 487	12 957

Note

Claim against the state was understated by R 2,25 million in the 2024-25 financial year.

Finance Lease Commitments was understated by R237 thousand in the 2024/25 financial year.

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2024/25	
	Adjusted budget	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
South African Tourism	1 300 207	-	-	1 300 207	1 300 207	100,0%	1 243 555	1 243 555
Tourism Incentive Programme	-	-	21 519	21 519	21 519	100,0%		
National Tourism Careers Expo	4 831	-	(4 831)	-	-	-	4 624	4 624
Culture Art Tourism Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	212	-	-	212	212	100,0%	203	203
TOTAL	1 305 250	-	-	16 688	1 321 938	1 321 938	1 248 382	1 248 382

DEPARTMENT OF TOURISM - VOTE 38

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2026

ANNEXURE 1B

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2024/25	
	Adjusted budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Capital	Current	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Public corporations										
Transfers										
Tourism Incentive Programme	-	-	140 112	140 112	140 112	100,0%	-	140 112	-	-
Subtotal: Public corporations	-	-	140 112	140 112	140 112	100,0%	-	140 112	-	-
Private enterprises										
Transfers										
Tourism Incentive Programme	176 566	-	(161 631)	14 935	13 423	89,9%	-	13 423	172 067	172 067
Subtotal: Private enterprises	176 566	-	(161 631)	14 935	13 423	89,9%	-	13 423	172 067	172 067
TOTAL	176 566	-	(21 519)	155 047	153 535	99,0%	-	153 535	172 067	172 067

ANNEXURE IC

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2024/25	
	Adjusted Budget	Roll overs	Adjustments	Total available	Actual Transfer	% of available funds transferred	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
United Nations Tourism (UN Tourism)	2 872	-	-	2 872	2 619	91,2%	2 750	2 478
TOTAL	2 872	-	-	2 872	2 619	91,2%	2 750	2 478

ANNEXURE ID

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2024/25	
	Adjusted Budget	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Federated Hospitality Association of Southern Africa (Fedhasa)	480	-	-	480	480	100,0%	459	459
Tourism Transformation Council of South Africa (TTCSA)		-	4 831	4 831	4 831	100,0%	-	-
TOTAL	480	-	4 831	5 311	5 311	100,0%	459	459

DEPARTMENT OF TOURISM - VOTE 38

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2026

ANNEXURE 1E

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2024/25	
	Adjusted Budget	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Bursaries (Non-Employee)	4 129		(1 793)	2 336	2 336	100,0%	2 434	2 434
Employee Social Benefits			8 363	8 363	8 363	100,0%	5 483	5 484
Donations (Gifts)			120	120	120	100,0%	10	10
TOTAL	4 129		6 690	10 819	10 819	-	7 927	7 928

ANNEXURE IF

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2025/26	2024/25
		R'000	R'000
<u>Received in kind</u>			
Sponsorships			
Culture Art Tourism Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	Lunch and “goodie bags” for 120 participants in the G20-Hackethon	60	-
Van Loveren Winery	25 Cases of wine for the G20 Tourism Social Events 09-12 Sept 2025	11	-
Digital Council	G20 Tourism Investment Summit	65	-
Google	G20 Tourism Investment Summit	700	-
Uber	G20 Tourism Investment Summit	450	-
Anita Mendiratta & Associates	Master of Ceremonies and Moderator for G20 Tourism Investment Summit	190	-
Total Sponsorships		1 476	-
Subtotal-Received in kind		1 476	-
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED		1 476	-

DEPARTMENT OF TOURISM - VOTE 38
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2026

ANNEXURE 1G

STATEMENT OF AID ASSISTANCE RECEIVED

		OPENING BALANCE	REVENUE	EXPENDITURE	PAID BACK ON/ BY	CLOSING BALANCE
		31 MARCH				
NAME OF DONOR	PURPOSE	R'000	R'000	R'000	R'000	R'000
Aid assistance received in cash						
Culture Art Tourism	G20-Hackathon Project	-	950	920	-	30
Hospitality and Sports Sector						
Education and Training Authority (CATHSSETA)						
TOTAL		-	950	920	-	30

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP

Made in kind

Gifts

Corporate Gifts as token of goodwill for high level Dignitaries - Ministers Tourism Dialogue

Corporate Gifts as token of goodwill for high level Dignitaries - Africa Indaba

Corporate Gifts for Mandela Day

Corporate Gifts as token of goodwill for high level Dignitaries – Ministers G20

Corporate Gifts as token of goodwill for high level Dignitaries – Ministers Ghana

Corporate Gifts as token of goodwill for high level Dignitaries – Ministers India outreach

Corporate Gifts as token of goodwill for high level Dignitaries – Ministers Berlin

Corporate Gifts as token of goodwill for high level Dignitaries – UN tourism Executives

Corporate Gifts as token of goodwill for high level Dignitaries – UN tourism Executives

Corporate Gifts as token of goodwill for high level Dignitaries – Zambia outreach

Corporate Gifts as token of goodwill for high level Dignitaries – China

Corporate Gifts as token of goodwill for high level Dignitaries – TURKEY

Corporate Gifts as token of goodwill for high level Dignitaries – UAE

Corporate Gifts as token of goodwill for high level Dignitaries – WTM

Corporate Gifts as token of goodwill for high level Dignitaries – SAUDI ARABIA

Corporate Gifts as token of goodwill for high level Dignitaries – MALAYSIA

Corporate Gifts as token of goodwill for high level Dignitaries – MALAYSIA

Corporate Gifts as token of goodwill for high level Dignitaries – MALAYSIA

Corporate Gifts as token of goodwill for high level Dignitaries – MALAYSIA

Corporate Gifts as token of goodwill for high level Dignitaries – MALAYSIA

Corporate Gifts as token of goodwill for high level Dignitaries – WEF DAVOS

Total Gifts

Donations

Donations of Machinery and Equipment to B Peege (Official Retired)

2025/26	2025/26
R'000	R'000

-	3
-	4
-	53
-	4
-	2
-	6
-	4
2	-
2	-
2	-
2	-
2	-
2	-
2	-
7	-
2	-
2	-
2	-
2	-
2	-
2	-
33	76

-	74
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ANNEXURE 1H (Continued)

Donations of Machinery and Equipment to A F Mahlalela (Deputy Minister Retired)	-	93
Donations of Machinery and Equipment to Vastfontein Community Transformation	-	190
Donations of Machinery and Equipment to M Heyneke (Official Retired)	-	44
Donations of Machinery and Equipment to S Pearce (Official Retired)	-	15
Donations of Machinery and Equipment to S Mampuru (Official Retired)	-	51
Donations of Machinery and Equipment to E Von Stade (Official Retired)	29	-
Donations of Machinery and Equipment to P Van Niekerk (Official Retired)	23	-
Donations of Machinery and Equipment to Dr S Ngomane (Official Retired)	43	-
Total Donations	95	467

TOTAL GIFTS, DONATIONS AND SPONSORSHIPS MADE IN KIND	128	543
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ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2026 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2025	Guarantees draw-downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations due to foreign currency movements	Closing balance 31 March 2025	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2026
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing	-	-	-	-	-	-	-	-
TOTAL		-	-	-	-	-	-	-	-

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2026

Nature of liability	Opening Balance 1 April 2025	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (provide details hereunder)	Closing balance 31 March 2026
	R'000	R'000	R'000	R'000	R'000
Claims against the Department					
Umbuso Training Services (Pty)Ltd - Claim against the department for payment of retention fees and administration costs due.	1 072	-	-	-	1 072
G Nevari-Claim due to unfair dismissal	6 000	-	(6 000)	-	-
K Morritti- Claim against the Department for accident damages	135	-	(135)	-	-
Lizelle Dominique Haskins and Makhosazana Khanyile-Defamation Claim	4 500	-	-	-	4 500
Thobela Projects CC - Claim against the Department for breach of contract	-	4 863	-	-	4 863
TOTAL	11 707	4 863	(6 135)	-	10 435

ANNEXURE 3

CLAIMS RECOVERABLE

2025/26 ANNUAL REPORT Department of Tourism	GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year-end 2025/26	
		31/03/2026	31/03/2025	31/03/2026	31/03/2025	31/03/2026	31/03/2025	Receipt date up to six (6) working days after year-end	Amount
		R'000	R'000	R'000	R'000	R'000	R'000		R'000
	DEPARTMENT								
	Department of Higher Education	-	39	-	-	-	39	-	-
	Department of Justice	-	93	-	-	-	93	-	-
	TOTAL	-	132	-	-	-	132		-

ANNEXURE 4

INTER-GOVERNMENTAL CONTINGENT LIABILITIES, PROVISIONS, ACCRUALS, PAYABLES NOT RECOGNISED AND EMPLOYEE BENEFITS

GOVERNMENT ENTITY	TOTAL		Cash in transit at year-end 2025/26	
	31/03/2026	31/03/2025	Payment date up to six (6) working days before year-end	Amount
	R'000	R'000		R'000
DEPARTMENTS				
Accruals				
National School of Government	12	2	-	-
Department of Justice	174	-		
Subtotal	186	2	-	-
Payables Not recognised				
National School of Government	27	-	-	-
Subtotal	27	-	-	-
Total-Departments	213	2	-	-
Accruals	186	2		
Payables Not recognised	27	-		
OTHER GOVERNMENT ENTITIES				
Accruals				
Auditor-General South Africa (AGSA)	1 597	-		
State Information Technology Agency (SITA)	668	581		
Subtotal	2 265	581		
Payables Not recognised				
	-	-		
Subtotal	-	-		
Total-Other Government Entities	2 265	581		
Accruals	2 265	581		
Payables Not recognised	-	-		
TOTAL INTERGOVERNMENTAL CONTINGENT LIABILITIES, PROVISIONS, ACCRUALS, PAYABLES NOT RECOGNISED AND EMPLOYEE BENEFITS	2 478	583		

ANNEXURE 5

Movement of Capital Work-in-Progress

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED 31 MARCH 2026

	Opening balance	Current Year Capital WIP	Ready for use (Asset register)/ Contract Terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Other fixed structures	984 465	82 460	(96 906)	970 019
TOTAL	984 465	82 460	(96 906)	970 019

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED 31 MARCH 2025

	Opening balance	Current Year Capital WIP	Ready for use (Asset register)/ Contract Terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Other fixed structures	771 800	212 665	-	984 465
TOTAL	771 800	212 665	-	984 465

ANNEXURE 6A

INTER-ENTITY ADVANCES PAID (note 10)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2026	31/03/2025	31/03/2026	31/03/2025	31/03/2026	31/03/2025
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

ANNEXURE 7

NATURAL DISASTER OR RELIEF EXPENDITURE

PER QUARTER TOTAL

Expenditure per economic classification	2025/26				2024/25	
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and Services	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

ANNEXURE 8

ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTE 9)

Name of Entity	Sector of the entity	Description of the item paid for	Classification category	Total Contract Value	Balance outstanding as at 31 March 2025	Total amount prepaid / advanced in the current year	Less: goods, services or capital assets received in the current year	Add/ Less: Other	Balance outstanding as at 31 March 2026
				R'000	R'000	R'000	R'000	R'000	R'000
Prepayments									
Total prepayments				-	-	-	-	-	-
Advances									
Ezemvelo KZN Wildlife	Biodiversity conservation	Upgrading of facilities	Public entities	33 100	3 733	-	(546)	-	3 187
Ezemvelo KZN Wildlife	Biodiversity conservation	Upgrading of facilities	Public entities	36 018	5 511	-	(1 981)	-	3 530
Trade and Investment KwaZulu	Trade and Investment	Completion of works	Public entities	37 000	1 323	-	-	-	1 323
South African National Biodiversity Institute	Biodiversity conservation	Completion of works, repairs and construction of new ablution facilities	Public entities	37 620	22 194	-	-	-	22 194
Eastern Cape Parks and Tourism Agency	Provincial Parks	Completion of works, repairs and construction of new ablution facilities	Public entities	21 000	8 331	-	(314)	-	8 017
Constitutional Hill Development Company	Human Rights Precinct	Construction of People's Park	Public entities	14 000	2 311	-	(2 311)	-	-
Western Cape Nature Conservation Board-Goukamma Nature Reserve	Nature Reserve	Upgrading and repair of existing facilities	Public entities	18 000	14 971	-	(928)	-	14 043
KwaZulu-Natal Tourism Authority	Tourism	Construction of access road	Public entities	12 450	8 461	-	(8 461)	-	-
Ezemvelo KZN Wildlife	Biodiversity conservation	Upgrading of facilities	Public entities	10 090	4 112	-	-	-	4 112

ANNEXURE 8 (Continued)

DBSA	Development	Completion of works, repairs and construction of new ablution facilities	Public entities	1 002 492	81 785	-	(67 212)	-	14 573
DBSA	Development	Security	Public entities	14 421	2 736	-	-	-	2 736
Mpumalanga Tourism Parks and Agency	Provincial Parks	Universal Access Park	Public entities	-	7 728	-	-	-	7 728
Total advances					163 196	-	(81 753)		81 443
TOTAL PREPAYMENTS AND ADVANCES					163 196	-	(81 753)		81 443

BROAD BASED BLACK ECONOMIC
EMPOWERMENT CERTIFICATE

GENERIC SPECIALISED ENTERPRISE SCORECARD

DEPARTMENT OF TOURISM

Registration Number: N/A
VAT Number: N/A

Address: 17 Trevenna Street, Tourism House, Sunnyside, Pretoria, Gauteng, 0002

CERTIFICATE NO: VV590/REV00/08/2025

This certificate is issued in accordance with the DTI Generic Code issued in terms of the Broad-Based Black Economic Empowerment Act (53 of 2003) on 31 May 2019 – 42496. The information used to prepare this scorecard is confidential to Vision Verification.

LEVEL SEVEN CONTRIBUTOR

SCORECARD ELEMENT	ACTUAL SCORE	TARGET SCORE
Management Control	19.60	20.00
Skills Development	15.30	25.00
Enterprise & Supplier Development	37.90	50.00
Socio-Economic Development	0.00	5.00
TOTAL SCORE	72.80	100.00

B-BBEE STATUS

Black Ownership Percentage	N/A	Procurement Recognition Level	50.00%
Black Female Ownership Percentage	N/A	Empowering Supplier	Yes
Black Owned Designated Group	N/A	Black Owned Designated Group	No
Black People Living in Rural Areas	N/A	Modified Flow-Through Applicable	No
Black Military Veterans	N/A	Discounting Principle Applicable	Yes
Black Youth	N/A	Exclusion Principle Applicable	No
Black Disabled	N/A	Participated in Y.E.S Initiative	No
Black Unemployed	N/A	Achieve Y.E.S Target and 2.5% Absorption	No
Black New Entrant	N/A	Achieve 1.5 x Y.E.S Target and 5% Absorption	No
Financial Year End	31 March 2025	Achieve double x Y.E.S Target and 5% Absorption	No

Date Issued 21 August 2025
Reissue date N/A
Expiry Date 20 August 2026

This certificate is valid for 12 months from date of issue.

For any enquiries, please contact Riyadh Hoosen on
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