



Department of Tourism
ANNUAL REPORT
2020/2021



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA



SOUTH AFRICAN TOURISM



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PART A: GENERAL INFORMATION



1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General South Africa
APP	Annual Performance Plan
AU	African Union
BARSA	Board of Airline Representatives of South Africa
BAS	Basic Assessment Screening
B-BBEE	Broad-Based Black Economic Empowerment
CATHSSETA	Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority
CMT	Coastal and Marine Tourism
CoGTA	Department of Cooperative Governance and Traditional Affairs
Coronavirus	COVID-19
DAC	Department of Arts and Culture
DDM	District Development Model
DEFF	Department of Environment, Forestry and Fisheries
DPSA	Department of Public Service and Administration
EC	Eastern Cape
EPWP	Expanded Public Works Programme
ERRP	Economic Reconstruction and Recovery Plan
EXCO	Executive Committee
FS	Free State
FTE	Full Time Equivalent
GDP	Gross Domestic Product
GP	Gauteng Province
HCT	HIV Counselling and Testing
HYP	Hospitality Youth Programme
ICT	Information Communications Technology
IMF	International Monetary Fund
IORA	Indian Ocean Rim Association
KZN	KwaZulu-Natal
LETOFO	Legislatures Tourism Oversight Forum

LP	Limpopo Province
MICE	Meetings, Incentives, Conferences and Exhibitions
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MP	Mpumalanga Province
MTSF	Medium-Term Strategic Framework
NA	National Assembly
NC	Northern Cape
NDP	National Development Plan
NEDLAC	National Economic Development and Labour Council
NPTR	National Public Transport Regulator
NT	National Treasury
NTIMS	National Tourism Information and Monitoring System
NTSS	National Tourism Sector Strategy
NW	North West
OHS	Occupational Health and Safety
OPSC	Office of the Public Service Commission
PFMA	Public Finance Management Act
PMDS	Performance Management Development System
PRC	People's Republic of China
PSCBC	Public Service Coordinating Bargaining Council
RMC	Risk Management Committee
RPL	Recognition of Prior Learning
RSA	Republic of South Africa
SA	South Africa
SADC	Southern African Development Community
SANParks	South African National Parks
SARS	South African Revenue Service
SA Tourism	South African Tourism
SE	Service Excellence
SEDA	Small Enterprise Development Agency

SEFA	Small Enterprise Finance Agency
SMME	Small, Medium and Micro Enterprises
SMS	Senior Management Service / Short Message Service
SOEs	State-Owned Enterprises
STR	State of Tourism Report
TBCSA	Tourism Business Council of South Africa
TEF	Tourism Equity Fund
TEIP	Tourism Environmental Implementation Plan
TERS	Temporary Employee Relief Scheme
TGRF	Tourist Guide Relief Fund
THRD	Tourism Human Resource Development
TIP	Tourism Incentive Programme
ToR	Terms of Reference
TRF	Tourism Relief Fund
TSHRD	Tourism Sector Human Resource Development
TSRP	Tourism Sector Recovery Plan
TTGIIP	Tourism Technology Grassroots Innovation Incubation Programme
TTIIP	Tourism Technology and Innovation Incubation Programme
UIF	Unemployment Insurance Fund
UNWTO	United Nations World Tourism Organisation
VAT	Value Added Tax
VTSD	Villages, Townships and Dorpies
WC	Western Cape
WiT	Women in Tourism
WSP	Workplace Skills Plan
WTTC	World Travel and Tourism Council

3. FOREWORD BY THE MINISTER



The tourism sector has in recent times become the new gold, having surpassed many sectors such as mining and manufacturing in terms of job creation and contribution to the Gross Domestic Product (GDP). According to an annual review by the World Travel & Tourism Council (WTTC) in 2019, our country's tourism sector created 1.5 million jobs and contributed R425.8 billion to the GDP. This is a sector that also represents 8.6 % of all economic activity in the country, while our country is the largest tourism economy in Africa.

South Africa's tourism industry prides itself in its unique and vast offerings. The advantage of this industry is that it is versatile, and able to overlap across various industries. What makes the country's tourism sector remain above the rest is its ability to offer bush, leisure, blue flag beaches and accommodation, amongst the others.

While the sector has been doing its bit to grow the economy over the years, the emergence of Novel COVID-19 pandemic has had dire socio-economic effects on the sector. This led to the threat of job losses and strained livelihoods of tourism employees, and other stakeholders. As a result, various COVID-19 mitigations were implemented in a phased approach to counter the effect of COVID-19 on the sector. These were put in place and tabled to the government by the Department in collaboration with other sectors. On the other hand, SMME's and big sub-sectors in the tourism industry adapted their business models and maintained a presence through innovative ways of operating. This reflected the great potential and opportunity for the tourism industry to operate in an unconventional way in the COVID-19 operating environment.

The Department embarked on a process to review the current tourism policies and develop a new policy direction for the tourism sector. The Advisory Panel appointed in October 2020 commenced with its work in November 2020 with the review of the White Paper on the Development and Promotion of Tourism in South (1996). The Panel has held preliminary consultations with organised tourism, business formations, labour union, youth and transformation bodies within the tourism sector. The reviewed Tourism White Paper is expected to provide a framework for the next phase of tourism development in the country.

Since the outbreak of the COVID-9 pandemic, the Department has increased stakeholder engagement through virtual platforms and embarked on sector specific engagements. A more focussed approach to stakeholders allowed the Department to address specific issues raised by the tourism sector.

Monitoring and reporting on implementation of the **National Tourism Sector Strategy (NTSS)** approved by Cabinet in 2017 continued. However, the NTSS in practice experienced a shift as tourism activity stopped and restarted under different conditions as a result of the COVID-19 pandemic. The Department continued with convening the NTSS implementation mechanisms, namely the National Tourism Stakeholders Forum and the Work Streams virtually, to deliberate and collaboratively agree on way forward to ensure sector recovery.

The World Tourism Day is a United Nations World Tourism Organisation (UNWTO) initiative, celebrated annually on 27 September. The objective is to promote the importance of tourism towards achieving the Sustainable Development Goals, through its social, cultural, political and economic value. Since World Tourism Day is celebrated in September, the month is also known as Tourism Month in South Africa. Locally, the World Tourism Day celebration is held under the Domestic Tourism Campaign. Through this Campaign during the period under review, the Department ensures that there is a focus on rural tourism, with focus on small towns, townships and rural destinations. The Campaign seeks to showcase less visited provinces and destinations. The focus stems from the Domestic Tourism Growth Strategy objective, which indicates that until geographic spread and seasonality in travel are adequately addressed, domestic tourism will not reach its full potential.

Showcasing South Africa's natural heritage, the Tsitsikamma National Park has breath taking views in lush forests and is home to the world renowned ancient Outeniqua big tree, the 26-metre-tall yellow wood estimated to be 1 000 years old and is one of the draw cards for Tsitsikamma Tourism. The incredibly beautiful area of land that lies between the Tsitsikamma Mountains and the sea stretches west to the Bloukrans River and east to Eerste River, and is named after the San word that means "place of abundant water". Outdoor activities include zipline, hiking, canoeing, highest bungee jumping bridge, coast and wildlife in one province.

Following the move to alert level 2 of the COVID risk-adjusted strategy and the reopening of inter-provincial travel, the Park was officially reopened to the public on 18 September 2020 at Tsitsikamma Garden Route in the Eastern Cape. Construction at the Tsitsikamma Big Tree Gateway includes: community-managed coffee and curio shop; picnic facilities; an activity centre; ablutions; offices; an entrance gate; parking, and infrastructure services. The construction and development is part of the greater objective of the NTSS 2016-2026, to improve visitor experience through the development and enhancement of tourism infrastructure at rural nodes, thus ensuring that all enjoy the broad-based benefits of tourism.

A further domestic travel activation campaign undertaken, amongst others, was in Limpopo province from 22 to 23 October 2020, at Lephalale and Bela-Bela. The campaign sought to showcase variety of tourism facilities, products available to travellers under COVID-19 protocols and our country as a destination of choice. This bodes well for the sector's revival and assistance to tourism businesses and recovery of jobs after the devastating impact of the pandemic.

We have implemented the National Tourism Information Management System (NTIMS) Regulations. The aim was to support and regulate the collection of tourism information and data to inform strategies, plans and policy development. This project involves youth placed for the NTIMS Data Collection Programme in all nine provinces and all municipalities. In line with the published Regulations, a comprehensive data collection exercise was undertaken, and over 21 000 tourism and related records were collected from various organs of state. This information will assist the Department in establishing the required tourism business intelligence in terms of the size, extent and variety of tourism businesses, products and services that are in operation in South Africa. Furthermore, the NTIMS and its related data are key to inform evidence-based planning and decision-making, as well as the formulation of strategic interventions geared towards the recovery of the tourism sector.

We have participated in the G20 Tourism engagements under Saudi Arabia's G20 Presidency in 2020. The G20 Tourism Ministers endorsed the G20 Guidelines for Inclusive Community Development through Tourism and the G20 Guidelines for Action on Safe and Seamless Travel. Tourism was included in the G20 Leaders Riyadh Declaration where the Leaders endorsed the commitments made by the G20 Tourism Ministers to address the challenges presented by the COVID-19 pandemic and promote recovery of the travel and tourism sector and realise its potential to drive faster economic recovery from the COVID-19 crisis.

Our Enterprise Development and Transformation Programme has continued. It is mainly targeted at women and youth in order to provide developmental support to rural tourism enterprises. The Programme comprises Hub-based Tourism Incubation Support and offsite national support for SMMEs. The objective and purpose of the programme is to reduce business failure in selected tourism hubs by maximising trade networks, business linkages through training and development, and to increase participation of the SMMEs in the Tourism Sector for inclusive economic growth.

The Department of Tourism remains committed to transforming the sector and placing women at the centre of South Africa's development agenda. In its quest for gender parity, the Department gives expression to Sustainable Development Goal Five of gender equity through its UNWTO Women in Tourism Empowerment Programme (WiTEP). The focal areas of the project are: leadership and skills development, supplier development, SMME development and mentorship. This WiTEP sets a precedent for establishing tourism as a tool for the promotion of gender equality and women's empowerment. The successful Women in Tourism (WiT) Programme has been active in South Africa since 2013. South Africa was elected to partner with the UNWTO to conduct the three-year pilot programme to assess the state of women in tourism sector in South Africa. The Limpopo Province was chosen for this UNWTO WiT Pilot Project as it is one of the poorer provinces, but also has a diverse offering of wildlife and cultural attractions which makes it a popular tourist destination.

The Department acknowledges the significance of intergovernmental collaboration between and amongst the various spheres of government, and the tourism industry stakeholders to maximise resources for tourism development and marketing. I would also like to thank the Portfolio Committee on Tourism for their guidance and my predecessor, Minister Kubayi, the Deputy Minister Mahlalela for steering the ship up to where we are. My appreciation also goes to the Director-General Tharage, his management team and the entire Team Tourism for all work done for tourism development and growth.



Ms Lindiwe Sisulu, MP
Minister of Tourism

4. DEPUTY MINISTER STATEMENT



The year under review has been a difficult one in many aspects. The COVID-19 pandemic plunged the tourism sector into an unprecedented crisis eroding the solid base played by our sector in the broader South African economy.

As we belaboured this pandemic in 2020, we were agile in our response and mitigation efforts and ensured most of our programmes remained targeted at accelerating tourism growth and development through initiatives to champion destination development, enterprise development, policy and research, domestic marketing and continuous engagement with our stakeholders

As we withered the storm we had to acknowledge that some of the difficulties will inevitably steer us off the course and as such made us to rethink our plans. We did this in the context of the global response to the COVID 9 pandemic, which had made travel difficult, gatherings non-permissible, borders closed, movement of people and goods limited.

Our Destination Development Programme has continued through the implementation of the Destination Planning, Investment co-ordination, and enhancement initiatives, with a greater emphasis on socio-economically depressed regions and in alignment to the District Delivery Model.

In order to prepare our attractions for the return of tourists as part of the Phase 1 of the Tourism Sector Recovery, the Expanded Public Works Programme (EPWP) funded the implementation of an infrastructure maintenance programme in partnership with SANParks in the following three national parks. Marakele National park in Limpopo, Addo Elephant National Park in the Eastern Cape, and Karoo National Park in the Western Cape.

We have also conducted needs assessment and developed recommendations for Product Enhancement at the following 5 Local Community Museums: Anton Lembede Museum eThekweni Municipality (KZN), McGregor Museum (NC), AmaHlubi Cultural Heritage (KZN), Sol Plaatjie Museum (NW), and Lehurutshe Liberation Heritage Museum (NW).

The geographic spread of tourism business events is another way of broadening participation in the sector. For this, SA Tourism was developing a framework to capacitate national associations to host business events in Villages, Towns and Small Dorpies (VTSDs) across the nine provinces.

The Meetings Incentives Conferences and Exhibitions (MICE) sector has endured the most of the global impact of the COVID-19 pandemic, with cancellations of events.

The pandemic resulted in the cancellation of Travel Trade Platforms globally such as ITB, IMEX and WTM to name a few; this included our own platforms such as Africa's Travel Indaba and Meetings Africa in the previous year. The South African National Conventions Bureau (SANCB) resolved to focus on supporting the recovery of business events tourism, through targeting future events, which have a bidding process of 3 to 4-year lead times.

Through the Grading Council of South Africa, the Department has introduced an approach to prepare establishments for grading. The objective was to enable establishments to receive feedback on the areas that required attention prior to full grading application, thereby minimise the numbers of those that do not make it, or increase the uptake, especially for emerging small enterprises.

To cushion, the already financially strained establishments, SA Tourism implemented an exemption period for up to 12 months of the grading assessments and fees followed by a payment holiday of 100% grading discount to aid the recovery of the sector.

The Department through SA Tourism in partnership with the provincial entities and stakeholder associations continued to implement a Domestic Tourism Campaign despite the difficulties of a volatile sector. The Campaign highlighted domestic tourism destinations across all nine provinces, with a focus on the areas that are less visited.

South Africa joined the world in celebrating World Tourism Day on 27 September 2020 with festivities at Maropeng's Cradle of Humankind in the western corridor of the Gauteng Province. The theme for the year under review was "Rural Development and Tourism". The celebrations highlighted the significant role the domestic tourism market plays in reigniting the sector, especially in spearheading tourism in lesser-visited rural communities in all nine provinces.

In order to enhance visitor experience, the Department has implemented training programmes to respond to skills shortage, which are targeted at unemployed South African youth, between 18 - 35 years. These programmes are focused on interventions to improve visitor experience and are based on industry demand for these skills. . They include the Tourist Guides, Wine Service Training Programme and Hospitality Youth Programme.

Wine Service Training Programme (Sommelier) targeting 252 youth was implemented and the Hospitality Youth Programme Fast Food was implemented in the KZN, WC, NW, GP and MP provinces

Mandarin Language Training for Tourist Guides: To up-skill existing tourist guides and enhance their service offerings so as to increase their competitiveness and market access opportunities. Provides an opportunity for 20 local South African tourist guides to be trained in Mandarin. A total of 20 guides have been recruited from three provinces (KwaZulu-Natal, Mpumalanga and Limpopo); 6 females and 14 males.

These Training programmes to respond to skills shortage remain targeted at unemployed South African youth, between 18 - 35, mostly young women

The Tourism Monitors Programme was implemented in all provinces including in parks managed by South African National Parks (SANParks), and gardens under the South African National Biodiversity Institute (SANBI). The Tourism Monitors Programme entails the recruitment, training and deployment of young people in various attractions to provide tourism related information and safety tips to tourist.

Albeit 302 participants continuing at SANParks, the programme has been temporarily suspended from 1 June 2020 due to the impact of COVID-19 on tourism sites and attractions, thus affecting continuation in Gauteng, Western Cape, Free State, North West, as well as SANBI gardens. We will continue to monitor the environment, but our safety monitors stand ready to protect our destination in time of recovery. Plans are also underway for their further training by the South African Police Services Academy.

As a Department we have continued to implement programmes to strengthen the local government infrastructure and accelerate service delivery through the District Development Model. In line with the introduction the District Development Model (DDM), the Department believed to would enhance the competitiveness of tourism localities and open-up destinations as part of diversification of offerings. This would be done with local government as a key role-player in the spatial management of the tourism estate, including work done in communities under traditional leadership. .

Strategically, the Department has aligned its programmes to the DDM by focusing on developing tourism implementation plans for the three pilot sites, namely, OR Tambo

District, Waterberg District and the eThekweni Metro, from which to elicit lessons to be learnt for the remainder of the 52 DDM spaces.

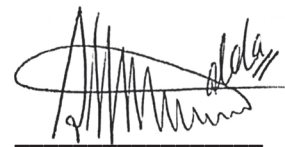
The Department continues to implement its Tourism Capacity Building Programme through workshops at district and local municipality level supported by provinces targeting municipal councillors, officials, community-based organisations (women, youth LTOs and RTOs), traditional authorities, small business entities. The focus is to empower with tourism development and promotion information and skills.

The Department embarked on a Rural Tourism Development and Domestic Tourism Campaign, in and around OR Tambo District Municipality of the Eastern Cape on 23 - 24 October 2020. Thabo Mofutsanyana District Municipality in the Free State Province was visited on 15 to 16 October 2020. Engagements included the spheres of government, the sector SMMEs on championing the recovery of tourism in general, and the activation of rural tourism in particular in the District.

We have forged ongoing planning partnerships with the Department of Traditional Affairs and Cooperative Governance, as well as the South African Local Government Association, with a view to integrating tourism planning and implementation into broader planning and implementation programmes at local levels, benefiting from the convening power of SALGA.

Historically, the tourism sector has demonstrated resilience through global financial meltdowns and health pandemics. However, the scale and depth of the disruption caused by the COVID-19 health and economic crisis suggest that the road to tourism recovery will be long and highly uncertain.

We have committed to continue to nurture the sector and drive collaborative strategies and programmes for sustained, inclusive growth into the future. We must and will lead interventions considering the effects of the stop and start cycles that the sector in the short to medium term as the virus evolves bringing with its possible new waves and strains.



Mr Fish Mahlalela, MP
Deputy Minister of Tourism

5. REPORT OF THE ACCOUNTING OFFICER



5.1 Overview of the operations of the Department

The new normal meant that we needed to function and carry out our mandate in unusual circumstances arising from the COVID-19 pandemic in our country, as well as the national lockdown and associated restrictions. The restrictions we had to comply with included amongst others, not having more than a third of our total workforce occupancy of the building and doing work remotely as far as possible. This required resilience and agility, exploration of other unusual ways of working such as virtual working and avoidance of the risk of contagion.

In order to mitigate against the impact of COVID-19 and allow for business continuity, we revised our working arrangements, developed and implemented protocols in line with the national lockdown regulations. We had put systems and mechanisms in place to ensure employee safety. We made the tools of trade available to as many officials as possible to enable them to work remotely, whilst only accessing the building on an *ad-hoc* basis to access office infrastructure.

Significant constraints to the fiscal framework and the policy position of government to contain the public service wage bill, was always going to have implications for the Department's human resource capacity. This required of us explore all possibilities for creating adequate capacity to implement our programmes, and to introduce efficiency and effectiveness improvements, that is, doing more with less and improving our procurement capacity and planning capabilities.

COVID-19's impact on the business of the organisation directly affected the expenditure plans as well. In this regard, as the country reprioritised resources to fight the pandemic, the Department's budget as well as that of its public entity were affected. Significant expenditure items such as international and domestic marketing, incentives such as

market access and rollout of infrastructure projects through the Expanded Public Works Programme (EPWP), were unfortunately not feasible in the current environment. This was highly unfortunate as there are a number of communities for whom the Department had to complete either their projects or start new ones in the same financial year.

We acknowledged that the work of our Department in the period under review would be severely affected. Hence, the plans had to be revised to consider what was achievable in the context of COVID-19 environment. While some programmes had to be stopped completely, others could only commence in the third and the fourth quarter. Destination Development and Tourism Sector Support Services are the two departmental programmes whose projects had been affected most severely.

The Tourism Incentive Programme (TIP) was one of those projects that were not feasible in the COVID-19 environment and a number of potential beneficiaries were to be affected. TIP could only resume when the environment has considerably been restored and levels of risks reduced. For this reason, resources were redirected to fighting COVID-19 with the understanding that there would be an opportunity during the adjustment period at a later stage to present the recovery plans for recovery funding.

The Department has continued to provide leadership and made substantial contribution to government on tourism issues. The Department has continually informed and engaged the government, stakeholders and members of the public on tourism issues. These include, for example, the measures we have implemented to mitigate against the impact of COVID-19 lockdown restrictions. We have undertaken to assist the tourist guides through setting aside R30 million to provide financial relief for freelance tourist guides over a period of two to three months.

The Department began the implementation of the Tourism Relief Fund (TRF) as a new activity in response to the COVID-19 pandemic and its impact on Small, Medium and Micro Enterprises (SMMEs) in the tourism and hospitality sector distressed by decimated tourism activity. The Department has directed the financial and human resources towards the implementation of the project. The impact of redirecting the resources was cushioned by reduced activity in other Programmes of the Department due to Disaster Management Regulations. The TRF was funded through the reallocation of R200 million. The Department has done extremely well in redirecting these funds in support of the sector. Over 4 000 businesses in the tourism and hospitality sector got the much-needed help through this Fund. Although there were still many more that needed assistance, it was quite comforting to note that the Department was playing a crucial role to assist the sector.

The COVID-19 pandemic introduced an unprecedented crisis to the global economy. Tourism was one of the first economic sectors to be deeply impacted by the pandemic with measures to contain its spread, including restrictions on movement. Operations were halted under various phases of lockdown and tourism revenues were severely diminished. The sector was thus facing profound and simultaneous demand and supply shocks. Among other things, the pandemic had the following impact on the tourism sector: closure of businesses; businesses operating at drastically reduced capacity; massive job losses; collapse of supply and demand on the domestic and international markets; persistent pressure on the South African tourism brand due to the country's association with the 501.v2 variant of the COVID-19 virus; and regression of transformation in the tourism sector.

The Tourism Sector Recovery Plan (TSRP) was a response by the sector to these multiple challenges brought on by the pandemic. To elaborate on the actions that will be undertaken in the tourism sector to support the recovery, the Department together with the private sector and other stakeholders, worked together to develop the Recovery Plan (that is, TSRP). Albeit still a draft, the TSRP was released on 1 August 2020 for consultation with stakeholders and members of the public. It was subsequently approved by Cabinet on 21 April 2021 and launched on 22 April 2021. The Plan is anchored on three interlinked pillars or strategic themes: protecting and rejuvenating supply, reigniting demand and strengthening enabling capability for long-term sustainability.

5.2 Overview of the financial results of the Department:

Programme Expenditure

Programme Name	2020/2021			2019/2020		
	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
Programme 1: Administration	289 822	289 819	3	288 274	287 323	951
Programme 2: Tourism Research, Policy and International Relations	482 145	479 529	2 616	1 419 142	1 419 060	82
Programme 3: Destination Development	442 709	427 495	15 214	430 338	430 011	327
Programme 4: Tourism Sector Support Services	212 184	195 406	16 778	254 916	247 998	6918
Total	1 426 860	1 392 249	34 611	2 392 670	2 384 392	8 278

The Department spent a total of 97.6% of its 2020/2021 allocation realising a total underspending of R34.6 million. The bulk of this underspending is explained as follows:

- Tourism Research, Policy and International Relations (R2.6 million): The bulk of this underspending lies within Compensation of Employees due to strict policies adhered to by the Department to reduce expenditure on salaries and wages.
- Destination Development (R15.2 million): The bulk of the unspent funds is due to funds allocated to the Expanded Public Works Programme Incentive, which was not approved by the Department of Public Works for spending. These funds must therefore be relinquished back to the National Treasury as unspent funds.

- Tourism Sector Support Services (R16.8 million): The bulk of this underspending lies within the Tourism Incentive Programme of which funds was set aside to provide financial relief to freelance tourist guides due to the effects of the COVID-19 pandemic on the tourism industry. Since the total allocation was not fully taken up by the tourist-guiding sector, the remaining portion must be relinquished back to the National Treasury.

5.2.1 Virements

In accordance with Section 43 of the Public Finance Management Act (PFMA), Act No. 1 of 1999, the Accounting Officer of the Department may utilise a saving in the amount appropriated under a main division within a vote towards the defrayment of excess expenditure under another main division on condition that it does not exceed 8% of the amount appropriated under that main division.

Approval was granted National Treasury in accordance with Section 6.3.1 of the Treasury Regulations, to increase the Transfers and Subsidies allocation of the Tourism Incentive Programme (TIP) in order to fund the Tourism Equity Fund to be managed by the Small Enterprise Finance Agency (SEFA), as well as the creation of a new transfer line to house this transfer payment. The transfer amount approved was R77 million.

Accordingly, approval was granted for the Department to shift R50 million from Goods and Services to Transfers and Subsidies: Private Enterprises for the new transfer item as well as to shift R27 million within Goods and Services for Consultants: Business and Advisory Services under Programme 4: Tourism Sector Support Services.

5.2.2 Roll overs

No request for roll overs will be submitted to National Treasury.

5.2.3 Unauthorised Expenditure, Fruitless and Wasteful Expenditure

The Department had no unauthorised expenditure for the period under review. The opening balance for fruitless and wasteful expenditure for the 2020/2021 financial year is R194,771 million from prior year. An investigation into the fruitless and wasteful expenditure has been concluded. A case has been opened with the South African Police Service (SAPS). The State Attorney has also been briefed to institute recovery of fruitless and wasteful expenditure. Disciplinary actions were initiated against Departmental officials affected in the investigation report on the fruitless and wasteful expenditure.

5.3 Future plans of the Department

South Africa's tourism industry prides itself in its unique and vast offerings. The advantage of this industry is its versatility and ability to overlap across various industries. What makes the country's tourism sector remain above the rest is its ability to offer bush, leisure, blue flag beaches and accommodation, amongst others.

The COVID-19 pandemic has plunged the sector into an unprecedented crisis, globally. Tourism was one of the first economic activities to be deeply impacted by the pandemic as well as measures implemented to contain its spread. Historically, the tourism sector has been resilient and quick to lift itself out of tough economic times, including global financial meltdowns and health pandemic. However, the sheer scale and depth of the disruptions to the sector caused by the COVID-19 pandemic and economic crisis, suggests that the road to recovery would be long and highly uncertain.

In order to mitigate against the effects of the COVID-19 pandemic, the now-approved TSRP needs to be publicised. This will inform, empower and engage the business sector to encourage active participation by all targeted groups in priority tourism initiatives, which will spearhead the tourism sector recovery. This is aimed at highlighting the successful collaboration with government to make possible a safe and phased-industry opening.

The TSRP outlines a set of interventions to ignite the recovery of the tourism sector and to place it on a path to long-term sustainability. It is a Plan that is anchored on three strategic themes: protect and rejuvenate supply, re-igniting demand and strengthening enabling capability for long-term sustainability. Guided by these themes, 10 strategic interventions will be implemented in order to support the revival of the sector. However, note must be taken that the constraint fiscal environment will make it more challenging.

A critical part of the recovery effort is to ensure that, while travel volumes had almost come to a halt, the supply side of the sector is protected and rejuvenated. Tourism is essentially a private sector driven activity. The State, however, has significant tourism assets in the form of national and provincial parks, World Heritage Sites and Sites of National Significance. The role of the State is two-fold: firstly, to support private sector initiatives in the recovery of tourism. Secondly, to ensure that State tourism assets are in good order and ready for the re-opening of the sector. For the Department, this involves protecting core tourism infrastructure and assets to prevent them from deteriorating and thus weakening the supply side of the sector. A weakened supply side will make recovery more difficult and protracted.

To protect tourism supply, Tourism Infrastructure Maintenance Programme of State-owned assets will be implemented. The emphasis will be on critical actions required to preserve tourism supply. These will include the enhancement of tourism assets and core infrastructure in the State's domain to prepare the sector for recovery. This presents a unique opportunity to upscale the refurbishment and maintenance of existing tourism infrastructure of State-owned assets such as precincts, protected areas, national and provincial parks, botanical and zoological gardens, heritage sites, amongst other State-owned attractions. Enhancement work of our destination is critical to improve the quality of product offering, through upgrades, refurbishment and maintenance, of State-owned assets.

Tourism infrastructure development and maintenance works of products and attractions will create jobs and SMME opportunities. There is substantial scope for labour intensive work through construction work and maintenance contracts to promote SMME development, B-BBEE, involvement of women and youth as well as local employment coupled with appropriate enterprise development.

There is a need to continue to position the Department as a leader in driving inclusive and sustainable tourism growth and transformation through programmes in destinations development, skills development, enterprise development sector incentives and support policy interventions, underpinned by focus on youth and women empowerment.

5.4 Public Private Partnerships

The Department has no Public Private Partnerships registered with National Treasury.

5.5 Discontinued activities / activities to be discontinued

- The following Incubators were in the final year of implementation in 2021: Manyeleti, Phalaborwa and Mier.
- The following Relief Funds were implemented in 2020/2021 financial year and will not be implemented further: Tourism Relief Fund and Tourist Guide Relief Fund.

5.6 New or proposed activities

Governments across the world are developing and implementing necessary measures to contain the spread of the virus including rollout of the vaccine, as well as economic interventions to sustain social livelihoods. The Department has committed to monitor, evaluate and review progress with regard to the implementation of the Tourism Sector Recovery Plan by all stakeholders. This will assist with provision of the details in respect of the achievement of milestones related to sector commitments to ensure sector recovery. It will provide a proper analysis of whether or not there is an upward or downward movement in implementation, with proper assessment of the situation including, opportunities, challenges and risks.

The Department will commission an impact evaluation of COVID-19 on the tourism sector in South Africa to determine the extent to which enterprises and workers in the tourism sector were affected by restrictions due to the pandemic. The evaluation will assess the extent to which enterprises were aware of the financial support provided in the country by both public and private institutions and how they have used the financial assistance received. The evaluation is meant to assist with providing evidence for policymaking

on the challenges and problems experienced by tourism enterprises to inform decision making, in order to develop appropriate strategies that could be used to prevent tourism enterprises from closing down and losing jobs.

5.7 Supply chain management

The Department received no unsolicited bids in the 2020/2021 financial year. In order to avoid irregular expenditure related to Supply Chain Management, the Department has established a Bid Specification Committee, a Bid Evaluation Committee, and a Bid Adjudication Committee to manage and conclude the administration of bids. The said committees have been capacitated to deal with the functions assigned to them.

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

South Africa and China enjoys cordial relations as underpinned by two existing agreements in the field of tourism. To strengthen and enhance bilateral relations, the two parties engage in amongst others, exchange of information, skills development as well as exchange of gifts to the benefit of their respective countries.

The Department has received an offer to accept anti-epidemic supplies (20 000 masks), from the Embassy of the People's Republic of China (PRC).

The acceptance of this donation is exercised in line with the Treasury Regulations for Departments, Trading Entities, Constitutional Institutions and Public Entities under Public Finance Management Act, 1999. Section 76(1)(i) of the PFMA under Part 8: Miscellaneous on Gifts, Donations and Sponsorships empowers the Department to seek donations and sponsorships in case of limited budget. Section 21.1.1 states that "the Accounting Officer may approve gifts, donations and sponsorships of state money and other movable property in the interest of the State."

The average market value of the disposable masks in South Africa is R26.65 including VAT and this market value has been sourced from the Biological Pharmaceutical Company. Therefore, the cost breakdown of the disposable masks is as follows:

ITEM	UNIT PRICE	TOTAL VALUE
Disposable Masks	R 26.65 including VAT	R 533 000.00

5.9 Exemptions and deviations received from the National Treasury

The Department received approval in terms of Treasury Regulation 6.3.1 (a) on 2 June 2020 from National Treasury to shift an additional R700 000.00 from Goods and Services to Transfer Payments to cover the exchange rate fluctuation for the payment to the United Nations World Tourism Organisation (UNWTO).

On 19 November 2020 the Department received approval from National Treasury in terms of Section 6.3.1 (b) of the Treasury Regulations to create a new transfer payment for the Technology Innovation Agency: Tourism Technology and Innovation Incubation Programme (TTIIP) for an amount of R3 million.

On 28 January 2021 the Department received an approval form National Treasury in terms of Section 6.3.1 (b) of the Treasury Regulations to create a new transfer payment for Tourism Equity Fund for an amount of R77 million.

5.10 Events after the reporting date

An order by the High Court of South Africa on 26 April 2021 interdicted and restrained SEFA from receiving, processing or making any payment pursuant to any application for funding from TEF pending the determination and finalisation of the court process based on legal action instituted against the Department.

5.11 Other

None

5.12 Acknowledgement/s or Appreciation

I would like to thank all the contribution and commitment by all of our stakeholders in the development of our Tourism Sector Recovery Plan. This Plan is our response to the multiple challenges brought on by the pandemic and an attempt to place our sector to levels experienced before the pandemic. The Department's Plan now contains projects geared towards giving practical expression to the TSRP and to this end, I would like to thank our officials – management and staff, in their commitment towards implementation of our plans and transparency towards reporting on implementation and challenges.

The gradual reopening of the economy and tourism activities provided a window through which the Department embarked on roadshows and domestic tourism promotion as well as engagement with our partners. In this regard, I would like to thank our political principals, former Minister of Tourism Ms Kubayi-Ngubane and Deputy Minister Mahlalela, for the leadership role they played in all efforts undertaken for tourism sector recovery.

All engagements with both the Portfolio Committee on Tourism, as well as the Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism and Employment and Labour, are appreciated. It is through their oversight role and support that we were able to account for all commitments we have made. Accountability on our part was also assisted greatly by the roles played by Internal Audit, the Audit Committee, as well as the Auditor-General of South Africa, in assurance provision on our work.

5.13 Conclusion

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

5.14 Approval and sign-off

The Annual Financial Statements set out on pages 95 to 174 have been approved by the Accounting Officer.



Mr Nkhumeleni Victor Tharage

**Accounting Officer
Department of Tourism**

Date: 31 May 2021

6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR 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 E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

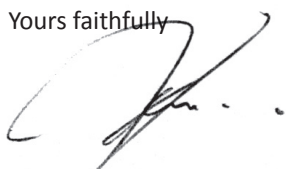
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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 2021

Yours faithfully,



Mr Nkhumeleni Victor Tharage
Accounting Officer
Department of Tourism
Date: 31 May 2021

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:

- good corporate and cooperative governance;
- strategic partnerships and collaboration;
- innovation and knowledge management; and
- effective stakeholder communication.

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 (good corporate governance):** Encapsulating 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 to growth and development for our people.
- **Integrity:** Act with integrity by maintaining the highest standards for accountability, serving with respect, honesty and trustworthiness.
- **Recognition:** Be an organisation that values its own people by ensuring fairness of systems and processes, being supportive as well as recognising and rewarding performance.

8. LEGISLATIVE AND OTHER MANDATES

8.1 Constitutional mandate

Part A of Schedule 4 of the Constitution of the Republic of South Africa, 1996, lists tourism as a functional area of concurrent national and provincial legislative competence.

8.2 Legislative mandate

The Tourism Act (Act No 3 of 2014), aims to promote the practice of responsible tourism for the benefit of the Republic and for the enjoyment of all its residents and foreign visitors, provide 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.

8.3 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 Re-imagined Industrial Strategy identifies tourism as one of the seven national priority sectors.
- The National Tourism Sector Strategy (NTSS) provides a blueprint for the tourism sector in the pursuit of growth targets contained in the New Growth Path.
- The White Paper on the Development and Promotion of Tourism in South Africa, 1996, provides a framework and guidelines for tourism development and promotion in South Africa.

9. ORGANISATIONAL STRUCTURE



10. ENTITY REPORTING TO THE MINISTER

The table below indicates the single entity that reports to the Minister.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
<p><i>South African Tourism (SA Tourism)</i></p>	<p>Chapter 3 of the Tourism Act, 2014 (Act 3 of 2014) stipulates the following as the functions of the South African Tourism Board:</p> <ul style="list-style-type: none"> · 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: <ul style="list-style-type: none"> o 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 o 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. 	<p><i>Transfer payment</i></p>	<ul style="list-style-type: none"> · 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. REPORT OF THE AUDITOR-GENERAL: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (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 91 - 94 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The tourism sector has in recent times become the new gold, having surpassed many sectors such as mining and manufacturing in terms of job creation and contribution to the Gross Domestic Product (GDP). According to an annual review by the World Travel and Tourism Council (WTTC), in 2019, South Africa's tourism sector created 1.5 million jobs and contributed R425.8 billion to the GDP. The sector also represents 8.6 % of all economic activity in the country while making South Africa the largest tourism economy in Africa.

While the sector has been doing its bit to grow the economy over the years, the emergence of Novel COVID-19 pandemic has had dire socio-economic effects on the sector. This brought with it the threat of job losses and strained livelihoods of tourism employees, role players as well as entrepreneurs, which includes freelancers such as tour guides.

The Department has continued to monitor the performance of the tourism sector on a regular basis through production of monthly, quarterly and annual tourism performance reports. In terms of international tourist arrivals, huge declines were experienced in 2020 due to the outbreak of COVID-19. Tourist arrivals (2 802 320) went down by -72.6% (-7 426 273) for the period January - December 2020 compared the same period in 2019 (10 228 593). The decline was due to the national lockdown, which prevented tourists from entering the country during the months of April - September 2020. Total annual tourist arrivals from the overseas markets decreased by -74.7% (-1 951 129). Asia (-81.5%) recorded the highest decline followed by Australasia (-80.8%), North America (-79.7%),

Middle East (-77.7%), Central and South America (-74.8%) and Europe (-71.3%). Tourist arrivals from Africa also decreased by -71.9% (-5 463 319) during January - December 2020 compared to January - December 2019 figures.

Developments around the global deployment of COVID-19 vaccines were said to be likely to boost tourism consumer and business confidence. However, the distribution of the vaccines was also expected to be uneven, thus making it take more time to achieve population immunity in many parts of the world. The International Monetary Fund (IMF) expected that with growing vaccine availability, improved therapies, testing and tracing, local transmission of the virus was expected to be brought to low levels across the world only by the end of 2022. The situation was further compounded by the uncertainties around the efficacy of the vaccines against new variants.

The conclusion drawn was that the tourism sector would, for some time, have to exist alongside the virus. Furthermore, the sector was potentially facing numerous stop/start cycles as restrictions were changed and adjusted in line with the evolution of the virus. These stop/start cycles were likely to continue to affect traveller confidence and place jobs and the survival of tourism enterprises at risk. Thus, making the recovery further highly uncertain.

The announcement of several viable, effective COVID-19 vaccines, the silver bullet that the world waited for while holding its collective breath, suggested that the beginning of the end of the pandemic was in sight. However, like much we have experienced with COVID-19, the road to vaccination has not been a straight and smooth one. Eleven vaccines are currently in use in different regions across the globe. How well these vaccines will protect global citizens from the virus and its variants of concern, remains difficult to gauge due to new hurdles emerging on a regular basis.

The pace and scale of the COVID-19 vaccine deployment is identified as a major risk to tourism recovery as it affects consumer confidence. Guided by South Africa's three-phased approach to the rollout of the vaccination programme, the Tourism Sector Recovery Plan's key assumption is that the South Africa will reach population immunity (vaccination of 67% of the population) by the end of 2021. The risks linked to the emergence of further waves and new variants of the virus and their impact on travel patterns and preferences, are also key considerations. South Africa's brand positioning, the easing and removal of travel restrictions, especially from key inbound source markets, are also identified as risks.

Destinations around the world have grappled with the challenge of reigniting their tourism economies. In our case, key source markets have placed travel restrictions to and from our country as our country brand continued to suffer from association with the 501Y.

v2 variant of the COVID-19 virus. Although the negative impacts of this on our recovery plan for international tourism may have been felt, the efficient and early detection of the variant may in fact turn out to be a significant advantage. This is due to specifically targeting the variant 501Y.V2 in lab and clinical trials as a benchmark of efficacy against variants by vaccine developers. This placing our country ahead in gaining an updated vaccine specifically targeting 501Y.V2.

In the 2020/2021 financial year, the Department evaluated the impact of COVID-19 on the tourism sector in partnership with the International Finance Corporation and the Tourism Business Council of South Africa. The evaluation assessed the extent to which the COVID-19 pandemic has affected the tourism businesses and their operations, including job losses. Three surveys were administered online, in April, June and October 2020. Findings from the last survey, published in November 2020, showed that 98% of businesses were affected by COVID-19. Of these, 56% were micro-enterprises with 1 - 10 employees. In terms of business performance, 92% of businesses reported a decline in revenue in October 2020, down more than 50% compared to October 2019. In October 2020, more tourism businesses were open, with just 23% of tourism businesses still closed but planning to reopen, when compared to June 2020 report. In October 2020, 56% of businesses could not service their debt and 28% had furloughed more than 50% of their staff and these were slight improvements compared to 64% and 34% respectively, which were reported by tourism businesses in May 2020. The most significant concern for tourism businesses considering reopening was sufficient demand to break-even, followed by sufficient demand to make a profit.

The tourism supply side experienced drastic revenue decline, which naturally implies that businesses in the sector had little room to absorb their variable and fixed costs. This also threatened many cultural products, some of which closed while other operated with difficulty.

At the beginning of the pandemic, several support mechanisms were put in place both at national and provincial level. These were in order to support tourism firms in distress. The Department introduced a R200 million Tourism Relief Fund to support 4 000 businesses, and a R30 million Tourist Guides Relief Fund to support freelance or self-employed tourist guides. While some of these measures were running in some provinces albeit at a low scale, it was acknowledged that they were not nearly enough. For that reason, where required, support was provided to tourism firms in distress in their effort to access part of the R200 billion government-backed loan guarantee scheme. This would inform the non-financial support programme for tourism firms to be implemented in terms of the TSRP. A non-financial support programme that provided businesses with access to compliance training resources, visitor experience optimisation tools, proposition and marketing support and recovery planning advisory was also implemented.

The Tourist Guide Relief Fund was announced in May 2020. An amount of R30 million was set aside to assist freelance tourist guides. Provincial Registrars of Tourist Guides were responsible for providing the lists of Tourist Guides (with valid registrations in place and with updated and verified contact information) to the Department. Once this information was submitted to the Department, it was consolidated and sent to the Unemployment Insurance Fund (UIF) to determine how many of the Guides were registered with UIF as employees. Those who were not registered with UIF or who had contributed to UIF up to December 2019 were processed for payments. A total of 4 650 Guides were recommended for payments.

The payments were processed in batches with each Tourist Guide entitled to a payment of R1 500 per month for three months, which were done *via* cardless transactions. This means an amount of R20.9 million has been committed for the payments (excluding bank fees/charges). It should be noted that some Tourist Guides did not redeem their funds for various reasons. The Department enlisted the support of Provincial Registrars (as custodians of the information pertaining to Guides) to look into the reasons for funds not being redeemed. As a result of this process, funds were re-issued to some Tourist Guides during the fourth quarter of the financial year.

The Department has evaluated the implementation of the Tourism Relief Fund to measure the extent to which it had provided financial relief to several micro and small tourism enterprises. The funding was capped at R50 000.00 per entity and was designed to assist businesses in subsidising their fixed costs, operational costs, supplies and other pressure cost items. The evaluation report revealed that out of a total of 1 312 respondents, 85.4% (1 120) of business respondents which received funding were micro-enterprises with employees between 1 - 10, and 14.0% of respondents were small enterprises with 11 - 50 employees. This shows that the programme assisted micro and small enterprises. Over half, 56.9% (747) of the respondents found the application process relatively smooth, whilst 17.2% (225) found it to be time consuming and difficult. About 63.2% (829) of tourism enterprises indicated that the Tourism Relief Fund assisted them in saving jobs. A majority of the respondents enterprises (73.7% (967)) reported that their businesses employed between 1 - 10 employees, followed by 5.0% (66) that employed between 11 - 20 employees.

The COVID-19 pandemic has plunged the tourism sector into an unprecedented crisis. In response to this, the Department initiated the development of a Tourism Sector Recovery Plan (TSRP) to facilitate the recovery of the sector. The TSRP is a product of a collaborative effort with key stakeholders from government, the sector and other social partners. Cabinet approved it on 21 March 2021.

The TSRP is aligned to the Economic Reconstruction and Recovery Plan (ERRP), the country's plan for overall economic recovery published in late 2020. The ERRP re-affirms tourism's position as a major contributor to the South African economy and its envisaged role in the broader economic reconstruction and recovery effort. The ERRP aims to build a new economy and unlock South and identified tourism as one of the priority areas of intervention with regards with infrastructure development, public employment, green economy interventions, the inclusion of women and youth as well as skills development as levers of reconstruction and growth

The indications are that tourism recovery will experience a number of phases, from hyper-local community attractions, through to broader domestic tourism, regional land and air markets and resumption of worldwide international travel.

With regard to interventions, it was envisaged that Phase 1 of interventions would primarily focus on the protection of the domestic supply side of the sector. Some of the elements in Phase 1 are already being rolled out. In Phase 2, the emphasis would be on managing the re-opening of the sector as tourism activities scale up. Phase 3 would target factors that can drive long-term growth in tourism supply and demand.

The Department rendered the undermentioned services to the following beneficiaries:

Services	Beneficiaries	Functions
Develop Tourism Enterprises.	Tourism enterprises and entrepreneurs.	Coordinate the implementation of tourism sector B-BBEE codes to enhance sector transformation.
Provide Tourism Incentives.	Tourism enterprises, tourism products.	Oversee the establishment of capital and non-capital incentives to promote and encourage tourism development and growth.
Develop tourism sector skills.	Public (focused on youth), tourism businesses and local government.	Facilitate efficient management of tourism sector Human Resource Development initiatives.
Provide tourism information.	Tourism Sector, tourism developers, members of the public and tourists.	Facilitate research, information and knowledge management for the tourism sector.
Tourism infrastructure development, maintenance and enhancement.	Provinces and local government communities, public entities.	Foster that tourism infrastructure supports current and future growth of the sector.

Services	Beneficiaries	Functions
Enhance tourism services.	Provinces and local government, tourists, general public.	Facilitate the enhancement of visitor services programmes and complaints.
Tourism sector planning.	Tourism Sector, provincial and local government.	Manage the analysis and development of tourism policy frameworks and regulations.
Domestic travel facilitation.	Tourists.	Ensure information integrity and facilitate accurate information for travelling.
Manage tourists' complaints.	Tourists - domestic and international.	Develop well-managed system for tourism visitor complaints.
Facilitate Tourist guides appeals.	Tourist Guiding Sector.	The National Registrar must hear and determine appeals and review irregularities under Section 56 of the Tourism Act, 2014 (Act No. 3 of 2014).
Create job opportunities through "Working for Tourism" projects.	Unemployed youth, communities, local government, provincial departments responsible for tourism.	Create jobs through the Public Employment Programme for Tourism.
Facilitate Tourism Investment.	Product Owners, investors, provinces and local government, World Heritage Sites.	Coordinate and promote tourism investment portfolio.

Due to the nature of the tourism sector, the Department in delivering its services often has to rely on collaboration, partnerships or third parties in order to fully deliver these services. The Department has previously experienced significant challenges related to third party reliance. The Department remains committed to continuous improvement in the management of these relationships in order to mitigate against the effect of non-achievement because of reliance on third parties.

2.2 Service Delivery Improvement Plan

The Department has completed a Service Delivery Improvement Plan for the 2018 – 2021 cycle and has recorded achievements for the 2020/2021 financial year in the tables below:

Main services and standards

Main services	Beneficiaries	Current/actual standard of service (Baseline)	Desired standard of service	Actual achievement for 2020/21
Develop Tourism Enterprises	Small, Medium, Micro-sized Enterprises (SMMEs) in the tourism sector.	Four incubators are operational in Manyeleti, Phalaborwa, Mier, and Pilanesberg, and they are supporting 202 enterprises as beneficiaries.	Five incubators operational and 250 SMME beneficiaries.	Three incubators were fully implemented: <ol style="list-style-type: none"> Manyeleti Tourism Incubator Phalaborwa Tourism Incubator Mier Tourism Incubator Technology Innovation Incubator: <ul style="list-style-type: none"> Memorandum of Agreement was signed with the implementing agent. Recruitment of programme beneficiaries was finalised. Diagnostic needs assessment was initiated. Tour Operator Incubator: <ul style="list-style-type: none"> The Call for Application was issued. Needs assessment for applicants was finalised. The service provider was appointed.
		The Tourism Enterprise Development portal was developed and was to be integrated into the bigger Broad-Based Black Economic Empowerment (B-BBEE) portal. The Department has made a decision to integrate the portals due to the fact that the objectives of the portals were similar.	Continuous improvements on tourism Enterprise Development portal.	The implementation of the Enterprise Development Portal was halted due to challenges experienced with the service provider's capacity to deliver on the desired requirements. The appointment of a new service provider will be fast-tracked to ensure a speedy implementation of the portal.
		Black SMMEs in the tourism value chain.	<ul style="list-style-type: none"> 1 604 black-owned suppliers were registered on the Tourism B-BBEE Portal to trade with large enterprises. The suppliers registered are for food, beverages, operating and maintenance equipment and professional services. Enterprise Development portal will be integrated into the B-BBEE portal. The integration process will be finalised in 2019/2020. 	The implementation of the Enterprise Development Portal was halted due to challenges experienced with the service provider's capacity to deliver on the desired requirements. The appointment of a new service provider will be fast-tracked to ensure a speedy implementation of the portal.

Main services	Beneficiaries	Current/actual standard of service (Baseline)	Desired standard of service	Actual achievement for 2020/21
PROVIDING INCENTIVE PROGRAMMES TO THE TOURISM SECTOR	Tourism Businesses.	<p>Four Tourism Incentives were implemented as follows:</p> <ul style="list-style-type: none"> · 122 small tourism enterprises approved for support under the Market Access Support Programme. · 1 955 discounts on grading assessment fees approved under the Tourism Grading Support Programme. · 12 applications approved for energy and water efficiency retrofitting under the Green Tourism Incentive Programme. · 14 applications by black investors approved for support under the Tourism Transformation Fund. 	<p>Five tourism incentive programmes to support:</p> <ul style="list-style-type: none"> · Market access. · Tourism grading. · Green Tourism Incentive Programme · Tourism Transformation Fund · Tourism Equity Fund 	<ul style="list-style-type: none"> · Four incentive programmes were implemented and one new programme was launched. · No enterprises were approved under the Market Access Support Programme during 2020/2021. Despite the temporary suspension of the programme due to the impact of COVID-19, the programme guidelines and systems were revised. · 1 454 discounts on grading assessment fees were approved under the Tourism Grading Support Programme in 2020/21. · 14 applications were approved under the Green Tourism Incentive Programme in 2020/2021. · No applications were approved under the Tourism Transformation Fund in 2020/21 due to the impact COVID-19. · The Tourism Equity Fund was launched in January 2021. · All TIP programmes were removed from Revised 2020/2021 APP due to reallocation of budget.
Develop Tourism Sector Skills	Tourism sector.	<ul style="list-style-type: none"> · The Tourism Sector Human Resource Development (TSHRD) Coordination Forum (Coordinating Body) was established in June 2018. · The Forum met twice on a six-monthly basis in 2018/2019 and the Executive Committee (EXCO) met three times as it was meant to meet quarterly. Three Sub Committees were established by the EXCO to pursue the implementation of the TSHRD Strategy. Two of the Sub-Committees have already met and set priority focus areas for 2019. 	<p>Governance and institutional structures for TSHRD management and implementation established.</p>	<ul style="list-style-type: none"> · The Forum has been convened in a form of a TSHRD Webinar, which was hosted by the Deputy Minister on 14 October 2020 due to COVID-19 lockdown regulations. The second and last meeting in this regard was in March 2021. · The TSHRD EXCO has been meeting quarterly virtually on zoom. · The Sub-Committees did not meet during this period based on a decision by the EXCO to suspend their meetings pending clarity on the minimised impact of COVID-19 on their activities. Even during the third quarter, they still have not been able to meet, except the Task Team on Recognition of Prior Learning (RPL), which has been meeting on a need basis. · Generally, the TSHRD Strategy Implementation Coordination Structures have been meeting accordingly during quarter 1,2 and 3 under the COVID-19 lockdown circumstances and work involved continued.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Website, programme guidelines, information booklets / brochures, press statements, Calls for Application, stakeholder engagement, email and telephone, databases.	Website, programme guidelines, information booklets / brochures, press statements, Calls for Application, stakeholder engagement, email and telephone, online application system.	Website, programme guidelines, information booklets / brochures, press statements, Calls for Application, stakeholder engagement, email and telephone are available to the public when they need to contact the Department. Enquiries received through these tools were responded to.
Call Centre, e-mail and telephone.	E-mail and telephone, online enquiry system.	The Departmental Call Centre (0860TOURISM) is available for the public to utilise when they need to contact the department telephonically. The public can also email enquiries to callcentre@tourism.gov.za . The online enquiry system is operational.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
The complaints e-mail address, complaints@tourism.gov.za , the contact details were also shared during our provincial consultations with tourism stakeholders.	Email and telephone, online enquiry system.	<ul style="list-style-type: none"> · The Departmental Call Centre is accessible at 0860TOURISM for the public to utilise to lodge complaints about services of the Department. · Complaints in respect of any tourism services, facilities or products should be directed to the Tourism Complaints Officer at complaints@tourism.gov.za or 012 444 6312. · Complaints and suggestions box is available at the ground floor entrance of the Department.

2.3 Organisational environment

Since the beginning of the lockdown in March 2020, the Department has developed COVID-19 protocols and adopted measures to ensure both the health, well-being and safety of employees as well as ensure service delivery. COVID-19 Protocols were implemented for employee health and safety. Risk-adjusted work arrangements were implemented and aligned to Alert Levels 5 to 1. The tools of trade, including the provision of data, were provided to employees to enable remote work and uninterrupted service delivery. Virtual employee training and development was undertaken. Targeted employee health and wellness counselling to mitigate the psycho-social effects of COVID-19 on the well-being of employees and their families was also undertaken.

The changed world of work meant improvement in internal communications with staff through more electronic engagements, digital webinars and information sessions. A Departmental SMS (short message service) was created through which every staff member could be reached for notices, wellness messages, COVID tracing and updates, amongst others.

The Department's business continuity efforts undertaken included the review and adaptation of internal business processes, systems and policies to strengthen internal service delivery capacity. Amongst others, webinars were used to conduct stakeholder engagements with other government departments, tourism industry, SMMEs and communities.

The initial reprioritisation of the budget was aimed at the establishment of the R200 million Relief Fund for SMMEs and a further R30 million to support the Tourist Guides. Furthermore, government-wide reprioritization, which was aimed at supporting the efforts to fight the pandemic, led to a budget cut of R1 billion from the Tourism Portfolio. This was based on the understanding that limited marketing and promotional activities could take place during lockdown in the country as well as in the market countries. This meant that other projects, which the Department would have desired to implement, such as most of the incentive support activities and EPWP projects, were not feasible in the COVID-19 pandemic environment.

2.4 Key policy developments and legislative changes

The current tourism policy framework was developed within the context of a tourism White Paper on the Development and Promotion of Tourism in 1996. During the year under review, the Department undertook to initiate a process to review the White Paper and all its policies to align them with the current trends and practices in the tourism sector.

In this regard, a panel of experts was appointed to assist with the review of the current tourism policies and develop a new policy direction for the tourism sector. The seven-member Advisory Panel, comprising of experts with diverse knowledge in the sector and the economy, commenced with the review of all existing policies with a view to develop a new comprehensive and overarching tourism policy framework to guide the sector to new heights.

The panel will bring into sharp focus, matters related to transformation, travel facilitation and regulatory barriers, tourism safety, quality assurance, tourist guiding, tour operators and travel agencies, technological development, product or infrastructure development and conferences bidding and support. Other focus areas include knowledge management, best practices, responsible tourism and sustainable tourism.

South Africa's Economic Reconstruction and Tourism Recovery occurs in a particular policy context and progressive tourism recovery will be guided by the policy. The review of the overarching policy framework guiding the sector is meant to reflect on the current context that includes Tourism Recovery Plans.

The COVID-19 pandemic has had a profound impact on the economy and the tourism sector in particular. The Department initiated the development of a Plan to facilitate recovery of the sector. The Plan, namely, Tourism Sector Recovery Plan (TSRP) is a product of a collaboration with key stakeholders from government, the sector and other social partners. The TSRP was published for public comment in August 2020, approved by Cabinet on 21 April 2021 and launched during a Media Breakfast on 22 April 2021. The TSRP is anchored in three interlinked pillars or strategic themes: protecting and rejuvenating supply, re-igniting demand and strengthening enabling capability for long-term sustainability.

3. STRATEGIC OUTCOME ORIENTED GOALS

In support of the Government's Medium-term strategic outcomes as outlined in the Medium-Term Strategic Framework (MTSF) 2019 - 2024, the following are the Department's strategic outcome:

1. **Achieve good corporate and cooperative governance.**
2. **Increase the tourism sector's contribution to inclusive economic growth.**

The plans of the Department support all seven priorities of Government in general but, specifically the following: Priority 1: Capable, Ethical and Developmental State; Priority 2: Economic Transformation and Job Creation; and Priority 7: A Better Africa and World.

Priority 1: Capable, Ethical and Developmental State

The Department has put in place key change enablers to ensure that the 6th Administration objectives in relation to a Capable, Ethical and Developmental State are met. These enablers centred on the following:

- Effective governance processes and structures to ensure governing in a manner that supports the creation of an ethical culture and integrity, transparency and accountability.
- Proper management systems and procedures that ensures the achievement of good performance, and help to maintain the highest standards of governance to achieve effective, efficient, economic and equitable service delivery,
- Human Resources systems for capacitation, empowerment and motivation of all staff.
- Monitoring and evaluation systems to provide information on key aspects of how the Department is operating and the extent to which its objectives are attained, through periodic checks conducted to check the direction towards achieving the set targets.

These have assisted the Department to conduct its business in a manner that creates public confidence in the State. These have also provided for excellent systems for the management of public resources, which are useful for ridding the system of any inefficiency and enabling oversight by institutions of the state in the interest of the public.

Priority 2: Economic transformation and job creation

Tourism's contribution to the economy is measured by jobs created, contribution to GDP, and revenue generated from tourism activity. 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.

The COVID-19 pandemic has plunged the tourism sector into an unprecedented crisis, globally. Tourism was one of the first economic activities to be deeply impacted by the pandemic as well as measures to contain its spread.

Huge declines were experienced in 2020 in respect of international tourist arrivals due to the outbreak of COVID-19. Tourist arrivals (2 802 320) went down by -72.6% (-7 426 273) for the period January - December 2020 compared the same period in 2019 (10 228 593). The decline was due to the national lockdown restrictions, which prevented tourists from entering the country during the months of April - September 2020. Total annual tourist arrivals from the overseas markets decreased by -74.7% (-1 951 129). Asia (-81.5%) recorded the highest decline followed by Australasia (-80.8%), North America (-79.7%), Middle East (-77.7%), Central and South America (-74.8%) and Europe (-71.3%). Tourist arrivals from Africa also decreased by -71.9% (-5 463 319) during January - December 2020 compared to January - December 2019 figures.

A draft Master Plan had been finalised in March 2020 with clear targets on volume of arrivals, spend/value to GDP contribution, job creation, small business development and transformation. The Master Plan was on track for consultation and finalisation by May 2020. However, the COVID-19 pandemic decimated the tourism sector, thus rendering this original plan redundant. The Master Plan was however, replaced by the development of a Tourism Sector Recovery Plan (TSRP). The TSRP was developed concurrently with, and cognisant of the Economic Reconstruction and Recovery Plan (ERRP). Cabinet subsequently approved the TSRP on 21 April 2021.

The Tourism Equity Fund (TEF) has been established in partnership with Small Enterprise Finance Agency (SEFA) to deepen transformation in the tourism sector. It was launched on 26 January 2021. The Fund is aimed at creation of an inclusive and growing tourism sector by supporting entrepreneurship and investment on the supply side of the tourism sector. The Fund will offer a combination of debt finance and grant funding for large capital investment projects in the tourism sector. To this end, the Department has concluded a Memorandum of Agreement with SEFA to design, implement and administer the TEF on its behalf. By the end of March 2021, SEFA reported that 188 of the applications received had passed Basic Assessment Screening (BAS). These applications that passed BAS should be subjected to a formal due diligence process before any recommendations on decline and approval can be made. However, the High Court of South Africa issued an order on 26 April 2021, which interdicted and restrained SEFA from receiving, processing or making any payment pursuant to any application for funding from the TEF pending the determination and finalisation of the court process due to the legal action instituted against the Department.

Priority 7: A better Africa and World

Under this priority the Department monitors the brand strength, international tourist spend and growth in international tourist arrivals.

There was a disruption to data collection systems during the period under review as a result of the COVID-19 pandemic. This affected the brand tracking survey. As such, the brand tracker survey was not undertaken. At this stage, the available report indicates that the value of international tourist spend went down by 24% for the period January to March 2020. For the period under review, international tourists arrivals for South Africa recorded a decrease of -88.7% (-710 650) in February 2021 compared to the same month in 2020.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Corporate Management

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

Sub-Programmes: Strategy and Systems, Financial Management, Human Resource Management and Development, Communications and Legal Services

Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Strategy to overcome areas of under performance
Outcome: Achieve good corporate and cooperative governance.						
Output: Unqualified annual audit on financial and non-financial performance.						
Output Indicator 1: Audit outcome on financial statements and performance information.						
-	Unqualified audit on financial and non-financial performance was achieved.	Unqualified audit on financial statements and performance information.	Unqualified audit on financial statements and performance information was achieved.	None	None	N/A
Output: To attract and retain a capable and ethical workforce in a caring environment.						
Output Indicator 2: Vacancy rate.						
Vacancy rate as at 31 March 2019 was at 9.1%.	Vacancy rate as at 31 March 2020 was at 9.2%.	Vacancy rate not to exceed 10% of the funded establishment.	Vacancy rate as at 31 March 2021 was at 11.2%.	Vacancy rate was exceeded by 1.2%	Department advertised many vacancies at the same time, using various platforms which included e-mail application channel. This led to receipt of large volumes of applications. There has also been a gradual exit of personnel as expected through natural attrition and promotion to other departments and the private sector, which resulted in new internal vacancies, and continue to impact the vacancy rate.	The process of scheduling for shortlisting and interviews has commenced.

Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Strategy to overcome areas of under performance
Output Indicator 3: Percentage compliance with equity targets in terms of Departmental Employment Equity Plan.						
Women representation at SMS level was maintained at 50.7% as at 31 March 2019.	Women representation at SMS level was at 46.5% as at 31 March 2020.	Maintain a minimum of 50% women representation at SMS level through designation of SMS posts at recruitment.	Women representation at SMS level was at 43.9% as at 31 March 2021.	6.1% women representation at SMS level.	The restructuring of the Department in 2017/18 left many vacancies in the Department. Natural attrition and promotion led to vacancies at SMS level. A total of 30 posts, including lower level posts were advertised in April 2020. Due to Covid-19 restrictions, the Department opened an e-mail application channel in order to discourage movement of applicants and to comply with the Lockdown Regulations on movement of citizens. This also contributed to large volumes of applications being received, which led to an additional function of printing applications prior to capturing. This also led to human resource capacity constraints with six Human Resource officials operating at 50% at any given time. This meant that only three officials were in the office per day. In order to maintain the integrity of the recruitment processes, it was impossible to allow officials to process applications remotely. As a result, it led to the Department not being able to fill the SMS vacancies within the stipulated 12 months period.	The Department will endeavour to appoint suitably qualifying females on the SMS posts if they display this in the selection processes. However, without being instructive, wherever possible in situations where posts require a particular race and gender panels will endeavour to fairly discriminate by shortlisting such.
People with disabilities representation was maintained at 4.5% as at 31 March 2019.	People with disabilities representation was at 4.3% as at 31 March 2020.	Maintain minimum of 3% people with disabilities representation	People with disabilities representation was at 4.3% as at 31 March 2021.	None.	None.	N/A
Black representation was maintained at 95% as at 31 March 2019.	Black representation was at 95.9% as at 31 March 2020.	Maintain minimum of 91,5% black representation	Black representation was at 96.1% as at 31 March 2021.	None.	None.	N/A

Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Strategy to overcome areas of under performance
Output: Capacity development interventions to address identified skills gaps.						
Output Indicator 4: Percentage implementation of Workplace Skills Plan (WSP) with defined targeted training interventions.						
75% development and implementation of WSP.	95% development and implementation of WSP.	Development and 100% implementation of WSP for all employees.	Development and 100% implementation of WSP for all employees was achieved.	None.	None.	N/A
Output: Audit reports with recommendations as per the approved Internal Audit Plan.						
Output Indicator 5: 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% of the annual internal audit plan was implemented.	None.	None.	N/A
Output: Approved 2020/2021 Departmental Communication Strategy.						
Output Indicator 6: Percentage implementation of the communication strategy for 2020/2021.						
98% of the Department's Communication Strategy was implemented.	2019/2020 communication strategy targets as indicated in the implementation plan were implemented.	Communication Strategy for 2020/2021 implemented.	Communication Strategy for 2020/2021 was implemented.	None.	None.	N/A
		Review Communication Strategy for 2021/2022.	Communications Strategy for 2021/2022 was reviewed.	None.	None.	N/A
Output: Departmental expenditure to contribute to the Government's economic transformation agenda.						
Output Indicator 7: Percentage procurement of goods and services from B-BBEE compliant businesses and SMMEs.						
100% procurement from B-BBEE compliant businesses was achieved.	100% of expenditure on procurement from enterprises on B-BBEE contributor status levels 1 to 5 was achieved.	100% of expenditure achieved on procurement from B-BBEE contributor status levels 1-5.	100% of expenditure on procurement from enterprises on B-BBEE contributor status levels 1 to 5 was achieved.	None.	None.	N/A
-	-	Minimum 30% expenditure achieved on procurement of goods and services from SMMEs.	61.79% expenditure on procurement of goods and services from SMMEs was achieved.	None.	None.	N/A

Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Strategy to overcome areas of under performance
Output Indicator 8: Percentage of invoices paid within prescribed time frames.						
-	-	Payment of all compliant invoices within 30 days, including SOEs and municipalities.	Payment was made of all compliant invoices within 30 days, including SOEs and municipalities.	None.	None.	N/A
Output: Promotion of reasonable access and gender equity.						
Output Indicator 9: Number of initiatives implemented to promote reasonable access.						
-	-	Eight initiatives implemented to promote reasonable access.	Eight initiatives to promote reasonable access were implemented.	None.	None.	N/A
Output Indicator 10: Number of initiatives implemented to promote gender equity.						
-	-	Eight initiatives implemented to promote gender equity	Eight initiatives to promote gender equity were implemented.	None.	None.	N/A
Output: Achieve good corporate governance.						
Output Indicator 11: Number on initiatives implemented to promote integrity and ethical conduct.						
-	-	11 initiatives implemented to promote integrity and ethical conduct.	11 initiatives to promote integrity and ethical conduct were implemented.	None.	None.	N/A

Narrative of Highlights

The communications environment posed challenges at the start of the financial year with an upsurge of the global pandemic. This required of the Department to communicate with stakeholders, provide the public with up to date information of tourism related services, and manage perceptions about the country brand.

The development of the 2020/2021 communications strategy was challenged due to the environment under which the tourism sector was exposed due to COVID-19. As a result of the national lockdown, numerous objective and subjective factors necessitated new ways of communicating with national and international stakeholders, the media and communities. As the country was confronting the pandemic from many fronts, the Department's communications platforms were used to raise awareness about safe travels and tourism services.

Equally, our tools had to be adapted and resources reprioritised. As events were not allowed, the Department innovatively engaged communities through Radio Izimbizo. Content for digital platforms was improved and live broadcasts were started in social media platforms to reach out to thousands of young people. With advertising revenues going down, many publications had published digitally. This provided an opportunity

for reduced costs of advertising, and seeking of mutual beneficial partnership with media owners. The Department's Call Centre was repositioned as a result of a drastic increased demand for information relating to travel permits, procedures for international travel, accessing government relief funds, complaints about non-compliance of Disaster Regulation by tourism related services

The gradual re-opening of the economy and tourism activities provided a window through which the Department embarked on roadshows and domestic tourism promotion, and engagement with our partners. The changed world of work meant improvement in internal communications with staff through more electronic engagements, digital webinars and information sessions. The highlight was the ability to create a Departmental SMS (short message service) where every staff member could be reached for notices, wellness messages, COVID tracing and updates amongst others.

Changes to planned targets

None

Sub-Programme expenditure

Sub-Programme name	2020/2021			2019/2020		
	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	29 718	29 717	1	38 774	38 774	-
Management	2 545	2 545	-	3 270	3 270	-
Corporate Management	173 138	173 138	-	155 602	154 653	949
Financial Management	50 867	50 866	1	51 543	51 542	1
Office Accommodation	33 554	33 553	1	39 085	39 084	1
Total	289 822	289 819	3	288 274	287 323	951

4.2 Programme 2: Tourism Policy, Research and International Relations

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

Sub-Programmes: Research and Knowledge Management, Policy Planning and Strategy, International Relations and Cooperation, Strategic Sector Partnerships

Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Strategy to overcome areas of under performance
Outcome: Increase the tourism sector's contribution to inclusive economic growth.						
Output: Monitoring and evaluation reports produced.						
Output Indicator 1: Number of monitoring and evaluation reports produced.						
-	-	Nine Monitoring and Evaluation Reports produced:				
		1. Four Tourism Quarterly Performance Reports.	Four Tourism Quarterly Performance Reports were produced.	None.	None.	N/A
Impact evaluation report on Departmental capacity-building programmes commenced was developed.	One Impact evaluation report on Departmental capacity-building programme was developed, which provides key outcomes of the evaluation of various human capacity development programmes implemented by the Department in the past five years.	2. Two Reports on the Impact Evaluation of COVID-19 on the tourism sector.	Two Reports on the Impact Evaluation of COVID-19 on the tourism sector were produced.	None.	None.	N/A
2017/2018 NTSS Implementation Report developed.	2018/2019 NTSS Implementation Report was developed. The implementation mechanisms by the three spheres of government in partnership with the industry were aligned to the five pillars of the NTSS.	3. 2019/2020 NTSS Implementation Report developed.	2019/2020 NTSS Implementation Report was developed.	None.	None.	N/A
· Impact evaluation report on Departmental capacity-building programmes commenced was developed · Report on the implementation of the monitoring plan for infrastructure projects was developed.	-	4. Monitoring of the implementation of the Tourism Relief Fund on tourism enterprises conducted and preliminary impact evaluation of the impact developed	Monitoring of the implementation of the Tourism Relief Fund on tourism enterprises was conducted and preliminary impact evaluation of the impact was developed.	None.	None.	N/A

Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Strategy to overcome areas of under performance
<ul style="list-style-type: none"> · 2016 STR published. · Draft 2017/2018 STR developed. 	<ul style="list-style-type: none"> · 2017/2018 STR was published. · Draft 2018/2019 STR was developed, which cover the performance of key tourism industries on an annual basis. 	<ul style="list-style-type: none"> 5. 2018/2019 STR finalised and published · Draft 2019/20 STR developed 	<ul style="list-style-type: none"> · 2018/2019 STR was finalised and published. · Draft 2019/2020 STR was developed. 	None.	None.	N/A
Output: Systems for tourism analytics.						
Output Indicator 2: Number of systems developed for tourism analytics.						
-	-	One system developed for tourism analytics:				
		National Tourism Analytics System Framework developed.	National Tourism Analytics System Framework was not developed. Draft list of stakeholders and questionnaire to be used for consultation are in the process of being finalised internally to accelerate the process once the service provider gets appointed.	The service provider for the development of the National Tourism Analytics System Framework was not appointed.	There were challenges in appointing a suitable service provider. Request for quotations were sent out more than three times as there were no responses. The company that was eventually identified as suitable service provider could not be appointed due to conflict of interest.	Request for quotations were re-issued and two service providers responded. These proposals were evaluated and the process of appointing a suitable service provider is underway.
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 to create an enabling policy and regulatory environment for tourism growth and development:				
		1. Policy Review on Quality Assurance Framework conducted.	Policy Review on Quality Assurance Framework was conducted.	None.	None.	N/A
N/A	Development of the National Tourism Information and Monitoring System.	2. Report on the regulations in respect of the National Tourism Information and Monitoring System (NTIMS Regulations).	Report on the regulations in respect of the National Tourism Information and Monitoring System (NTIMS Regulations) was developed.	None.	None.	N/A
-	-	3. Draft review of the Development and Promotion of Tourism in South Africa developed.	Draft review of the Development and Promotion of Tourism in South Africa was developed.	None.	None.	N/A

Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Strategy to overcome areas of under performance
Output: South Africa tourism showcase at priority markets.						
Output Indicator 4: Number of initiatives undertaken to advance South Africa's tourism priorities within multilateral fora.						
Hosting of IORA Workshop on CMT, IORA Tourism Experts Meeting and IORA Tourism Ministers Meeting.	-	Four initiatives undertaken to advance South Africa's tourism priorities within multilateral fora, that is, (IORA Core Group on Tourism, Southern African Development Community (SADC), G20 and AU).	Four initiatives were undertaken to advance South Africa's tourism priorities within multilateral fora, that is, (IORA Core Group on Tourism, Southern African Development Community (SADC), G20 and AU).	None.	None.	N/A
Output: Initiatives facilitated for regional integration.						
Output Indicator 5: Number of initiatives facilitated for regional integration.						
-	-	Two initiatives facilitated for regional integration:				
		1. Sharing of Best Practices Workshop 2021 targeted at African countries with whom SA signed tourism agreements hosted.	Sharing of Best Practices Workshop 2021 targeted at African countries with whom SA signed tourism agreements was hosted on 2 March 2021 virtually.	None.	None.	N/A
		2. Report on the leveraging of tourism bilateral relations to advance national priorities developed.	Report on the leveraging of tourism bilateral relations to advance national priorities was developed.	None.	None.	N/A
Output: South African Tourism (SA Tourism) oversight reports produced.						
Output Indicator 6: Number of SA Tourism oversight reports produced.						
Four SA Tourism oversight reports developed.	-	Four reports on governance and performance of SA Tourism produced for oversight purposes.	Four reports on governance and performance of SA Tourism were produced for oversight purposes.	None.	None.	N/A

Narrative of Highlights

Implementation of the National Tourism Information and Monitoring System (NTIMS) Regulations

In 2020/2021 financial year, the Department implemented the NTIMS Regulations with the aim to support and regulate the collection of tourism information and data to inform strategies, plans and policy development. In line with the published Regulations, a comprehensive data collection exercise was undertaken and over 21 000 tourism and related records were collected from various organs of State. The collected data will be quality assured first and then stored and update the NTIMS IT System that is being implemented. The provided information will assist the Department in establishing the required tourism business intelligence in terms of the size, extent and variety of tourism businesses, products and services that are in operation in South Africa. Furthermore, the NTIMS and its related data are key to inform evidence-based planning and decision-making, as well as the formulation of strategic interventions geared towards the recovery of the tourism sector.

National Tourism Sector Strategy

Monitoring and reporting on implementation of the NTSS approved by Cabinet in 2017 continued. However, the NTSS in practice experienced a shift as tourism activity stopped and restarting under different conditions as a result of the COVID-19 pandemic. The Department continued with convening the NTSS implementation mechanisms, namely the National Tourism Stakeholders Forum and the Work Streams virtually to deliberate and collaboratively agree on a way forward that will ensure recovery of the sector.

G20

The Department participated in the G20 Tourism engagements under Saudi Arabia's G20 Presidency in 2020. The achievements of the G20 Tourism track in 2020 include a Statement made by the G20 Tourism Ministers on COVID-19 where they committed to work together to provide support to the travel and tourism sector to mitigate the impact of the COVID-19 pandemic. The G20 Tourism Ministers endorsed the G20 Guidelines for Inclusive Community Development through Tourism and the G20 Guidelines for Action on Safe and Seamless Travel. Tourism was included in the G20 Leaders Riyadh Declaration where the leaders endorsed the commitments made by the G20 Tourism Ministers to address the challenges presented by the COVID-19 pandemic and promote recovery of the travel and tourism sector and realise its potential to drive faster economic recovery from the COVID-19 crisis. The inclusion of tourism in the G20 Leaders Riyadh Declaration is an important milestone in mainstreaming tourism in the global agenda.

Changes to planned targets

None

Sub-Programme expenditure

Sub-Programme name	2020/2021			2019/2020		
	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	6 265	5 663	602	8 437	8 357	80
Research and Knowledge Management	22 991	21 536	1 455	23 244	23 244	-
Policy Planning and Strategy	10 859	10 746	113	11 974	11 974	-
South African Tourism	423 027	423 027	-	1 354 161	1 354 161	-
International Relations and Cooperation	19 003	18 557	446	21 326	21 324	2
Total	482 145	479 529	2 616	1 419 142	1 419 060	82

4.3 Programme 3: Destination Development

Purpose: To facilitate and coordinate destination development

Sub-Programmes: Destination Planning and Investment Coordination, Tourism Enhancement, Working for Tourism

Outcome: Increase the tourism sector's contribution to inclusive economic growth.

Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Strategy to overcome areas of under performance
Output: Destination enhancement and route development projects implemented to diversify tourism offerings and enhance visitor experience in identified priority areas.						
Output Indicator 1: Number of destination planning and investment coordination initiatives undertaken.						
Ownership and operational model for the accommodation and related tourism products (budget resort) developed.	Budget resort network and brand concept developed.	Four destination planning and investment coordination initiatives undertaken:				
		1. Institutional arrangements for budget resort network and brand finalised. 2. Brand and network concept piloted with key stakeholders.	1. Institutional arrangements for budget resort network and brand were finalised. 2. Brand and network concept was piloted with key stakeholders.	None.	None.	N/A
-	-	3. Viability study for the new Rail Tourism model developed.	The initial rail tourism viability survey was completed. However, full viability study for the new Rail Tourism model was not initiated.	Viability study activities was halted as the study depended on the survey outcomes.	The viability study was dependent on the outcomes of the survey. The survey indicated that while there appears to be appetite for rail as a tourism experience and mode of local tourism / leisure transport, there are broader challenges in the state of rail infrastructure that would first have to be addressed in order to inform the new Rail Tourism Model. Based on the outcome of the survey and a separate report on the state of rail infrastructure, the viability study was therefore halted. As indicated therein, Survey outcomes highlighted broader issues that need to be addressed first, with a view to improve the viability of the New Rail Tourism Concept. Thus, the full viability study for the Concept will be rendered premature at this stage.	Survey outcomes from the Synthesis Report to guide plans for 2021/2022.

Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Strategy to overcome areas of under performance
-	-	4. Development of tourism implementation plans through the district development model in three pilots: <ul style="list-style-type: none"> · OR Tambo District · Waterberg District · eThekweni Metro 	Development of tourism implementation plans through the district development model was done in three pilots: <ul style="list-style-type: none"> · OR Tambo District · Waterberg District · eThekweni Metro 	None.	None.	N/A
Output Indicator 2: Number of destination enhancement initiatives supported.						
		Four destination enhancement initiatives supported:				
		1. The Dinosaur Interpretation Centre Exhibition construction continued.	The Dinosaur Interpretation Centre Exhibition construction continued.	None.	None.	N/A
-	<ul style="list-style-type: none"> · The implementation of interpretative signage in the Marakele National Park was supported. · The implementation of interpretative signage in the Addo Elephant National Park was supported. 	2. Infrastructure Maintenance Programme implemented in three national parks: <ul style="list-style-type: none"> · Marakele · Addo · Karoo National Parks. 	Infrastructure Maintenance Programme was implemented in three national parks: <ul style="list-style-type: none"> · Marakele · Addo · Karoo National Parks. 	None.	None.	N/A
-	-	3. Draft Project Concepts developed for five community-based tourism projects at: <ul style="list-style-type: none"> · Numbi Gate · Nandoni Dam · Tshathogwe Game Farm · Mitititi Game Farm · Mapate Recreational Social Tourism Facility 	Draft Project Concepts were developed for five community-based tourism projects at: <ul style="list-style-type: none"> · Numbi Gate · Nandoni Dam · Tshathogwe Game Farm · Mitititi Game Farm · Mapate Recreational Social Tourism Facility. 	None.	None.	N/A

Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Strategy to overcome areas of under performance
-	-	4. Needs assessment and recommendations for Product Enhancement at five Local Community Museums developed: <ul style="list-style-type: none"> · Anton Lembede Museum eThekwini Municipality (KwaZulu-Natal) · McGregor Museum (Northern Cape) · AmaHlubi Cultural Heritage (KwaZulu-Natal) · Sol Plaatjie Museum (North West) · Lehurutshe Liberation Heritage Museum (North West) 	Needs assessment and recommendations for Product Enhancement at five Local Community Museums were developed: <ul style="list-style-type: none"> · Anton Lembede Museum eThekwini Municipality (KwaZulu-Natal) · McGregor Museum (Northern Cape) · AmaHlubi Cultural Heritage (KwaZulu-Natal) · Sol Plaatjie Museum (North West) · Lehurutshe Liberation Heritage Museum (North West). 	None.	None.	N/A
Output Indicator 3: Number of work opportunities created through Working for Tourism projects.						
-	-	2 500 work opportunities through Working for Tourism projects created.	2 772 work opportunities through Working for Tourism projects were created.	272 additional FTE work opportunities were created.	There is a positive variance of 272 work opportunities, which can be attributed to projects that overlapped from 2019/2020 to current financial year.	N/A

Narrative of Highlights

The **Budget Resort Network** concept was completed, with wide consultation. The concept features centrally in the tourism sector recovery framework, with domestic tourism projected to lead recovery, both globally as well as locally. Piloting will commence after consultation with affected provinces and product owners. Further work is required on the institutional establishment to manage implementation, after consultation with Cabinet.

Destination Enhancement

Tourism product development and infrastructure enhancement aims to ensure quality assured products and competitive attractions. This also includes offerings suitable for tourist consumption to enhance the visitor experience and stimulate the tourism economy for job creation and economic opportunities. The Department has successfully implemented and is continuing to implement the following multi-year infrastructure

projects aligned to the Tourism Sector Recovery Plan (TSRP) and Economic Reconstruction and Recovery Plan (ERRP): Infrastructure Maintenance in SANParks properties, Support for community-based tourism projects at Numbi Gate, Nandoni Dam, Tshathogwe Game Farm, Mtititi Game Farm, Mapate Recreational Social Tourism Facility (Planning Phase) and Support for community museums at Anton Lembede Museum eThekweni Municipality (KwaZulu-Natal), McGregor Museum (Northern Cape), AmaHlubi Cultural Heritage (KwaZulu-Natal), Sol Plaatjie Museum (Northern Cape), Lehurutshe Liberation Heritage Museum (North West). It is anticipated that the Programme, once rolled out, will contribute to tourism development in villages, small towns and *dorpiés* to ensure that tourism benefits accrue to these communities, especially those around key attractions and sites, for example villages surrounding National Parks.

Changes to planned targets

None.

Sub-Programme expenditure

Sub-Programme name	2020/2021			2019/2020		
	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	15 997	15 515	482	11 945	11 944	1
Tourism Enhancement	15 686	14 820	866	18 271	18 271	-
Destination Planning and Investment Coordination	21 182	20 559	623	23 611	23 611	-
Working for Tourism	389 844	376 601	13 243	376 511	376 185	326
Total	442 709	427 495	15 214	430 338	430 011	327

4.4 Programme 4: Tourism Sector Support Services

Purpose: Enhance transformation of the sector, increase skills levels and support development to ensure that South Africa is a competitive tourism destination

Sub-Programmes: Tourism Sector Human Resource, Enterprise Development and Transformation, Tourism Visitor Services, Tourism Incentive Programme

Outcome: Increase the tourism sector's contribution to inclusive economic growth.

Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Strategy to overcome areas of under performance
Output: Programmes aimed at stimulating domestic tourism implemented.						
Output Indicator 1: Number of initiatives implemented to stimulate domestic tourism.						
One Domestic Tourism Scheme was developed for travel facilitation.	Domestic Tourism Incentive Scheme to increase tourist numbers in partnership with SANParks was implemented at five National Parks: <ul style="list-style-type: none"> · Kruger National Park · Addo National Park · Au-grabies Falls National Park · Golden Gate National Park · Marakele National Park. 	One initiative implemented to stimulate domestic tourism growth:				
		1. Implementation of the Domestic Tourism	Domestic Tourism Scheme was implemented as follows: <ul style="list-style-type: none"> · KwaZulu-Natal: 10 - 11 November 2020. · Gauteng: 5 - 6 March 2021. · North West: 11 - 12 March 2021. · Western Cape: 15 - 16 March 2021. 	None.	None.	N/A

Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Strategy to overcome areas of under performance
Output: Increased participation of the SMMEs in the tourism sector for inclusive economic growth.						
Output Indicator 2: Number of initiatives implemented to support tourism SMMEs.						
Four existing incubators were supported: Pilanesberg, Mier, Phalaborwa and Manyeleti incubators.	Four existing incubators were supported. The incubators provided business incubation services (capacity-building, finance, marketing, website development and social marketing) to up to 50 tourism businesses in of the following each incubator: · Pilanesberg · Manyeleti · Phalaborwa · Mier	Two initiatives implemented to support tourism SMMEs:				
		1. Implementation of five incubators: i. Manyeleti Tourism Incubator ii. Phalaborwa Tourism Incubator iii. Mier Tourism Incubator iv. Technology Innovation Incubator v. Tour Operator Incubator	Three incubators were fully implemented: iv. Manyeleti Tourism Incubator v. Phalaborwa Tourism Incubator vi. Mier Tourism Incubator · Memorandum of Agreement was signed with the implementing agent for Technology Innovation Incubator. · Recruitment of programme beneficiaries was finalised. · Diagnostic needs assessment was initiated. The Call for Application was issued for Tour Operator Incubator. Needs assessment for applicants was finalised. The service provider was appointed.	Enterprise diagnostic need assessment was not completed. Business development services did not commence. Growth path for successful incubates were not developed for the applicants for Tour Operator Incubator.	Negotiations on the MoA with the implementing agent took longer than anticipated. Site inspections that were required as part of the evaluation criteria to appoint the service provider were interrupted due to the Covid-19 lockdown. As a result, the Bid lapsed, and had to be re-advertised. A service provider has since been appointed.	The implementing agent has since commenced with implementation of the incubation programme. The service provider will finalise the selection process of the applicants and develop the growth path of successful applicants, and then commence with the implementation of the business development services.
-	-	2. Empower youth trained in food services to become owners and operators in the food services business (including virtual platforms).	· The concept for implementation of New Venture Creation Programme for youth in food services was done. · The implementing agent was appointed. · The database of graduates from the Departmental Chefs, Sommelier and Food Safety programmes was provided to the implementing agent.	· Identification of beneficiaries was not finalised. · Implementation of New Venture Creation Programme for youth in food services did not commence.	Protracted negotiation with implementing agent on amendment of MoU took longer than was anticipated.	The appointed implementing agent will proceed with the implementation of the New Venture Creation Programme for youth in food services.

Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Strategy to overcome areas of under performance
Output Indicator 3: Number of initiatives implemented to increase participation of women in the tourism sector.						
WiT empowerment initiatives were conducted.	One capacity-building initiative implemented for the WiT Programme capacity-building initiatives (Business Development and Training Session) was implemented.	Two initiatives implemented to increase participation of women in the tourism sector:				
		1. Implement WiT Enterprise Development Programme for up to 25 women in each of the nine provinces.	<ul style="list-style-type: none"> Procurement process was initiated for appointment of implementing agent. Criteria for selection of programme beneficiaries was finalised. 	<ul style="list-style-type: none"> Launch of the Programme as well as the selection of beneficiaries was not finalised. Implementation did not commence. 	A decision was taken to change the procurement strategy for the achievement of the deliverable.	Procurement process of implementing of WiT Enterprise Development Programme will be finalised in 2021/2022.
-	-	2. Implement UNWTO WiT Pilot Project in Limpopo – Year 1.	UNWTO WiT Pilot Project was implemented in Limpopo.	None.	None.	N/A
Output: Prioritised programmes implemented to enhance visitor service and experiences.						
Output Indicator 4: Number of programmes implemented to enhance visitor service and experiences.						
100% compliance with the Service Delivery Charter in the management of tourist complaints was achieved.	100% compliance with the service delivery charter in the management of tourist complaints was achieved. The complaints received were all attended through resolution for referral to the relevant authorities.	Three programmes implemented to enhance visitor service and experiences:				
		1. 100% of tourist complaints managed in line with the regulation on the manner and procedure for lodging and dealing with tourism complaints.	100% of tourist complaints were managed in line with the Regulation on the Manner and Procedure for Lodging and Dealing with Tourism Complaints.	None.	None.	N/A
-	-	2. Implement service excellence with focus on customer centric approach using online round table discussions and media campaign.	Service excellence with focus on customer centric approach using online round table discussions and media campaign was implemented.	None.	None.	N/A
-	-	3. Awareness sessions with identified SE ambassador(s).	Awareness sessions with identified Service Excellence ambassador(s) were conducted as follows: <ul style="list-style-type: none"> Northern Cape: 28 October 2020. KwaZulu-Natal: 29 October 2020. Limpopo Province: 5 November 2020. Mpumalanga Province: 4 February 2021. Western Cape: 12 February 2021. 	None.	None.	N/A

Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Strategy to overcome areas of under performance
Output: Support programme for tourism development in Local Government						
Output Indicator 5: Number of initiatives to support tourism development in Local Government						
Provincial and Local Government Capacity-Building Programme: Four Provincial and Local Government tourism information-sharing sessions coordinated in municipalities.	Local Government Tourism Peer Learning Network sessions for municipal practitioners were conducted in the following four provinces: Western Cape, KwaZulu-Natal, North West and Gauteng Province.	Two initiatives to support tourism development in Local Government:				
		1. Local Government Tourism Peer Learning Network sessions for municipal practitioners hosted in three provinces.	Local Government Tourism Peer Learning Network sessions for municipal practitioners hosted in four provinces as follows: <ul style="list-style-type: none"> · Limpopo Province: 2 September 2020. · Eastern Cape: 18 - 19 November 2020. · Gauteng Province: 24 November 2020. · Mpumalanga Province: 10 March 2021. 	One additional Local Government Tourism Peer Learning Network sessions for municipal practitioners hosted.	In anticipation of the second wave / resurgence of COVID-19 infection cases, additional session was conducted in order to achieve the annual target in advance. The Limpopo session was held virtually and as such, there was a savings and those funds were used to host additional session.	N/A
-	-	2. Finalisation of 26 profiles in line with the District Development Model.	Finalisation of 26 profiles in line with the District Development Model was achieved.	None.	None.	N/A

Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Strategy to overcome areas of under performance
Output: Enhanced skills in the tourism sector.						
Output Indicator 6: Number of capacity-building programmes implemented.						
Two programmes to capacitate tourist guides were fully implemented and one was partly implemented: · Upskilling of Tourist Guides in Isimangaliso Wetlands Park was completed. · Upskilling of Tourist Guides at Kruger National Park was done. · New entrants as Tourist Guides in the Eastern Cape and Limpopo provinces were trained.	20 Tourist Guides in Mandarin language were trained (Cape Town, Mdantsane Langa, Mitchell's Plain, Dobsonville, Pretoria, Lusikisiki, Tembisa, Khayamandi, King Williams Town, Johannesburg, Krugersdorp, Plettenberg Bay).	Five capacity-building programmes implemented: 1. One programme to capacitate Tourist Guides implemented (Mandarin training).	One programme to capacitate tourist guides was implemented. The programme commenced on 20 January 2021 and concluded on 20 March 2021 with a total of 20 Tourist Guides.	None.	None.	N/A
1 500 unemployed youth in the Food Safety Programme were not enrolled.	Food Safety Quality Assurer Programme targeting 1 500 youth was not implemented.	2. Food Safety Quality Assurer Programme implemented in the nine provinces targeting 500 youth.	The tender was advertised and the service providers were appointed to implement the project in Western Cape and Gauteng provinces.	· Induction of learners was not undertaken in Western Cape and Gauteng Province. · The service provider was not appointed for KwaZulu-Natal.	No suitable service provider was found for KwaZulu-Natal.	· Contracting and implementing will commence for Western Cape and Gauteng Province. · The process of re-advertising is underway for KwaZulu-Natal.
300 unemployed youth were enrolled in the Sommelier Training Programme. However, as at 31 March 2019, 272 youth remained active in the programme due to drop-outs and other employment opportunities.	The programme started in 2017 with 300 learners. As a 3-year programme. Wine Service Training Programme targeting 269 youth was implemented. However, as at 31 March 2020, 241 youth remained in the programme due to drop-outs and other employment opportunities.	3. Wine Service Training Programme (Sommelier) implemented targeting 252 youth.	Wine Service Training Programme (Sommelier) targeting 252 youth was implemented.	None.	None.	N/A

Actual Achievement 2018/2019	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Strategy to overcome areas of under performance
Hospitality Youth Programme was implemented, with 643 learners enrolled in Accommodation, Food and Beverages. However, as at 31 March 2019 there were 581 learners in the Programme distributed as follows: · NW (203) · FS (93) · Limpopo (285).	The target of 3 900 started in 2018 and carried over to 2019 with an enrolment of 3 650 out of which 788 graduated in 2019. As at 31 March 2020, 1 884 youth remained in the programme due to dropouts and other employment opportunities. For Free State, target of 250 could not be enrolled due to COVID-19. The selection and recruitment was to be in March and could not happen due to lockdown.	4. Finalisation of the Hospitality Youth Programme (HYP) Fast Food implemented in the KwaZulu-Natal, Western Cape (Cluster 1 and 2), North West, Gauteng, and Mpumalanga provinces.	Hospitality Youth Programme (HYP) Fast Food implemented in the KwaZulu-Natal, Western Cape (Cluster 1 and 2), North West, Gauteng and Mpumalanga provinces was finalised.	None.	None.	N/A
Training of 40 women in the Executive Development Programme was facilitated.	Training of 40 women in the Executive Development Programme was facilitated.	5. 20 women enrolled in Executive Development Programme for WiT.	20 black women were enrolled in Executive Development Programme for WiT.	None.	None.	N/A
Output: Creation of enabling policy and regulatory environment for tourism growth and development.						
Output Indicator 7: Number of initiatives implemented to create an enabling policy and regulatory environment for tourism growth and development.						
-	-	One initiative implemented to create an enabling policy and regulatory environment for tourism growth and development:				
		Development of the Tourism Environmental Implementation Plan for 2020 – 2025.	· Implementing agent was appointed for development of TEIP · <i>Status quo</i> report on environmental performance of the tourism sector was developed. · Stakeholder consultation on the draft TEIP were undertaken.	A Draft TEIP was developed.	Delays in the approval of the concept for the TEIP.	The turn-around was put in place and the delays were addressed. As such, the Draft TEIP is in place and will be subjected to the required legislative process, including publishing in the Government Gazette by end of June 2021.

Narrative of Highlights

The Department developed a Long-term Enterprise Development Framework, which has seven strategic pillars. The purpose of the framework is to provide a guideline for the Department of Tourism's efforts in supporting the growth and development of SMMEs in the travel, hospitality and tourism industry. Through the implementation of the framework, the Department invests significantly in the development and growth of SMMEs in the tourism sector. Over the past year, up to 150 SMMEs operating in three strategic tourism destinations in Phalaborwa – Limpopo Province, Manyeleti – Mpumalanga Province and Mier - Northern Cape Province, were offered business development through the business incubation programme. Given the disruptive nature of the COVID-19 pandemic and the adverse impact on the travel and tourism sector, implementation was adjusted to focus

on pressing business sustainability support mechanisms for operators. These included establishing partnerships for in kind support in personal protective equipment, electronic devices and assistance with online applications to various business relief programmes such as Temporary Employer/ Employee Relief Scheme (TERS), Tourism Relief Fund (TRF), Unemployment Insurance Fund (UIF) and focus on technical support and access to funding. The Department also completed a significant amount of work towards the appointed implementing agents to implement the Technology Innovation Incubator, the Tour Operator Incubator and the Food Services Incubator that will commence in 2021/2022.

Changes to planned targets

None

Sub-Programme expenditure

Sub-Programme name	2020/2021			2019/2020		
	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	6 142	6 143	- 1	11 831	11 831	-
Tourism Human Resource Development	19 215	18 605	610	29 040	29 040	-
Enterprise Development and Transformation	41 716	41 716	-	36 888	34 701	2 187
Tourism Visitor Services	22 252	22 147	105	26 643	24 119	2 524
Tourism Incentive Programme	122 859	106 795	16 064	150 514	148 307	2 207
Total	212 184	195 406	16 778	254 916	247 998	6 918

Progress on Institutional Response to the COVID-19 Pandemic

Programme	Intervention	Geographic location (province/ district/ local municipality) (where possible)	Number of beneficiaries (where possible)	Disaggregation of Beneficiaries (where possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Tourism Research, Policy and International Relations	<p>Two reports on the impact of COVID-19 on the tourism sector.</p> <ul style="list-style-type: none"> All tourism enterprises need to be covered by the impact evaluation. The intervention will be conducted by the Department of Tourism nationally. Sourcing funds has been a problem for the evaluation, however, funds have been identified from the Research Section of the Department. Any study need to be budgeted for. 	Nationally	N/A	N/A	R599 340.00	R0.00	The evaluation measures the extent to which the tourism sector has been affected by the COVID-19 pandemic and its impact on job losses, income etc. This will provide evidence for the Department to devise strategies and interventions to minimise the impact of the pandemic on the tourism sector.	Support tourism enterprises and minimise closing down of tourism businesses where possible, and prevent the loss of jobs and income.
	<p>Monitoring of the implementation of the Tourism Relief Fund on tourism enterprises conducted and preliminary impact evaluation of the impact was developed.</p> <ul style="list-style-type: none"> Beneficiaries need to apply for financial assistance from the Tourism Relief Fund and when approved, will receive an amount of R50 000.00 per beneficiary. The intervention is implemented by the Department nationally. Need for proper planning of implementation of interventions. This is a dependent intervention that depends on the successful implementation of the Tourism Relief Fund. 	Nationally	N/A	N/A	R0.00	R0.00	The monitoring and evaluation of the TRF assists in measuring the extent to which the Tourism Relief Fund has made tourism enterprises sustainable during the COVID-19 pandemic and helped in ensuring that tourism enterprises survive the pandemic and remain operational, thereby saving jobs and income.	Support tourism enterprises, and minimise closing down of tourism businesses where possible, and prevent the loss of jobs and income.

Programme	Intervention	Geographic location (province/ district/ local municipality) (where possible)	Number of beneficiaries (where possible)	Disaggregation of Beneficiaries (where possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Tourism Sector Support Services	Tourist Guides Relief Fund	Nationally	4 650	Eastern Cape: 188, Free State: 24, Gauteng Province: 1 014, KwaZulu-Natal: 427, Limpopo Province: 155, Mpumalanga Province: 454, Northern Cape: 105, North West: 116, Western Cape: 2167.	R30 million	R20.9 million committed (4 650 X R4 500.00)	N/A	Temporary survival of the Tour Guides
	COVID-19 Tourism Relief Fund	Nationally	4 000	Eastern Cape: 457, Free State: 133, Gauteng Province: 1 017, KwaZulu-Natal: 610, Limpopo Province: 298, Mpumalanga Province: 238, Northern Cape: 124, North West: 161, Western Cape: 966	R200 million	R200 million	N/A	Temporary survival of enterprises.

Narrative Report on COVID-19 Interventions

The TGRF was announced in May 2020. An amount of R30 million was set aside to assist freelance Tourist Guides. Provincial Registrars of Tourist Guides were responsible for providing the lists of Tourist Guides (with valid registrations in place and with updated and verified contact information) to the Department. Once this information was submitted to the Department, it was consolidated and sent to the UIF to determine the number of Tourist Guides registered with UIF as employees. Those who were not registered with UIF or who had contributed to UIF up to December 2019, were processed for payments. To date, a total of 4 650 Guides were recommended for payments.

The payments were processed in batches with each Guide entitled to a payment of R1 500 per month for three months, which were done *via* cardless transactions. This means an amount of R20.9 million has been committed for the payments (excluding bank fees/charges). It should be noted that some Tourist Guides did not redeem their funds for various reasons. The Department enlisted the support of Provincial Registrars (as custodians of the information pertaining to the Tourist Guides) to consider the reasons for funds not being redeemed. As a result, the funds were re-issued to some Guides in the fourth quarter.

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

Legislative Mandate of South African Tourism Board

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

Functions of the South African Tourism Board are:

- 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 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	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
SA Tourism	<ul style="list-style-type: none"> · 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. 	R423 027 000.00	R 423 027 000.00	<ul style="list-style-type: none"> · Number of international tourist arrivals achieved (April 2020 – February 2021): 602 442. <p>Note: March 2021 data is not yet available. April - September 2020 arrivals were not available due to COVID-19 travel restrictions)</p> <ul style="list-style-type: none"> · Number of domestic holiday trips achieved (April 2020 – March 2021): 3.1 million. <p>Total tourism revenue:</p> <ul style="list-style-type: none"> · TTFDS (April - December 2020) : R2.9 billion (please note that March 2021 data is not yet available as a result there is no information for Q4. April - September 2020 arrivals were not available due to COVID-19 travel restrictions). · TDDS: R44.5 billion achieved (April 2020 – March 2021). · Percentage brand awareness achieved: the Brand Tracker survey was not done due to COVID-19 restrictions. · Percentage brand positivity achieved: the Brand Tracker survey was not done due to COVID-19 restrictions. · Number of business events hosted in South Africa: there were no business events during the financial year due to COVID-19 restrictions. · Number of business delegates hosted in South Africa: there were no business delegates hosted during the financial year due to COVID-19 restrictions. · Number of accommodation establishments graded (as at 31 March 2021): 5 034. · Number of graded rooms (as at 31 March 2021): 114 952.

5.2. Transfer payments to all organisations other than public entities

Transfer payments were made to Departmental agencies (excluding the public entity, SA Tourism), 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 2020 to 31 March 2021.

Department Agency/Account	2020/21			2019/2020		
	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
South African Tourism	423 027	423 027	-	1 354 161	1 354 161	-
National Tourism Career Expo	-	-	-	3 715	3 715	-
Technology Innovation Agency	3 000	3 000	-	-	-	-
Culture Art Tourism Hospitality and Sports Sector Education and Training Authority	172	172	-	157	157	-
TOTAL	426 199	426 199	-	1 358 033	1 358 033	-
Tourism Incentive Programme						
Tourism Grading Support	-	-	-	13 700	13 700	-
Market Access Support	523	523	-	11 655	10 536	1 119
Tourism Transformation Fund	-	-	-	40 000	40 000	-
Tourism Equity Fund	50 000	50 000	-	-	-	-
TOTAL	50 523	50 523	-	132 855	131 736	1 119
Foreign Government/International Organisation						
United Nations World Tourism Organisation (UNWTO)	3 055	2 998	57	2 772	2 772	-
TOTAL	3 055	2 998	57	2 772	2 772	-

The table below reflects the transfer payments made for the period 1 April 2020 to 31 March 2021.

Name of transferee	Type of the organisation	Purpose for which the funds were to be used for	Did the Department comply with s38(1)(j) of the PFMA	Amount transferred R'000	Amount spent by the entity R'000	Reasons the funds unspent by the entity
South African Tourism	Departmental Agency	To develop and implement a world-class international tourism marketing strategy for South Africa.	Yes.	423 027	423 027	No unspent funds.
Technology Innovation Agency	Departmental Agency	For the implementation of the Tourism Technology Grassroots Innovation Incubation Programme TTGIIP).	Yes.	3 000	-	Funds to be spent in 2021/2022 financial year.
Culture Art Tourism Hospitality and Sports Sector Education and Training Authority	Departmental Agency	Fund projects that will advance the development of the sector and to find its administration.	Yes.	172	-	Funds to be spent in 2021/2022 financial year.
Market Access Support	Private enterprise	Promote domestic and international tourism related events.	Yes.	523	523	No unspent funds.
Tourism Equity Fund	Private enterprise		Yes.	50 000	-	Funds to be spent in 2021/2022 financial year
United Nations World Tourism Organisation (UNWTO)	Foreign Government/ International Organisation	Remit South Africa's annual membership fee to UNWTO.	Yes.	2 998	2 998	No unspent funds.
Bursaries (Non-Employee)	Household		Yes.	559	559	No unspent funds.
Employee Social Benefits	Household		Yes.	1 038	1 038	No unspent funds.
Donation (Gifts)	Household		Yes.	30	30	No unspent funds.
Incentive Investment	Household		Yes.	17 280	17 280	No unspent funds.

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

There were no conditional grants and earmarked funds paid for the period 1 April 2020 to 31 March 2021.

6.2. Conditional grants and earmarked funds received

There were no conditional grants and earmarked funds received for the period 1 April 2020 to 31 March 2021.

7. DONOR FUNDS

There were no donor funds received for the period 1 April 2020 to 31 March 2021.

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

The table below reflects progress made on implementing the capital, investment and asset management plan for the period 1 April 2020 to 31 March 2021

Infrastructure projects	2020/2021			2019/2020		
	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	240 143	240 143	-	10 430	10 102	328
Maintenance and repairs	40 488	40 488	-	7 545	7 545	-
Infrastructure transfer						
- Current						
- Capital						
Total	280 631	280 631	-	17 975	17 647	328



PART C: GOVERNANCE



1. INTRODUCTION

The Department of Tourism is committed to compliance, managing risks and upholding good governance within the governance, risk and control environment. Good governance is fundamental to the management of public finances and the assurance that the utilisation of the Department's resources is effective, efficient and realises optimum value for money. This in turn, further enables the Department to deliver on its mandate with an accessible, service-centred and solutions-orientated delivery approach.

The Department strives to achieve objectives and continuously drive improvement, as well as maintain legal and ethical standing with all stakeholders including the wider community. The Department manages risks and uses resources responsibly and with accountability. Good governance is achieved through both performance and conformance.

2. RISK MANAGEMENT

The Department has an approved Risk Management Policy and Strategy. The policy provides a framework at a high level that outlines the Department's philosophy towards the management of risks, whilst the strategy ensures that risk processes and procedures for regular risk assessments are known and followed when engaging in annual risk assessments with the Branches.

New and emerging risks are identified on a continuous basis to ensure that the Department's Risk Register is a living document and the Department has an updated risk profile. The risk intelligence extracted from the various risk reports is critical in the decision-making process, as it provides real time information on the status of the organisation, as far as risk management is concerned.

An independent chairperson chairs the Risk Management Committee (RMC) and meetings are held quarterly. The Committee discusses and adopts risk-related reports and advises management on pertinent issues that needs their attention. The risk analysis reports and dashboard provide a snapshot of the activities various Branches or Programmes plan to implement quarterly to manage and address identified risks. Progress is provided quarterly on the identified mitigation plans to ensure that risks are managed and reduced to a risk exposure level that is acceptable.

The effectiveness of the risk management systems is monitored through the various risk reports including the risk dashboard that are availed and presented to the Audit Committee on a quarterly basis, for the committee to assess the value or quality of the work performed by the risk management unit.

The implementation of risk management systems within the Department has resulted in an improved level of performance. This can be attributed to the risk owners and task owners taking responsibility and accountability for the management of risks within their areas of responsibility and ensuring that risk reports are thoroughly interrogated and signed-off before they are submitted to the relevant governance structures. Risk owners are further required to present their progress reports to the RMC, on the implementation of mitigation plans to remedy/treat strategic, operational and fraud risks related to their Branches. This in turn, ensures that risks are given the level of attention they need and deserve.

3. FRAUD AND CORRUPTION

The Department has an approved Fraud Prevention Policy that is reviewed as and when new information or changes in the fraud prevention and anti-corruption space are introduced. The Department annually reviews and updates the Fraud Prevention Implementation Plan and progress on the implementation of the plan is reported quarterly to the RMC.

Employees are encouraged through awareness raising campaigns and workshops to report incidents of fraud and corruption through the National Anti-Corruption Hotline that is managed by the Office of the Public Service Commission. The Departmental Whistleblowing Policy was recently reviewed and officials can make anonymous and confidential disclosures or report observed suspected cases of fraud and corruption utilising various mechanisms outlined in the policy.

Alleged cases of fraud and corruption that are reported are investigated and a report provided to the Accounting Officer for further action to be taken. In instances where cases are deemed to be of a complex nature, assistance from other government authorities is sought to investigate the cases and provide a report to the Department.

4. MINIMISING CONFLICT OF INTEREST

The Public Service Regulations 2016, Chapter 2, aim to address identified potential and actual conflict of interest, through the various mechanisms, including directives that have been introduced within the public service by the Department of Public Service and Administration (DPSA), for departments to implement.

SMS members and other designated employees are required to submit their financial interests annually through the DPSA's online e-Disclosure System, thereby placing a

responsibility on the employer, namely, the Executive Authority to determine whether employees' financial interests are disclosed and they do not pose potential or actual conflict of interest or have an influence on decisions taken or not taken when performing their official duties

Public Service Regulation 2016, Regulations 16 (c), 17(2) and 18(3): Determination on Other Categories of Designated Employees to disclose their financial interests has been implemented by the Department and reports are provided to the DPSA and the OPSC, on an annual basis on progress made in the implementation of the regulations and directives. During the financial year under review, the Department had 100% compliance with the framework for the disclosure of financial interests

The regulations also require employees of the Department to disclose and declare received gifts in line with Regulation 13(h) of the Public Service Regulations, 2016. The Gift Policy has been reviewed and amendments were made to cater for the changes brought about by the PSR 2016 and the Directive on Managing Gifts within the Public Service.

5. CODE OF CONDUCT

Part one of the Public Service Regulations of 2016 (Code of Conduct), outline the type of professional behaviour and conduct expected from employees employed in the public service. The Code of Conduct provides clear guidelines on individual conduct and how employees should carry themselves when performing their official duties and when dealing with the public.

Ethical and professional conduct is emphasised at all times through training and awareness raising sessions that are conducted within the Department to ensure that employees of the Department comply with the Code of Conduct and the reputation of Department is kept intact and in good standing.

Employees who contravene the Public Service Regulations of 2016 and the Code of Conduct, are taken through the standard disciplinary process and in line with the Disciplinary Code and Procedures implemented within the public service.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

In the advent of the outbreak of the COVID-19 virus, the Department established a COVID-19 Steering Committee, the responsibilities of which were ultimately incorporated

into the Occupational Health and Safety Committee, as per DPSA guidance. This Committee held 12 meetings during the financial year to make recommendations to Top Management on all COVID-19 related matters. COVID-19 protocols were developed with regard to access, social distancing, proper wearing of Personal Protection Equipments (PPEs) and reporting of COVID-19 cases. A comprehensive Return-To-Work Plan was also developed, which covered working arrangements at all Alert Levels.

The Department has implemented a hybrid system, balancing remote and office work. The tools of trade were made available to almost all employees to ensure that services continued to be delivered.

Information sessions, throughout the year, were arranged which covered different topics including developments in relation to the virus, vaccination and psychological support.

During the period under review, the Department had 38 positive COVID-19 cases, of which all recovered. Reporting and risk assessments were done as per the DPSA directives. The Department is furthermore in the process of implementing a contactless health screening system. All efforts are made to ensure a safe environment for employees.

7. PORTFOLIO COMMITTEE ON TOURISM, AND SELECT COMMITTEE ON TRADE AND INDUSTRY, ECONOMIC DEVELOPMENT, SMALL BUSINESS DEVELOPMENT, TOURISM, EMPLOYMENT AND LABOUR

This section reports on the Committee meeting dates and matters raised by the Portfolio Committee on Tourism and the Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism, Employment and Labour how the Department addressed them.

The Portfolio Committee on Tourism (in the National Assembly) and Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism, Employment and Labour (in the National Council of Provinces) were respectively established in terms of Sections 55 and 69 of Chapter 4 of the Constitution. Their primary role is to oversee the actions of Government, to assure Parliament of such an oversight role and to provide assurance that Government is able to provide services to all citizens.

7.1. PORTFOLIO COMMITTEE ON TOURISM (NATIONAL ASSEMBLY)

7.1.1 Briefing by the Minister of Tourism to a Joint Meeting of the Portfolio Committee and Select Committee on 4 May 2020 about the impact of COVID-19 on the Tourism Sector, as well as the Risk Adjusted Strategy and Recovery Plan (Mitigating Measures)

The Committee welcomed the briefing by the Minister of Tourism and discussed the following issues:

- Equitable share of the Tourism Relief Fund (TRF) resources across provinces;
- Co-ordination between the Department of Tourism and the Department of Arts and Culture (DAC) regarding the plight of the artists during COVID-19;
- Payment holiday for rates and taxes for small tourism business;
- Impact and relief for restaurants and their insurance;
- The R30 million industry contribution to hotels which were designated as quarantine sites;
- Grading of establishments; and
- Inequality of income distribution and the B-BBEE requirements.

7.1.1 Briefing by the Minister of Tourism to a Joint Meeting of the Portfolio Committee and the Select Committee on 11 May 2020 about the reasons for withdrawal of the 2020/2021 Annual Performance Plan (APP) due to the severe impact of COVID-19 on tourism

The Committee noted the briefing by the Minister of Tourism and accepted the request by the Minister for the withdrawal of the APP 2020/2021. Further discussions were that the revised APP would take into account the needs of the rural villages and townships. It should consider the use of tourism as a mechanism to alleviate poverty in villages, townships and small towns with focus on inequality and unemployment. The Department should intensify its communication with all stakeholders to ensure all are informed about the developments in the tourism sector.

7.1.2 Briefing by the Department to a Joint meeting of the Portfolio Committee and Select Committee on 26 May 2020 about the 2020/2021 – 2021/2025 Strategic Plan and 2020/2021 APP

The Committee welcomed the briefing by the Department and discussed the following issues:

Health and safety protocols, Review of the White Paper on the Development and promotion of Tourism in South Africa (1996), the implications of Level 3 of the Risk Adjusted Strategy for the Tourism sector and unemployment in the industry.

7.1.3 Briefing by the Tourism Business Council of South Africa (TBCSA) on 9 June 2020 about TBCSA response to COVID-19 and the Risk Adjusted Strategy

The following issues were discussed:

- Transformation; Reliance on international business;
- Demographics of the TBCSA membership;
- Training of Tourist Guides;
- Extension of Temporary Employee Relief Schemes (TERS);
- Overuse of foreign nationals in tourism jobs; and
- Marketing and focus on the villages, townships and small dorpias in South Africa.

Note: The Department attended the meeting as an observer.

7.1.5 Quarterly meeting of the Committee with Provincial Tourism Chairpersons on Committee activities: Legislatures Tourism Oversight Forum (LETOFO): State of Tourism in Rural Areas - 24 June 2020

The following issues were discussed:

- Objectives of LETOFO;
- Collaborations and co-ordination with provinces;
- Grading system;
- District Development Model Approach;
- Timeframe for information submission by provinces on the total number of villages, townships and small towns;
- Non-attendance by some provinces;
- Tourism activities at district level;
- Oversight visits; and
- Tourism Master Plans - alignment and definition.

Note: The Department attended the meeting as an observer.

7.1.6 Briefing by the Department on its Revised Budget (Special Adjustments Budget) for the 2020/2021 APP - 9 July 2020

The following issues were discussed:

- Tourism Sector Recovery Plan;
- Charter Boat Industry;
- Impact of the revised budget and job opportunities;
- Expanded Public Works Programme (EPWP) and destination development job opportunities;
- COVID-19 Tourism Relief Fund;
- Enforcement of regulations and directives from the National Coronavirus Command Council;
- Green Tourism Incentive Programme; and
- Proposal for a Transformation Workshop arranged by the Portfolio Committee.

7.1.7 Briefing by the Department on the Third and Fourth Quarter Performance Reports for 2019/2020 financial year – 28 July 2020

The Committee welcomed the Department's 2019/2020 Third and Fourth Quarter Performance Reports and discussed the following issues:

- A plan that will guide municipalities around the country on budget resorts;
- Briefing to the Committee on Budget Resort Support Concept;
- Submission of a report that categorise the value of projects awarded, money spent, default on contracts by service providers (the report was submitted to the Committee on 3 February 2021); and
- Provision of progress report on the outcomes of the Howick and Mpophomeni oversight visit on September 2019.

7.1.8 Briefing by the Department and Women in Tourism (WiT) on activities and programmes in the tourism sector - 18 August 2020

All nine Provincial chapters made short presentations on their activities.

The following issues were discussed:

- Annual engagement with the WiT to consider progress;
- Facilitate of the involvement of the private sector by the Department to assist WiT on their programmes;
- Intensification of development programmes for WiT in relation to skills development, financial support and availing opportunities to enhance domestic tourism;
- Assistance by the Department on issues relating to SARS, grading system, water and electricity;
- Shifting of focus towards villages, townships and small towns (VTSDs); and
- Making of COVID-19 quarantine sites public to identify whether any women-owned facilities were utilised.

7.1.9 Consideration of submissions on proposals and strategies to expedite transformation in the Tourism Sector - 1 September 2020

Presentations were received from the public and the following issues were discussed:

- Ring-fenced resources;
- Tabling of the report on the submissions to the National Assembly;
- Village tourism plan;
- Reliance on international tourists; and
- Improving relations with other parliamentary committees to enhance oversight.

Note: The Department attended as an observer.

7.1.10 Briefing by the Department on 2020/21 First Quarter Performance Report for 2020/2021 - 6 October 2020

The Committee welcomed the Department's 2020/2021 First Quarter Performance Report and discussed the following issues:

- Publicising of the list of businesses which benefitted from the TRF;
- Complaints on disbursements of the TRF and Tourist Guides Relief Fund;
- Unemployment Insurance Fund beneficiaries;
- Vaccine for COVID-19;
- B-BBEE requirements of the TRF;
- Budget requirements to resume international marketing;
- Personal Protective Equipment corruption scandals;
- Restrictions imposed by other countries; and
- Training programmes by the Department to beneficiaries.

7.1.11 Briefing by the Culture, Arts, Tourism, Hospitality and Sport Sector Educations and Training Authority (CATHSSETA) on training programmes in the Tourism Sector - 20 October 2020

The Committee recommended that CATHSSETA:

- Consider approaching the banking sector to contribute to skills development programmes and access capital;
- Develop unique programmes that will entice the banking sector; and
- Note that the challenge is in the school system, requiring introduction of policy to introduce tourism in schools in lower grades.

Note: The Department attended as an observer.

7.1.12 Briefing by the Board of Airline Representatives of South Africa (BARSA) on the activities and issues pertinent to tourism - 27 October 2020

A presentation was received and the following issues were discussed:

- Extra ordinary measures to increase demand/supply;
- Hub status;
- Relationships;
- Safety and security;
- Delayed/cancelled flights;
- Open skies;
- Relationship with South African Airways; and
- Airports infrastructure.

Note: The Department attended as an observer.

7.1.13 Briefing by National Federation of Tourist Guides Association on activities and issues pertinent to the Tourist Sector - 3 November 2020

The Committee agreed to engage the following departments for assistance:

- Tourism and SA Tourism on policy and legislative review;
- Basic Education to introduce tourism from an earlier age;
- Higher Education and CATHSSETA on harmonising of training programmes and accreditation;
- Transport and the NPTR to consider transport networks, permits and cross border permits; and
- International Relations and Cooperation on issues of culture and language from where tourists came.

Note: The Department attended as an observer.

7.1.14 Briefing by the Department on the 2019/2020 Annual Performance Report - 10 November 2020

The Committee welcomed the Department's 2019/2020 Annual Performance Report and discussed the following issues:

- EPWP infrastructure projects;
- Repeat findings by AGSA;
- Forensic investigations;
- Risk management;
- Consequence management;
- Virement; and
- Capacity regarding infrastructure projects; and missing records.

7.1.15 Briefing by the Department of Cooperative Governance and Traditional Affairs (CoGTA) on 24 November 2020 about reflections on the state of tourism in the District Development Model (DDM) State of Tourism at Local Government Level

A presentation was received and the following issues were discussed:

- A visit to the OR Tambo District to experience the DDM;
- CoGTA assistance in the development of the Howick Falls and Mpophomeni township for the benefit of tourism; and
- Development of tourism enhancing infrastructure maintenance programme.

Note: The Department attended as an observer.

7.1.16 Briefing by the Department and Small Enterprise Finance Agency (SEFA) on 16 February 2021 about the Tourism Equity Fund (TEF)

The Committee welcomed the briefing by the Department and SEFA, and discussed the following issues:

- Equitable share of the TRF resources across provinces;
- Co-ordination between the Department and DAC regarding the plight of the artists during COVID-19;
- Payment holiday for rates and taxes for small tourism business;
- Impact and relief for restaurants and their insurance;
- The R30 million industry contribution to hotels which were designated as quarantine sites;
- Grading of establishments;
- Inequality of income distribution and the B-BBEE requirements;
- Allocation to disable persons;
- Funding requirements;
- Transformation and ownership;
- Encouragement of ecotourism for the fund applicants;
- Barriers of entry for applicants;

- Red tape for small business to apply;
- Ownership and access to finances;
- Allocation to the youth;
- Qualification requirements;
- Requirement for 5 years' experience might exclude some businesses;
- Cash flow;
- Access to land;
- Role of the Department;
- Popularising the fund; and
- Fast and vigilant processes and VTSD process.

7.1.17 Briefing by the TBCSA on tourism developments in the sector - 23 February 2021

The following issues were discussed:

- Guidelines on pronounced regulations;
- TEF;
- Government Loan Guarantee Scheme;
- Banks;
- National and Provincial Treasuries;
- Rapid testing; Messaging around the COVID -19 variant;
- Foreign nationals employed in the tourism sector; and
- Experiences from various industry players.

Note: The Department attended as an observer.

7.1.18 Briefing by the Department on the 2020/2021 Second and Third Quarter Performance Report - 2 March 2021

The Committee welcomed the Department's 2020/2021 Second and Third Quarter Performance Report and discussed the following issues:

- EPWP;
- Bias towards rural areas;
- Rail tourism;
- Plans to catch up in Quarter 4,
- Women empowerment programme;
- Gender Equality Dialogue;
- Eco-Tourism;
- Risk Mitigation;
- TERS extension to be discussed at NEDLAC;
- Reconfiguration of State-owned Enterprises;
- Rebuilding the tourism sector; and
- eVisas and the vaccine rollout plan to tourism frontline workers.

7.1.19 Oversight Visit to the COVID-19 Rapid Testing Centre at V&A Waterfront (Lookout Testing Centre), City of Cape Town - 16 March 2021

The Committee visited the COVID-19 Rapid Testing Centre at the V&A Waterfront to verify the TBCSA Report on 23 February 2021.

The following issues were discussed:

- The impact of the Adjusted-Risk strategy on the MICE sector;
- Value of business events in SA;
- New normal for the MICE sector;
- Emergence and significance of Health Passports;
- Health Passport Worldwide as one of the interventions to reopen the MICE sector; and
- Possible collaboration between the government and Health Passport Worldwide.

7.2. SELECT COMMITTEE ON TRADE AND INDUSTRY, ECONOMIC DEVELOPMENT, SMALL BUSINESS DEVELOPMENT, TOURISM, EMPLOYMENT AND LABOUR (NATIONAL COUNCIL OF PROVINCES)

The Select Committee had the following joint meetings with the Portfolio Committee on Tourism on the following:

- The impact of COVID-19 pandemic to the Tourism Sector and mitigating measures, as well as the Risk Adjusted Strategy and Recovery - 4 May 2020;
- The reasons for the withdrawal of the initial APP 2020/2021 - 11 May 2020; and
- Revised APP for 2020/2021 financial year - 26 May 2020.

7.2.1 Virtual engagement with National, Provincial and Local Government on the impact of COVID-19 and the interventions for the Tourism Sector on 15 September 2020 (enhancing destination marketing and tourism industry growth – Stakeholder engagement)

The Department, SA Tourism and TBCSA of South Africa made presentations and the following issues were discussed:

- The role of provinces and local government for the implementation of the Tourism Sector Recovery Plan;
- The importance of basic services;
- Integrated planning;
- DDM;
- Investments in transport infrastructure;
- e-Visas;
- Safety of tourists ;
- Tourism products to meet the local tourist expectations;
- Financial support to promote tourism on local level;
- Skills development; and
- Integration of sport and creative economy activities in tourism and transformative initiatives.

7.2.1 Briefing by the Department on 23 February 2021 about 2019/2020 Annual Performance Report

The Committee welcomed the Department's 2019/2020 Annual Performance Report and discussed the following issues:

- The 30-day period for payment of service providers;
- Women-owned business should receive 40% of business;
- Corrective measures for targets not achieved;
- Engagements with provinces;
- Guidance and assistance to SMMEs;
- Tourism Master Plans;
- TEF;
- Timeframes for Shangani Gate;
- Requirements for funding of small merging businesses; and
- Criteria to qualify for grading discounts.

8. SCOPA RESOLUTIONS

None.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

No matters were reported by the AGSA in the previous financial year and therefore no modifications were done to prior audit reports.

10. INTERNAL CONTROL UNIT

The current establishment makes provision for the appointment of a Deputy Director: Internal Control. Due to a limited budget for Compensation of Employees, this post has not been filled and the Department had to apply various measures to ensure that the functions linked to this sub-directorate are still performed. Segregation of duties are performed within the Finance and Supply Chain Directorates, and the Internal Audit function assists with internal controls. The Directorate: Strategic Management, Monitoring and Evaluation also plays an important role in the verification of performance information.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Audit Unit provides assurance and consulting services. It conducts its affairs in terms of an approved Internal Audit Charter. The Unit follows a risk-based audit approach, in terms of which the Department's Risk Strategy and the Internal Audit Unit's assessment of risks are the drivers of internal audit activities and the approved Internal Audit Plan. The Internal Audit Plan was formally adopted and approved by the Audit Committee.

Below are audits performed by the Internal Audit Unit during the 2020/2021 financial year:

- Pre-determined objectives;
- ICT Governance;
- Risk Management – Business Continuity;
- Pre-Audit Review of the EPWP Projects: Readiness Assessment;
- Covid-19 Compliance Review - OHS;
- Review of annual report;
- Procurement - Quotation;
- Follow-up on AGSA Report;
- Contract Management; and
- Follow-up on the Tourism Relief Fund.

Progress on the implementation of the plan was monitored and reported on at each Audit Committee meeting.

The primary purpose of the Audit Committee is to assist the Department in fulfilling its oversight responsibilities, and to ensure that the Department has and maintains effective, efficient and transparent systems of financial, risk management, governance and internal control by:

- (i) supporting management in respect of financial reporting and a system of internal control;
- (ii) enhancing business ethics and trust in the Department;
- (iii) ensuring and enhancing the independence of internal audit activity;
- (iv) ensuring that risks facing the Department are identified, and that appropriate procedures are implemented to manage and minimise risks;
- (v) ensuring the proper functioning of the audit process;
- (vi) monitoring compliance with laws, regulations and codes of conduct.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date Resigned	No. of meetings attended
Prof. H de Jager	D. Com (Acc); CA (SA) RGA	External		1 August 2015 and re-appointed 4 April 2019		4
Mr PR Mnisi	LLB; Post Graduate Certificate in Compliance Management	External		1 August 2015 and re-appointed 20 October 2018		4
Ms HN Masedi	B. Compt Hons; M Com (Computer Auditing); Higher Diploma in Computer Auditing and Post graduate Diploma in Management	External		1 August 2015 and re-appointed 20 October 2018		4
Ms MP Ramutsheli	CIA; Certified Ethics Officer; Masters in Internal Auditing	External		20 October 2018		3

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2021.

Audit Committee Responsibility

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 3.1.13. The Audit Committee also 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, except that we have not reviewed changes in accounting policies and practices.

The effectiveness of Internal Control

The Department's system of internal control is designed to provide reasonable assurance, *inter alia*, that assets are safeguarded and that liabilities and working capital are efficiently managed. Based on the approved annual Internal Audit Plan setting out the scope, control objectives and risks, for the period covered, various reports were submitted by the internal auditors.

The results of the internal and external audits indicated that controls have been operating as intended in certain areas, while in others attention should be given to strengthen, improve and monitor the controls. Where control weaknesses and other matters were reported, the Audit Committee has considered management's responses to address the matters and to facilitate corrective actions, improvements and monitoring the controls and procedures. Implementation of such corrective actions is monitored through the implementation of an issue tracking report and the follow-up review reports submitted to the committee on a regular basis.

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the Department revealed certain weaknesses, which were then raised with the Department.

The following internal audit work was completed during the year under review:

- Pre-determined objectives;
- ICT Governance;
- Risk Management – Business Continuity;
- Pre-Audit Review of the EPWP Projects: Readiness Assessment;
- Covid-19 Compliance Review - OHS;
- Review of annual report;
- Procurement - quotations;
- Follow-up on AGSA Report;
- Contract Management; and
- Follow-up on the Tourism Relief Fund.

The Audit Committee advised the Department that strong steps be taken by the Department to strengthen the oversight function and their control environment.

In-Year Management and Monthly / Quarterly Report

The Department has reported monthly and quarterly to National Treasury as is required by the PFMA.

Internal Audit

The Internal Audit Unit conducts its affairs in terms of an approved Internal Audit Charter. The Charter is reviewed on an annual basis. The Internal Audit Unit follows a risk-based audit approach, whereby the Department's Risk Strategy and the Internal Audit Unit's assessment of the risks drivers are taken into account.

The Internal Audit Plan was formally adopted and approved by the Audit Committee. Progress on the execution of the plan was monitored and reported on at each Audit Committee meeting.

The Audit Committee is therefore satisfied that the internal audit function (in-house) is operating effectively and that it has addressed the risks pertinent to the Department in its Audit Plan.

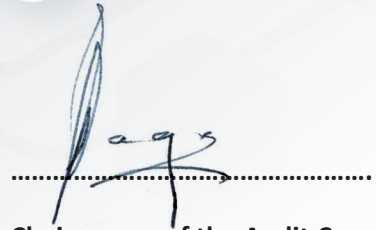
Risk Strategy

The Department has a Risk Management Strategy in place and actively monitors and takes appropriate action against the risks identified as per the risk register.

Evaluation of Financial Statements

We have reviewed the Annual Financial Statements prepared by the Department.

Report of the Auditor-General

A handwritten signature in blue ink, appearing to be 'A. G. S.', is written over a horizontal dotted line. The signature is stylized and cursive.

Chairperson of the Audit Committee

31 May 2021



PART D: HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

The information contained in this part of the Annual Report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

The status of human resources in the Department

Human resources is one of the most strategic resources that is managed with great care and diligence within the Department.

An efficiently run Human Resources Component provides the Department with the requisite organisational structure and the concomitant human resources required to enable the Department to meet its objectives in pursuit of its strategic goals by managing the Department's most valuable resources namely, its employees. The Human Resources Component is strategically positioned to:

- retain, engage and attract outstanding employees;
- promote a workforce that is diverse and inclusive;
- provide a safe and healthy, learning and working environment; and
- develop employees to their fullest potential.

Human resource priorities for the year under review and the impact of these:

- To recruit a suitably qualified, capable and skilled workforce;
- To promote employment equity;
- To have skilled, motivated, capacitated and empowered employees who are equipped to deliver the mandate of the Department;
- To develop high-quality leaders and managers who exemplify the core values of the public service and the Department, and committed to service delivery;
- To promote effective performance management systems;
- To effectively manage employee health and wellness in the workplace;
- To coordinate special transformation programmes; and
- To promote sound labour relations between employer and employees.

Workforce planning and key strategies to attract and recruit a skilled and capable workforce

Workforce planning is about having the right people with the right skills in the right jobs at the right time and the reasonable costs. It identifies the gap between current workforce capabilities and the workforce capabilities required to achieve the Department's strategic goals in an ever-changing operational environment. This is what the Department has been striving to achieve during the year under review.

Workforce planning is guided by the Department's strategy. The legal framework in this regard consists of the Employment Equity Act, Public Service Act and Public Service Regulations. During the year under review, the implementation of the Human Resources Plan 2020/2021 continued in order to guide the process of attracting, recruiting and developing a skilled and capable workforce. This has been achieved and is exemplified by the quality and number of employees that have been attracted into the organisation.

Employee performance management

The Department commits to 100% implementation of the Performance Management Development System (PMDS) annually, as guided by the departmental PMDS Policy and relevant chapter of the SMS Handbook. During COVID-19, moderations were successfully done online. In spite of a public service-wide extension of the compliance date for finalisation of moderations, for non-SMS members, the Department was able to implement in line with the Public Service Regulations, 2016, dates.

Following the finalisation of performance moderations, employees who performed outstandingly were afforded performance rewards and pay progressions according to policy guidelines. Steps such as retraining and other interventions are taken to address poor performance.

Employee wellness programmes

During the reporting year, the Department has reviewed and approved its Wellness Management Policy. The Employee Wellness Programme further focussed on information sessions and counselling services relating to COVID-19. COVID-19 protocols and working arrangements were furthermore drafted, approved and implemented.

A holistic Retention Policy was approved. Exit interviews were conducted and analysed in order to identify areas that require interventions to support the retention of critical skills.

Achievements and challenges faced by the department and future human resource plans/goals

The Department appointed 32 interns and awarded 53 external and internal bursaries for the 2021 academic year.

Employment Equity Targets

The Department exceeded government's targets for persons with disabilities and currently stands at 4.3% representation for this group. Black representation achieved the target by 96.1%. The Department has not achieved its target of 50% representation of women at SMS level as it still stands at 43.9% for the year under review.

Looking at future human resource plans/goals, the Department's existing human resource policies, procedures and systems (codes of practice) and the HR Plan 2020 – 2023, provide an effective framework for recruiting, developing and retaining staff in a fair and supportive environment. To this end, the goals listed in HR Plan 2020 -2023 are as follows:

- a) Strategic partnerships with core business
- b) Employee championship
- c) Organisational development and design
- d) Recruitment and employee life-cycle management, with two sub-categories:
 - i. Human resource utilisation
 - ii. Human resource development

3. HUMAN RESOURCES OVERSIGHT STATISTICS

The following tables summarise the final audited personnel-related expenditure by programme and by salary bands. In particular, they provide an indication of the following:

- The amount spent on personnel.
- The amount spent on salaries, overtime, homeowners allowances and medical aid.

3.1. Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by Programme and by salary bands. In particular, it provides an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime, homeowners allowances and medical aid.

Table 3.1.1 Personnel expenditure by Programme for the period 1 April 2020 and 31 March 2021

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	289 819	156 098	1 322	7 369	54	570
Programme 2: Tourism Research, Policy and International Relations	479 529	48 054	17	956	10	808
Programme 3: Destination Development	427 495	54 952	31 233	5 248	13	788
Programme 4: Tourism Sector Support Services	195 406	71 599	7 156	10 386	37	770
Total	1 392 249	330 703	39 728	23 959	24	667

Table 3.1.2 Personnel costs by salary band for the period 1 April 2020 and 31 March 2021

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)	195	0	1	195
Skilled (Levels 3 - 5)	8 953	3	34	263
Highly skilled production (Levels 6 - 8)	55 970	17	167	335
Highly skilled supervision (Levels 9 - 12)	175 105	53	227	771
Senior and Top management (Levels 13 - 16)	90 480	27	67	1 350
Total	330 703	-	496	667

Table 3.1.3 Salaries, Overtime, Homeowners Allowance and Medical Aid by programme for the period 1 April 2020 and 31 March 2021

Programme	Salaries		Overtime		Homeowners 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	137 393	88	1 125	0,7	3 722	2,4	5 205	3,3
Programme 2: Tourism Research, Policy and International Relations	42 451	88	7	0,0	1 277	2,3	1 230	2,6
Programme 3: Destination Development	48 444	88	29	0,1	1 418	2,9	1 491	2,5
Programme 4: Tourism Sector Support Services	62 864	88	336	0,5	1 465	2,0	2 175	3,0
Total	291 152	88	1 497	0,4	7 882	2,4	10 101	3,0

Table 3.1.4 Salaries, Overtime, Homeowners Allowance and Medical Aid by salary band for the period 1 April 2020 and 31 March 2021

Salary band	Salaries		Overtime		Homeowners 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 (Levels 1 - 2)	181	93	-	-	-	-	-	-
Skilled (Levels 3 - 5)	6 786	86	188	6.7	480	6.6	727	9.5
Highly-skilled production (Levels 6 - 8)	44 007	93	690	0.9	2 100	3.9	4 009	7.5
Highly-skilled supervision (Levels 9 – 12)	149 907	90	620	-	3 939	2.2	4 691	2.7
Senior management (Levels 13 - 16)	80 631	92	-	-	1 363	1.8	672	0.9
Total	281 512	84	1 498	0.4	7 882	2.4	10 099	3.0

3.2. Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate and whether there are any staff members that are additional to the establishment.

This information is presented in terms of three key variables:

- Programme
- Salary band
- Critical occupations (see definition in notes below).

The Department has identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2021

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1	267	238	10.9%	18
Programme 2	75	63	16.0%	4
Programme 3	75	68	9.3%	5
Programme 4	103	93	9.7%	6
Total	520	462	11.2%	33

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2021

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1 - 2)	4	1	75%	0
Skilled (Levels 3 - 5)	33	33	0.0%	0
Highly-skilled production (Levels 6 - 8)	149	136	14.5%	32
Highly-skilled supervision (Levels 9 - 12)	259	226	12.7%	1
Senior management (Levels 13 - 16)	75	66	12%	0
Total	520	462	0.0%	33

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2021

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Financial and related Professionals, Permanent	7	7	0	0
Senior Managers, Permanent	67	59	11.9	0
TOTAL	74	66	10.8	0

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation:
 - (a) In which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) For which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;

- (c) Where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (d) In respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3. Filling of SMS posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service (SMS) by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2021

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
Minister/Deputy Minister	2	2	100%	0	0%
Director-General/Head of Department	1	1	100%	0	0%
Salary Level 16	2	2	100%	0	0%
Salary Level 15	5	4	80%	1	20%
Salary Level 14	15	13	87%	2	13%
Salary Level 13	50	44	88%	6	12%
Total	75	66	88%	9	12%

Table 3.3.2 SMS post information as on 30 September 2020

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	2	2	0%	0	0%
Salary Level 16	3	3	0%	0	0%
Salary Level 15	5	4	20%	1	95%
Salary Level 14	15	14	6.7%	1	85%
Salary Level 13	50	46	8%	4	50%
Total	75	69	92%	6	8%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2020 and 31 March 2021

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in six months of becoming vacant	Number of vacancies per level filled in six months of becoming vacant	Number of vacancies per level not filled in six months but filled in 12 months
Director-General/Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	2	1	1
Salary Level 14	2	0	2
Salary Level 13	4	0	4
Total	8	1	7

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within six months and filled within 12 months after becoming vacant for the period 1 April 2020 and 31 March 2021

Reasons for vacancies not advertised within six months
Due to the compensation ceiling, the Department decided to hold the filling of vacant posts and went through a process of identifying critical posts that it needed and prioritised them for filling.
Reasons for vacancies not filled within 12 months
The prioritised posts were approved on 20 March 2020 and were advertised in April 2020. Due to COVID-19 pandemic, the Department opened an email application channel in order to discourage movement of applicants and to comply with the Lockdown Regulations on movement of citizens. This also contributed to large volumes of applications being received, which led to an additional function of printing applications prior to capturing. This also led to human resource capacity constraints with six Human Resource officials operating at 50% at any given time that means only three officials were in the office per day. In order to maintain the integrity of the recruitment processes, it was impossible to allow officials to process applications remotely and as a result, it led to the Department not being able to fill the SMS vacancies within the stipulated twelve months period.

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

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 2020 and 31 March 2021

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

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant Executive Authority or Head of Department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

3.4. Job Evaluation

Within a nationally determined framework, Executing Authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations, all vacancies on salary levels nine and higher, must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by salary band for the period 1 April 2020 and 31 March 2021

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)	3	0	0	0	0	0	0
Skilled (Levels 3 - 5)	28	0	0	0	0	0	0
Highly-skilled production (Levels 6 - 8)	145	0	0	0	0	0	0
Highly-skilled supervision (Levels 9 - 12)	252	0	0	0	0	0	0
Senior Management Service Band A	45	0	0	0	0	0	0
Senior Management Service Band B	5	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	495	0	0	0	0	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could be vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2020 and 31 March 2021

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

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2020 and 31 March 2021

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				
Percentage of total employed				

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2020 and 31 March 2021

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	0	0	0	0
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Notes

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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3.5. Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2020 and 31 March 2021

Salary band	Number of employees at beginning of period - 1 April 2020	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1 - 2)	1	0	0	100.0
Skilled (Levels 3 - 5)	32	1	1	3.1
Highly-skilled production (Levels 6 - 8)	137		2	1.5
Highly-skilled supervision (Levels 9 - 12)	231	0	5	2.2
Senior Management Service Bands A	46	0	2	4.3
Senior Management Service Bands B	14	0	0	0.0
Senior Management Service Bands C	5	0	2	40.0
Senior Management Service Bands D	5	0	0	0.0
Contracts	18	45	31	172.2
Total	489	46	43	8.4

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2020 and 31 March 2021

Critical occupation	Number of employees at beginning of period - April 2020	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Financial and related Professionals, Permanent	5	0	0	0
Senior Managers, Permanent	62	0	5	8.1
TOTAL	67	0	5	7.5

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation:
 - (a) In which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;

- (b) For which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- (c) Where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (d) In respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

The table below identifies the major reasons why staff left the Department.

Table 3.5.3 Reasons why staff left the Department for the period 1 April 2020 and 31 March 2021

Termination Type	Number	% of Total Resignations
Death	3	7.3
Resignation	8	19.5
Expiry of contract	28	68.3
Discharged due to ill-health	1	2.4
Retirement	3	7.3
Total	43	104.8
Total number of employees who left as a % of total employment		

Table 3.5.4 Promotions by critical occupation for the period 1 April 2020 and 31 March 2021

Occupation	Employees 1 April 2020	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
Financial and related professionals, Permanent	5	1	20	9	180
Senior Managers, Permanent	62	1	1.6	10	16.1
TOTAL	67	2	3	383	571

Table 3.5.5 Promotions by salary band for the period 1 April 2020 and 31 March 2021

Salary Band	Employees 1 April 2020	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)	1	0	0.00	0.00	0.00
Skilled (Levels 3 - 5)	32	0	0.00	17.00	53.10
Highly-skilled production (Levels 6 - 8)	137	2	1.50	115.00	83.90
Highly-skilled supervision (Levels 9 - 12)	231	0	0.00	206.00	89.20
Senior Management (Level 13 - 16)	71	1	1.40	45.00	63.40
Total	472	3	0.60	383.00	81.10

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 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	31	1	1	2	20	1	4	4	64
Professionals	69	2	4	1	95	6	3	4	184
Technicians and associate professionals	45	0	1	2	42	6	3	4	103
Clerks	23	1	0	0	69	2	1	0	96
Service and sales workers	11	2	0	1	10	0	0	0	24
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	3	0	0	0	0	0	0	0	3
Elementary occupations	9	0	0	0	11	0	0	0	20
Total	191	6	6	6	247	15	11	12	494
Employees with disabilities	11	0	0	1	7	0	0	1	20

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	4	0	0	1	2	0	1	1	9
Senior Management	28	1	2	1	18	1	3	3	57
Professionally qualified and experienced specialists and middle management	91	1	4	4	107	8	6	5	226
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	51	4	0	0	103	6	1	3	168
Semi-skilled and discretionary decision-making	17	0	0	0	16	0	0	0	33
Unskilled and defined decision making	0	0	0	0	1	0	0	0	1
Total	191	6	6	6	247	15	11	12	494

Table 3.6.3 Recruitment for the period 1 April 2020 to 31 March 2021

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 middle management	3	0	0	0	0	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	0	11	0	0	0	14
Semi-skilled and discretionary decision making	17	0	0	0	10	0	0	0	27
Unskilled and defined decision making	0	0	0	0	1	0	0	0	1
Total	24	0	0	0	22	0	0	0	46
Employees with disabilities	1	0	0	0	0	0	0	0	1

Table 3.6.4 Promotions for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and middle management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	1	0	0	0	2
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	1	0	0	0	1	0	0	0	3
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	2	0	0	0	3
Senior Management	1	0	0	0	2	0	0	0	3
Professionally qualified and experienced specialists and middle management	6	0	0	0	1	0	0	1	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	2	0	0	0	0	0	0	0	2
Semi-skilled and discretionary decision-making	16	0	0	0	10	0	0	0	26
Unskilled and defined decision making	0	0	0	0	1	0	0	0	1
Total	26	0	0	0	16	0	0	1	43
Employees with disabilities	2	0	0	0	0	0	0	0	2

Table 3.6.6 Disciplinary action for the period 1 April 2020 to 31 March 2021

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Final written warning	1	0	0	0	0	0	0	0	1

Table 3.6.7 Skills development for the period 1 April 2020 to 31 March 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	16	0	0	1	7	0	2	3	29
Professionals	22	0	0	1	25	2	0	5	55
Technicians and associate professionals	26	1	0	0	26	3	0	2	58
Clerks	1	0	0	0	4	0	0	1	6
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	0	0	0	0	0	0	0	0	0
Non-employed	18	0	0	0	54	0	0	0	72
Total	83	1	0	2	116	5	2	11	220
Employees with disabilities	9	0	0	1	7	0	0	1	18

3.7. Signing of Performance Agreements by SMS members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2021

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	0	0	0	100%
Salary Level 15	4	4	4	100%
Salary Level 14	14	14	14	100%
Salary Level 13	48	48	48	100%
Total	67	67	67	100%

Notes

- In the event of a national or provincial election occurring within the first three months of a financial year, all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2021.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2021

Reasons
N/A

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2021

Reasons
N/A

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

3.8. Performance Rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2020 to 31 March 2021

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees assessed	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	37	177	21%	R 850 889.70	R 22 997.02
Female	40	218	18%	R 1 047 928.53	R 26 198.21
Asian					
Male	1	6	17%	R 31 299.84	R 31 299.84
Female	3	12	25%	R 105 644.43	R 35 214.81
Coloured					
Male	0	8	0%	0	0
Female	5	15	33%	R 162 123.00	R 32 424.60
White					
Male	0	6	0%	0	0
Female	0	14	0%	0	0
Total	86	456	19%	R 2 197 885.50	R 25 556.81

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2020 to 31 March 2021

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees assessed	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1 - 2)	0	3	0	0	0	
Skilled (Levels 3 - 5)	8	30	27%	R 103 520.43	R 12 940.05	
Highly-skilled production (Levels 6 - 8)	24	127	19%	R 409 101.09	R 17 045.88	
Highly-skilled supervision (Levels 9 - 12)	42	230	18%	R 1 120 645.44	R 26 682.03	
Total	74	390	19%	R 16 33 266.96	R 22 071.18	

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2020 to 31 March 2021

Critical occupation	Beneficiary Profile			Cost Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost	Average cost per employee
Senior Managers	12	66	18%	R564 619,00	R47 051,58
Financial and related professionals (Salary Levels 9 - 12)	0	6	0	0	0
Total	12	66	18%	R564 619,00	R47 051,58

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation:
 - (a) In which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) For which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) Where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) In respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2020 to 31 March 2021

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	1	0	0.00	0.00	
Band B	0	4	0	0.00	0.00	
Band C	4	14	28%	R 250 509.18	R 62 627.30	
Band D	8	48	17%	R 314 109.36	R 39 263.67	
Total	12	67	18%	R 564 618.54	R 47 051.55	

3.9. Foreign workers

The tables below summarises the employment of foreign nationals in the Department in terms of salary band and major occupation.

Table 3.9.1 Foreign workers by salary band for the period 1 April 2020 and 31 March 2021

Salary band	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Levels 6 - 8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9 - 12)	0	0	0	0	0	0
Contract (Levels 9 - 12)	0	0	0	0	0	0
Contract (Levels 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 2020 and 31 March 2021

Major occupation	01 April 20YY		31 March 20ZZ		Change	
	Number	% of total	Number	% of total	Number	% Change
N/A	0	0	0	0	0	0
N/A	0	0	0	0	0	0

3.10. Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 January 2020 to 31 December 2020

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 (Levels 1 - 2)	0	0	0	0	0	0
Skilled (Levels 3 - 5)	75	16	15	5.4	5	R66 625.10
Highly-skilled production (Levels 6 - 8)	454	67.6	93	33.7	5	R656 539.95
Highly-skilled supervision (Levels 9 - 12)	627	73	136	49.3	5	R1 751 764.51
Top and Senior management (Levels 13 -16)	211	80.1	31	11.2	7	R999 767.74
Total	1 367.00	72.7	276.00	100.00	5.00	R2 818 805.35

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2020 to 31 December 2020

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)	23	100	2	33.3	12	R26 565.22
Highly-skilled supervision (Levels 9 - 12)	110	100	2	33.3	55	R394 404.45
Senior management (Levels 13 - 16)	25	100	2	33.3	13	R112 352.42
Total	158.00	97.5	6.00	100.00	26.00	R506 756.87

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual Leave for the period 1 January 2020 to 31 December 2021

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (Levels 1 - 2)	7	1	7
Skilled (Levels 3 - 5)	614	37	17
Highly-skilled production (Levels 6 - 8)	2 893	171	17
Highly-skilled supervision (Levels 9 - 12)	4 973	232	21
Senior management (Levels 13 - 16)	1 447	71	20
Total	9 934.00	510.00	19.00

Table 3.10.4 Capped leave for the period 1 January 2020 to 31 December 2021

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 2021
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

The following table summarise payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave payouts for the period 1 April 2020 and 31 March 2021

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2020/2021 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payout on termination of service for 2020/2021	0	0	0
Current leave payout on termination of service for 2020/2021	516 770.90	12	49 064 242.00
Total	516 770.90	12	49 064 242.00

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 & related diseases (if any)	Key steps taken to reduce the risk

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

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 Annette Potgieter: Director Human Resource Utilisation and Employee Health and Wellness
2. Does the Department have a dedicated unit or has it designated specific staff members to 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 Officials: Mr S V Nkosi - Deputy Director: Employee Health and Wellness, and Ms M Sibande - Assistant Director: Employee Health and Wellness, and Ms Amanda Thabethe - Intern: Psychology
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	Coordinate of Wellness Management Programmes; Coordinate HIV and AIDS and TB Management Programmes Coordinate Health and Productivity Management Programmes Coordinate Occupational Health Management Programmes, as well as occupational hygiene. Conduct Exit Interview to the exiting officials

4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 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	Transformation and Human Resource Management Steering Committee
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X	Wellness Management Policy HIV and AIDS and TB Management Policy Health and Productivity Management Policy Occupational Health and Safety Policy
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	The Department has HIV and AIDS and TB Management Policy, which is implemented on quarterly basis. Employees are normally requested to report any element that suggest discrimination as per the HIV policy
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X	The Department encourages its employees to undergo HIV Counselling and Testing (HCT), on quarterly basis. No HCT took place during the 2020/2021 financial year due to COVID-19 challenges.
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	The Department has operational plan for each year. This plan is monitored and its deliverables are measures through Departmental and DPSA quarterly reports, annual report. Key indicators are developed in line with the EHW four key strategic pillars, that is, 1. HIV and AIDS and TB Management, 2. Health and Productivity Management, 3. Occupational Health Management, and 4. Wellness Management.

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2020 and 31 March 2021

Subject matter	Date
Total number of Collective agreements	None

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Collective agreements	None
---------------------------------------	------

The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2020 and 31 March 2021

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	1	14.3
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	2	28.6
Case provisionally withdrawn	4	57.1
Total	7	100

Notes

- If there were no disciplinary hearings, keep the heading and replace the table with the following:

Total number of disciplinary hearings finalised	None
---	------

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2020 and 31 March 2021

Type of misconduct	Number	% of total
Gross mismanagement of projects	2	66.7
Causing the Department to incur fruitless and wasteful expenditure	1	33.3
Total	3	100

Table 3.12.4 Grievances logged for the period 1 April 2020 and 31 March 2021

Grievances	Number	% of Total
Number of grievances resolved	5	83.3
Number of grievances not resolved	1	16.7
Total number of grievances lodged	6	100

Table 3.12.5 Disputes logged with Councils for the period 1 April 2020 and 31 March 2021

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	1	50
Total number of disputes lodged	2 (1 pending)	100

Table 3.12.6 Strike actions for the period 1 April 2020 and 31 March 2021

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work, no pay (R'000)	0

Table 3.12.7 Precautionary suspensions for the period 1 April 2020 and 31 March 2021

Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	60
Cost of suspension (R'000)	R194 210.94

3.13. Skills development

This section highlights the efforts of the department with regard to skills development.

Table 3.13.1 Training needs identified for the period 1 April 2020 and 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2020	Training needs identified at start of the reporting period			Total
			Learnerships/ Internship/ External Bursary	Skills Programmes and other short courses	Other forms of training	
Legislators, senior officials and managers	Female	29	0	9	5	14
	Male	37	0	11	5	16
Professionals	Female	57	0	30	6	36
	Male	45	0	20	4	24
Technicians and associate professionals	Female	69	0	22	14	36
	Male	55	0	21	9	30
Clerks	Female	96	0	4	13	17
	Male	47	0	1	4	5
Service and sales workers	Female	14	0	0	0	0
	Male	13	0	0	5	5
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	0	0	0	0	0
	Male	0	0	0	0	0
Non-employed	Female	25	36	4	0	40
	Male	7	13	1	0	14
Sub-Total	Female	290	36	69	38	143
	Male	204	13	54	27	94
Total		494	49	123	65	237

Table 3.13.2 Training provided for the period 1 April 2020 and 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			Total
			Learnerships/ Internship/ External Bursary	Skills Programmes and other short courses	Other forms of training/ Bursary and CIP	
Legislators, senior officials and managers	Female	29	0	12	5	17
	Male	37	0	17	5	22
Professionals	Female	57	0	32	6	38
	Male	45	0	23	4	27
Technicians and associate professionals	Female	69	0	31	17	48
	Male	55	0	27	9	36
Clerks	Female	96	0	5	17	22
	Male	47	0	1	5	6
Service and sales workers	Female	14	0	0	0	0
	Male	13	0	0	5	5
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	0	0	0	0	0
	Male	0	0	0	0	0
Non-employed	Female	25	36	54	0	90
	Male	7	13	18	0	31
Sub-Total	Female	290	36	134	45	215
	Male	204	13	86	28	127
Total		494	49	220	73	342

3.14. Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2020 and 31 March 2021

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

3.15. Utilisation of Consultants

The following tables relates 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 2020 and 31 March 2021

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
To implement, stakeholders management plan and monitoring and evaluation framework OR-009139/ OR-008948 - The Traveling Circus	6	36 months	451 528.00
Technical Resources for the Electronic Document Management System (EDMS) OR-009157 - Datacentrix	7	36 months	16 164 373.00
Development of a concept and implementation modalities for a State-driven budget resort network OR-009198 - BDO Advisory Services	5	3 months	1 130 400.26
Technical Resources for the Electronic Document Management System (EDMS) OR-009026 - Datacentrix	3	3 months	952 531.20
Sharepoint maintenance and support OR-009195 - Nambithi Technologies	6	36 months	11 713 575.00
To Conduct Research for the Department of Tourism OR-009070 - University of Pretoria	2	12 months	498 500.00
To Develop Two Concepts for the Karoo Succulent Garden and Orange River Mouth Development OR-008990 - Edge Tourism Solutions	1	Once off	497 975.85
The Development of the Cruise Tourism Maximisation Strategy OR-008820 Urban - Econ Development Economists	Not indicated	Once off	856 640.52
Quantity surveyors EPWP projects OR-008799 - Ithembaletu Consulting	1	Once off	49 962.50
SMME incubator support - Phalaborwa OR-008441 - Sigma International	1	Once off	702 096.49
SMME incubator support - Manyeleti OR-008441 - Sigma International	1	Once off	687 155.73
For Documentation of System Specification For EPWP and Non-EPWP Skills and Infrastructure Projects OR-009150 - Blue Oceans	Not indicated	7 months	1 461 880.00
TOTAL			35 166 618.25

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2020 and 31 March 2021

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
To implement, stakeholders management plan and monitoring and evaluation framework OR-009139/ OR-008948 - The Traveling Circus	55%	0%	6
Technical Resources for the Electronic Document Management System (EDMS) OR-009157 - Datacentrix	50%	40%	7
Development of a concept and implementation modalities for a state driven budget resort network OR-009198 - BDO Advisory Services	25%	25%	Not indicated
Technical Resources for the Electronic Document Management System (EDMS) OR-009026 - Datacentrix	51%	30%	3
Sharepoint maintenance and support OR-009195 - Nambithi Technologies	0%	70.73%	6
To Conduct Research for the Department of Tourism OR-009070 - University of Pretoria	0%	0%	2
To Develop Two Concepts for the Karoo Succulent Garden and Orange River Mouth Development OR-008990 - Edge Tourism Solutions	100%	100%	1
The Development of the Cruise Tourism Maximisation Strategy OR-008820 Urban - Econ Development Economists	100%	100%	Not indicated
Quantity surveyors EPWP projects OR-008799 - Ithembaletu Consulting	100%	100%	1
SMME incubator support - Phalaborwa OR-008441-Sigma International	100%	100%	Not indicated

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
SMME incubator support - Manyeleti OR-008441 - Sigma International	100%	100%	Not indicated
For Documentation of System Specification For EPWP and Non-EPWP Skills and Infrastructure Projects OR-009150 - Blue Oceans	0%	0%	Not indicated

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2020 and 31 March 2021

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
N/A	0	0	0.00

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
0	0	0	0.00

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2020 and 31 March 2021

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
N/A	0	0	0

3.16. Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2020 and 31 March 2021

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by the MPSA	Number of packages approved by the 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: FINANCIAL INFORMATION



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 set out on pages 95 to 164, which comprise the Appropriation Statement, Statement of Financial Position as at 31 March 2021, the Statement of Financial Performance, Statement of Changes in Net Assets and 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 of Tourism as at 31 March 2021 and financial performance and cash flows for the year ended, in accordance with the Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act (PFMA) of South Africa 1 of 1999 and the Division of Revenue Act of South Africa, 2020 (Act No.4 of 2020) (DORA)

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 Auditor-General's responsibilities 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.

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in Note 31 to the Financial Statements, the corresponding figures for 31 March 2020 have been restated as a result of one error in the Financial Statements of the Department at and for the year ended, 31 March 2021.

Other matter

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

Unaudited supplementary information

9. The supplementary information set out in pages 165 to 174 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.

Responsibilities of the Accounting Officer for the Financial Statements

10. The Accounting Officer is responsible for the preparation and fair presentation of the Financial Statements in accordance with the MCS and the requirements of the PFMA, the DORA 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.
11. 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

12. 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.

DEPARTMENT OF TOURISM - VOTE 38
REPORT OF THE AUDITOR-GENERAL
 for the year ended 31 March 2021

13. A further description of my responsibilities for the audit of the Financial Statements is included in the annexure to this Auditor's Report.

Report on the audit of the Annual Performance Report

Introduction and scope

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the General Notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the Annual Performance Report. I performed procedures to identify material findings but not to gather evidence to express assurance.

15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the Department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the Department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the General Notice, for the following selected programme presented in the Department's Annual Performance Report for the year ended 31 March 2021:

Programme	Pages in the Annual Performance Report
Programme 4 – Tourism Sector Support Services	38 – 43

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

18. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:

- Programme 4 – Tourism Sector Support Services

Other matter

19. I draw attention to the matter below.

Achievement of Planned Targets

20. Refer to the Annual Performance Report on pages 24 to 43 for information on the achievement of planned targets for the year and management explanations provided for the under-/overachievement of targets. This information should be considered in the context of the opinion expressed on the usefulness and reliability of the reported performance information in paragraph 18 of this Report.

Adjustment of material misstatements

21. I identified material misstatements in the Annual Performance Report submitted for auditing. These material misstatements were in the reported performance information of Programme 4: Tourism Sector Support Services. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

22. In accordance with the PAA and the General Notice issued in terms thereof, I have a responsibility to report material findings on the Department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

23. The material findings on compliance with specific matters in key legislation are as follows:

Procurement and contract management

24. Some of the bid documentation for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by 2017 Preferential Procurement Regulation 8(2).

DEPARTMENT OF TOURISM - VOTE 38
REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2021

Other information

25. The Accounting Officer is responsible for the other information. The other information comprises the information included in the Annual Report. The other information does not include the Financial Statements, the Auditor's Report and those selected Programmes presented in the Annual Performance Report that have been specifically reported in this Auditor's Report.
26. My opinion on the Financial Statements and findings on the reported performance information and compliance with legislation, do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements and the selected Programmes presented in the Annual Performance Report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

29. I considered internal control relevant to my audit of the Financial Statements, reported performance information and compliance with applicable legislation, however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this Report.
30. There was inadequate monitoring and implementation of the action plan based on the Auditor's Report has resulted in material non-compliance and irregular expenditure recurring in the current year.
31. Inadequate reviews were performed by management to ensure consistency between the Annual Performance Plan and the Annual Performance Report.

Other reports

32. I draw attention to the following engagements conducted by various parties, which had, or could have, an impact on the matters reported in the Department's

Financial Statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the Financial Statements or my findings on the reported performance information or compliance with legislation.

33. The Accounting Officer instituted an independent investigation into the irregular, fruitless and wasteful expenditure incurred on the Expanded Public Works Programme projects. The investigation had been completed by the time of this Report and the Accounting Officer had initiated the recommendations as per the investigation report.



Auditor-General
Pretoria
31 July 2021



Auditing to build public confidence

Annexure – Responsibility of the Auditor-General for the audit

1. 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 programmes and on the Department’s compliance with respect to the selected subject matters.

Financial Statements

2. 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 by the Accounting Officer;
 - conclude on the appropriateness of the Accounting Officer’s 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 of Tourism 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 and;

- 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.

Communication with those charged with governance

3. 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.
4. I also provide the Accounting Officer with a statement that I have complied with relevant ethical requirements regarding independence and to 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.

ANNUAL FINANCIAL STATEMENTS

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APPROPRIATION STATEMENT

for the year ended 31 March 2021

Appropriation per Programme

Voted funds and Direct charges

Programme

ADMINISTRATION

TOURISM RESEARCH, POLICY AND INTERNATIONAL RELATIONS

DESTINATION DEVELOPMENT

TOURISM SECTOR SUPPORT SERVICES

TOTAL

2020/2021							2019/2020	
Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
299 644	-	(9 822)	289 822	289 819	3	100,0%	288 274	287 323
499 118	-	(16 973)	482 145	479 529	2 616	99,5%	1 419 142	1 419 060
465 894	-	(23 185)	442 709	427 495	15 214	96,6%	430 338	430 011
162 204	-	49 980	212 184	195 406	16 778	92,1%	254 916	247 998
1 426 860	-	-	1 426 860	1 392 249	34 611	97,6%	2 392 670	2 384 392
Reconciliation with Statement of Financial Performance								
Add:								
Departmental receipts			11 857				4 250	
NRF Receipts			-				-	
Aid assistance			-				89 213	
Actual amounts per Statement of Financial Performance (Total Revenue)			1 438 717				2 486 133	
Add: Aid assistance				-				88 109
Prior year unauthorised expenditure approved without funding				-				-
Actual amounts per Statement of Financial Performance Expenditure				1 392 249				2 472 501

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Appropriation per economic classification

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Current payments	949 529	(248 425)	(42 587)	658 517	636 989	21 528	96,7%	870 522	864 723
Compensation of employees	336 443	-	-	336 443	330 703	5 740	98,3%	334 372	329 395
Salaries and wages	296 410	204	(503)	296 111	291 152	4 959	98,3%	294 825	290 673
Social contributions	40 033	(204)	503	40 332	39 551	781	98,1%	39 547	38 722
Goods and services	613 086	(248 425)	(42 587)	322 074	306 286	15 788	95,1%	536 150	535 328
Administrative fees	1 071	(136)	26 547	27 482	27 482	-	100,0%	573	573
Advertising	3 630	7 090	(781)	9 939	9 939	-	100,0%	4 896	4 896
Minor assets	2 726	(2 202)	(376)	148	148	-	100,0%	1 158	1 158
Audit costs: External	10 789	(2 730)	-	8 059	8 059	-	100,0%	9 835	9 835
Bursaries: Employees	1 717	80	-	1 797	1 797	-	100,0%	1 472	1 472
Catering: Departmental activities	7 013	(783)	(3 267)	2 963	2 963	-	100,0%	4 350	4 350
Communication (G&S)	9 539	8 095	(656)	16 978	16 978	-	100,0%	7 906	7 906
Computer services	12 371	2 299	-	14 670	14 670	-	100,0%	12 135	12 135
Consultants: Business and advisory services	51 600	(16 890)	(10 751)	23 959	23 959	-	100,0%	21 196	21 196
Legal services	920	1 109	(313)	1 716	1 716	-	100,0%	889	889
Contractors	154 537	(149 680)	(376)	4 481	4 481	-	100,0%	3 443	3 443
Agency and support / outsourced services	87 120	(23 094)	(175)	63 851	50 779	13 072	79,5%	171 464	171 464
Entertainment	101	174	11	286	286	-	100,0%	234	234
Fleet services (including government motor transport)	352	1 025	-	1 377	1 377	-	100,0%	1 759	1 759
Consumable supplies	2 634	853	(899)	2 588	2 588	-	100,0%	4 145	4 145
Consumable: Stationery, printing and office supplies	4 324	(424)	(1 104)	2 796	2 796	-	100,0%	3 080	3 080
Operating leases	41 543	(10 823)	-	30 720	30 720	-	100,0%	37 816	37 816
Property payments	4 267	40 378	-	44 645	44 645	-	100,0%	9 022	9 021
Travel and subsistence	65 461	(10 453)	(40 808)	14 200	11 484	2 716	80,9%	52 939	52 118
Training and development	126 944	(88 509)	1 293	39 728	39 728	-	100,0%	176 715	176 715
Operating payments	10 701	(1 956)	(6 417)	2 328	2 328	-	100,0%	2 504	2 504
Venues and facilities	9 204	(1 483)	(4 080)	3 641	3 641	-	100,0%	6 855	6 855
Rental and hiring	4 522	(365)	(435)	3 722	3 722	-	100,0%	1 764	1 764

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Appropriation per economic classification

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Transfers and subsidies	473 551	(1 350)	39 205	511 406	498 627	12 779	97,5%	1 500 322	1 499 202
Departmental agencies and accounts	423 199	-	3 000	426 199	426 199	-	100,0%	1 358 033	1 358 033
Departmental agencies	423 199	-	3 000	426 199	426 199	-	100,0%	1 358 033	1 358 033
Higher education institutions	-	-	-	-	-	-	0,0%	-	-
Foreign governments and international organisations	3 055	-	-	3 055	2 998	57	98,1%	2 774	2 772
Public corporations and private enterprises	43 628	(29 177)	36 072	50 523	50 523	-	100,0%	132 855	131 736
Private enterprises	43 628	(29 177)	36 072	50 523	50 523	-	100,0%	132 855	131 736
Other transfers to private enterprises	43 628	(29 177)	36 072	50 523	50 523	-	100,0%	132 855	131 736
Non-profit institutions	-	-	-	-	-	-	0,0%	413	413
Households	3 669	27 827	133	31 629	18 907	12 722	59,8%	6 247	6 248
Social benefits	-	907	133	1 040	1 038	2	99,8%	5 313	5 314
Other transfers to households	3 669	26 920	-	30 589	17 869	12 720	58,4%	934	934
Payments for capital assets	3 780	249 752	3 382	256 914	256 610	304	99,9%	21 393	20 035
Buildings and other fixed structures	-	240 143	-	240 143	240 143	-	100,0%	10 430	10 102
Buildings	-	240 143	-	240 143	240 143	-	100,0%	10 430	10 102
Machinery and equipment	2 816	7 230	-	10 046	9 742	304	97,0%	9 693	8 663
Transport equipment	-	2 166	-	2 166	2 166	-	100,0%	1 450	1 422
Other machinery and equipment	2 816	5 064	-	7 880	7 576	304	96,1%	8 243	7 241
Software and other intangible assets	964	2 379	3 382	6 725	6 725	-	100,0%	1 270	1 270
Payment for financial assets	-	23	-	23	23	-	100,0%	433	432
Total	1 426 860	-	-	1 426 860	1 392 249	34 611	97,6%	2 392 670	2 384 392

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Programme 1: ADMINISTRATION**Sub-Programmes**

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1 MINISTRY	36 106	(1 898)	(4 490)	29 718	29 717	1	100,0%	38 774	38 774
2 MANAGEMENT	3 027	18	(500)	2 545	2 545	-	100,0%	3 270	3 270
3 CORPORATE MANAGEMENT	168 737	9 233	(4 832)	173 138	173 138	-	100,0%	155 602	154 653
4 FINANCIAL MANAGEMENT	48 565	2 302	-	50 867	50 866	1	100,0%	51 543	51 542
5 OFFICE ACCOMMODATION	43 209	(9 655)	-	33 554	33 553	1	100,0%	39 085	39 084
	299 644	-	(9 822)	289 822	289 819	3	100,0%	288 274	287 323

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Programme 1: ADMINISTRATION**Economic classification****Current payments**

Compensation of employees

Salaries and wages

Social contributions

Goods and services

Administrative fees

Advertising

Minor assets

Audit costs: External

Bursaries: Employees

Catering: Departmental activities

Communication (G&S)

Computer services

Consultants: Business and advisory services

Legal services

Contractors

Agency and support / outsourced services

Entertainment

Fleet services (including government motor transport)

Consumable supplies

Consumable: Stationery, printing and office supplies

Operating leases

Property payments

Travel and subsistence

Training and development

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	296 389	(10 262)	(13 204)	272 923	272 923	-	100,0%	272 410	272 407
Compensation of employees	155 595	-	503	156 098	156 098	-	100,0%	152 951	152 951
Salaries and wages	137 077	316	-	137 393	137 393	-	100,0%	134 795	134 795
Social contributions	18 518	(316)	503	18 705	18 705	-	100,0%	18 156	18 156
Goods and services	140 794	(10 262)	(13 707)	116 825	116 825	-	100,0%	119 459	119 456
Administrative fees	341	140	-	481	481	-	100,0%	150	150
Advertising	2 178	7 373	-	9 551	9 551	-	100,0%	3 873	3 873
Minor assets	2 290	(2 187)	-	103	103	-	100,0%	1 074	1 074
Audit costs: External	10 301	(2 242)	-	8 059	8 059	-	100,0%	9 551	9 551
Bursaries: Employees	1 717	80	-	1 797	1 797	-	100,0%	1 472	1 472
Catering: Departmental activities	2 560	(605)	-	1 955	1 955	-	100,0%	1 867	1 867
Communication (G&S)	7 176	8 168	-	15 344	15 344	-	100,0%	6 941	6 941
Computer services	12 203	28	-	12 231	12 231	-	100,0%	10 258	10 258
Consultants: Business and advisory services	11 126	(3 757)	-	7 369	7 369	-	100,0%	9 176	9 175
Legal services	475	1 006	-	1 481	1 481	-	100,0%	431	431
Contractors	4 971	(732)	-	4 239	4 239	-	100,0%	3 271	3 270
Agency and support / outsourced services	467	406	-	873	873	-	100,0%	219	219
Entertainment	43	174	-	217	217	-	100,0%	82	82
Fleet services (including government motor transport)	352	1 025	-	1 377	1 377	-	100,0%	1 758	1 758
Consumable supplies	1 487	950	-	2 437	2 437	-	100,0%	2 584	2 584
Consumable: Stationery, printing and office supplies	2 817	(498)	-	2 319	2 319	-	100,0%	2 197	2 197
Operating leases	41 543	(10 823)	-	30 720	30 720	-	100,0%	37 816	37 816
Property payments	4 267	(122)	-	4 145	4 145	-	100,0%	1 477	1 476
Travel and subsistence	20 636	(2 822)	(11 687)	6 127	6 127	-	100,0%	19 038	19 038
Training and development	3 575	(2 253)	-	1 322	1 322	-	100,0%	1 434	1 434

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Programme 1: ADMINISTRATION

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	4 957	(1 778)	(2 020)	1 159	1 159	-	100,0%	1 721	1 721
Venues and facilities	2 075	(1 841)	-	234	234	-	100,0%	1 562	1 562
Rental and hiring	3 237	48	-	3 285	3 285	-	100,0%	1 507	1 507
Transfers and subsidies	172	1 037	-	1 209	1 208	1	99,9%	6 267	6 268
Departmental agencies and accounts	172	-	-	172	172	-	100,0%	157	157
Departmental agencies	172	-	-	172	172	-	100,0%	157	157
Households	-	1 037	-	1 037	1 036	1	99,9%	6 110	6 111
Social benefits	-	458	-	458	457	1	99,8%	5 176	5 177
Other transfers to households	-	579	-	579	579	-	100,0%	934	934
Payments for capital assets	3 083	9 209	3 382	15 674	15 672	2	100,0%	9 381	8 432
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 119	6 830	-	8 949	8 947	2	100,0%	8 111	7 162
Transport equipment	-	2 166	-	2 166	2 166	-	100,0%	1 428	1 400
Other machinery and equipment	2 119	4 664	-	6 783	6 781	2	100,0%	6 683	5 762
Software and other intangible assets	964	2 379	3 382	6 725	6 725	-	100,0%	1 270	1 270
Payment for financial assets	-	16	-	16	16	-	100,0%	216	216
Total	299 644	-	(9 822)	289 822	289 819	3	100,0%	288 274	287 323

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Sub-Programme: 1.1: MINISTRY**Economic classification****Current payments**

Compensation of employees

Goods and services

Transfers and subsidies

Households

Payments for capital assets

Buildings and other fixed structures

Machinery and equipment

Software and other intangible assets

Payment for financial assets**Total**

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	36 106	(2 827)	(4 490)	28 789	28 789	-	100,0%	33 712	33 712
Compensation of employees	23 780	(522)	-	23 258	23 258	-	100,0%	20 680	20 680
Goods and services	12 326	(2 305)	(4 490)	5 531	5 531	-	100,0%	13 032	13 032
Transfers and subsidies	-	174	-	174	174	-	100,0%	4 657	4 657
Households	-	174	-	174	174	-	100,0%	4 657	4 657
Payments for capital assets	-	754	-	754	753	1	99,9%	305	305
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	-	754	-	754	753	1	99,9%	305	305
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	1	-	1	1	-	100,0%	100	100
Total	36 106	(1 898)	(4 490)	29 718	29 717	1	100,0%	38 774	38 774

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Sub-Programme: 1.2: MANAGEMENT

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	3 027	(37)	(500)	2 490	2 490	-	100,0%	3 270	3 270
Compensation of employees	2 157	102	-	2 259	2 259	-	100,0%	2 242	2 242
Goods and services	870	(139)	(500)	231	231	-	100,0%	1 028	1 028
Transfers and subsidies	-	-	-	-	-	-	0,0%	-	-
Departmental agencies and accounts	-	-	-	-	-	-	0,0%	-	-
Payments for capital assets	-	55	-	55	55	-	100,0%	-	-
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	-	55	-	55	55	-	100,0%	-	-
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	-	-	-	-	-	0,0%	-	-
Total	3 027	18	(500)	2 545	2 545		100,0%	3 270	3 270

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Sub-Programme: 1.3: CORPORATE MANAGEMENT

Economic classification	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	167 251	2 787	(8 214)	161 824	161 826	(2)	100,0%	149 717	149 715
Compensation of employees	102 666	692	503	103 861	103 861	-	100,0%	102 978	102 978
Goods and services	64 585	2 095	(8 717)	57 963	57 965	(2)	100,0%	46 739	46 737
Transfers and subsidies	172	863	-	1 035	1 034	1	99,9%	1 159	1 160
Departmental agencies and accounts	172	-	-	172	172	-	100,0%	157	157
Households	-	863	-	863	862	1	99,9%	1 002	1 003
Payments for capital assets	1 314	5 568	3 382	10 264	10 263	1	100,0%	4 637	3 689
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	350	3 189	-	3 539	3 538	1	100,0%	3 367	2 419
Software and other intangible assets	964	2 379	3 382	6 725	6 725	-	100,0%	1 270	1 270
Payment for financial assets	-	15	-	15	15	-	100,0%	89	89
Total	168 737	9 233	(4 832)	173 138	173 138	-	100,0%	155 602	154 653

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Sub-Programme: 1.4: FINANCIAL MANAGEMENT

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	46 796	(530)	-	46 266	46 265	1	100,0%	46 626	46 626
Compensation of employees	26 992	(272)	-	26 720	26 720	-	100,0%	27 051	27 051
Goods and services	19 804	(258)	-	19 546	19 545	1	100,0%	19 575	19 575
Transfers and subsidies	-	-	-	-	-	-	0,0%	451	451
Households	-	-	-	-	-	-	0,0%	451	451
Payments for capital assets	1 769	2 832	-	4 601	4 601	-	100,0%	4 439	4 438
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	1 769	2 832	-	4 601	4 601	-	100,0%	4 439	4 438
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	-	-	-	-	-	0,0%	27	27
Total	48 565	2 302	-	50 867	50 866	1	100,0%	51 543	51 542

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Sub-Programme: 1.5: OFFICE ACCOMMODATION**Economic classification****Current payments**

Goods and services

Transfers and subsidies

Households

Payments for capital assets

Buildings and other fixed structures

Machinery and equipment

Software and other intangible assets

Payment for financial assets**Total**

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	43 209	(9 655)	-	33 554	33 553	1	100,0%	39 085	39 084
Goods and services	43 209	(9 655)	-	33 554	33 553	1	100,0%	39 085	39 084
Transfers and subsidies	-	-	-	-	-	-	0,0%	-	-
Households	-	-	-	-	-	-	0,0%	-	-
Payments for capital assets	-	-	-	-	-	-	0,0%	-	-
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	-	-	-	-	-	-	0,0%	-	-
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	-	-	-	-	-	0,0%	-	-
Total	43 209	(9 655)	-	33 554	33 553	1	100,0%	39 085	39 084

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Programme 2: TOURISM RESEARCH, POLICY AND INTERNATIONAL RELATIONS

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-Programmes									
TOURISM RESEARCH, POLICY AND INTERNATIONAL RELATIONS MANAGEMENT	8 252	-	(1 987)	6 265	5 663	602	90,4%	8 437	8 357
RESEARCH AND KNOWLEDGE MANAGEMENT	27 955	-	(4 964)	22 991	21 536	1 455	93,7%	23 244	23 244
POLICY PLANNING AND STRATEGY	13 247	-	(2 388)	10 859	10 746	113	99,0%	11 974	11 974
SOUTH AFRICAN TOURISM	423 027	-	-	423 027	423 027	-	100,0%	1 354 161	1 354 161
INTERNATIONAL RELATIONS AND COOPERATION	26 637	-	(7 634)	19 003	18 557	446	97,7%	21 326	21 324
	499 118	-	(16 973)	482 145	479 529	2 616	99,5%	1 419 142	1 419 060
Economic classification									
Current payments	68 861	3 507	(16 927)	55 441	53 176	2 265	95,9%	61 660	61 660
Compensation of employees	50 822	-	(503)	50 319	48 054	2 265	95,5%	50 127	50 127
Salaries and wages	44 778	(40)	(503)	44 235	42 451	1 784	96,0%	44 462	44 462
Social contributions	6 044	40	-	6 084	5 603	481	92,1%	5 665	5 665
Goods and services	18 039	3 507	(16 424)	5 122	5 122	-	100,0%	11 533	11 533
Administrative fees	96	1	(96)	1	1	-	100,0%	2	2
Advertising	169	52	(153)	68	68	-	100,0%	336	336
Minor assets	74	-	(65)	9	9	-	100,0%	20	20
Catering: Departmental activities	602	11	(523)	90	90	-	100,0%	262	262
Communication (G&S)	615	60	(114)	561	561	-	100,0%	305	305
Computer services	-	2 226	-	2 226	2 226	-	100,0%	1 735	1 735
Consultants: Business and advisory services	76	880	-	956	956	-	100,0%	1 191	1 191
Legal services	-	-	-	-	-	-	0,0%	61	61
Contractors	397	13	(385)	25	25	-	100,0%	29	29
Agency and support / outsourced services	167	45	(167)	45	45	-	100,0%	-	-
Entertainment	58	-	(58)	-	-	-	0,0%	1	1
Consumable supplies	353	32	(327)	58	58	-	100,0%	43	43

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Programme 2: TOURISM RESEARCH, POLICY AND INTERNATIONAL RELATIONS

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	461	-	(452)	9	9	-	100,0%	178	178
Travel and subsistence	10 189	(433)	(9 383)	373	373	-	100,0%	5 878	5 878
Training and development	1 166	-	(1 149)	17	17	-	100,0%	121	121
Operating payments	2 355	599	(2 326)	628	628	-	100,0%	455	455
Venues and facilities	1 141	21	(1 106)	56	56	-	100,0%	916	916
Rental and hiring	120	-	(120)	-	-	-	0,0%	-	-
Transfers and subsidies	429 751	(3 552)	-	426 199	426 141	58	100,0%	1 356 978	1 356 976
Departmental agencies and accounts	423 027	-	-	423 027	423 027	-	100,0%	1 354 161	1 354 161
Departmental agencies	423 027	-	-	423 027	423 027	-	100,0%	1 354 161	1 354 161
Higher education institutions	-	-	-	-	-	-	0,0%	-	-
Foreign governments and international organisations	3 055	-	-	3 055	2 998	57	98,1%	2 774	2 772
Public corporations and private enterprises	-	-	-	-	-	-	0,0%	-	-
Non-profit institutions	-	-	-	-	-	-	0,0%	-	-
Households	3 669	(3 552)	-	117	116	1	99,1%	43	43
Social benefits	-	117	-	117	116	1	99,1%	43	43
Other transfers to households	3 669	(3 669)	-	-	-	-	0,0%	-	-
Payments for capital assets	506	43	-	503	210	293	41,7%	481	401
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	506	43	(46)	503	210	293	41,7%	481	401
Other machinery and equipment	506	43	(46)	503	210	293	41,7%	481	401
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	2	-	2	2	-	100,0%	23	23
Total	499 118	-	(16 973)	482 145	479 529	2 616	99,5%	1 419 142	1 419 060

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Sub-Programme: 2.1: TOURISM RESEARCH, POLICY AND INTERNATIONAL RELATIONS MANAGEMENT

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	8 063	(102)	(1 987)	5 974	5 519	455	92,4%	8 279	8 279
Compensation of employees	5 651	-	-	5 651	5 197	454	92,0%	6 147	6 147
Goods and services	2 412	(102)	(1 987)	323	322	1	99,7%	2 132	2 132
Transfers and subsidies	-	102	-	102	101	1	99,0%	-	-
Households	-	102	-	102	101	1	99,0%	-	-
Payments for capital assets	189	-	-	189	43	146	22,8%	158	78
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	189	-	-	189	43	146	22,8%	158	78
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	-	-	-	-	-	0,0%	-	-
Total	8 252	-	(1 987)	6 265	5 663	602	90,4%	8 437	8 357

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Sub-Programme: 2.2: RESEARCH AND KNOWLEDGE MANAGEMENT

Economic classification	2020/2021							2019/2020	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	24 142	3 667	(4 918)	22 891	21 534	1 357	94,1%	23 082	23 082
Compensation of employees	19 788	-	(503)	19 285	17 928	1 357	93,0%	18 287	18 287
Goods and services	4 354	3 667	(4 415)	3 606	3 606	-	100,0%	4 795	4 795
Transfers and subsidies	3 669	(3 669)	-	-	-	-	0,0%	-	-
Households	3 669	(3 669)	-	-	-	-	0,0%	-	-
Payments for capital assets	144	-	(46)	98	-	98	0,0%	160	160
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	144	-	(46)	98	-	98	0,0%	160	160
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	2	-	2	2	-	100,0%	2	2
Total	27 955	-	(4 964)	22 991	21 536	1 455	93,7%	23 244	23 244

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Sub-Programme: 2.3: POLICY PLANNING AND STRATEGY

Economic classification	2020/2021							2019/2020	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	13 247	(43)	(2 388)	10 816	10 703	113	99,0%	11 888	11 888
Compensation of employees	9 869	-	-	9 869	9 755	114	98,8%	9 645	9 645
Goods and services	3 378	(43)	(2 388)	947	948	(1)	100,1%	2 243	2 243
Transfers and subsidies	-	-	-	-	-	-	0,0%	-	-
Households	-	-	-	-	-	-	0,0%	-	-
Payments for capital assets	-	43	-	43	43	-	100,0%	81	81
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	-	43	-	43	43	-	100,0%	81	81
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	-	-	-	-	-	0,0%	5	5
Total	13 247	-	(2 388)	10 859	10 746	113	99,0%	11 974	11 974

Sub-Programme: 2.4: SOUTH AFRICAN TOURISM

Economic classification	2020/2021							2019/2020	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	423 027	-	-	423 027	423 027	-	100,0%	1 354 161	1 354 161
Departmental agencies and accounts	423 027	-	-	423 027	423 027	-	100,0%	1 354 161	1 354 161
Total	423 027	-	-	423 027	423 027	-	100,0%	1 354 161	1 354 161

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Sub-Programme: 2.5: INTERNATIONAL RELATIONS AND COOPERATION

Economic classification	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	23 409	(15)	(7 634)	15 760	15 420	340	97,8%	18 411	18 411
Compensation of employees	15 514	-	-	15 514	15 174	340	97,8%	16 048	16 048
Goods and services	7 895	(15)	(7 634)	246	246	-	100,0%	2 363	2 363
Transfers and subsidies	3 055	15	-	3 070	3 013	57	98,1%	2 817	2 815
Foreign governments and international organisations	3 055	-	-	3 055	2 998	57	98,1%	2 774	2 772
Public corporations and private enterprises	-	-	-	-	-	-	0,0%	-	-
Households	-	15	-	15	15	-	100,0%	43	43
Payments for capital assets	173	-	-	173	124	49	71,7%	82	82
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	173	-	-	173	124	49	71,7%	82	82
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	-	-	-	-	-	0,0%	16	16
Total	26 637	-	(7 634)	19 003	18 557	446	97,7%	21 326	21 324

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Programme 3: DESTINATION DEVELOPMENT

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-Programmes									
1 DESTINATION DEVELOPMENT MANAGEMENT	34 838	(2 389)	(16 452)	15 997	15 515	482	97,0%	11 945	11 944
2 TOURISM ENHANCEMENT	23 255	(7 569)	-	15 686	14 820	866	94,5%	18 271	18 271
DESTINATION PLANNING AND INVESTMENT									
3 COORDINATION	29 670	(1 755)	(6 733)	21 182	20 559	623	97,1%	23 611	23 611
4 WORKING FOR TOURISM	378 131	11 713	-	389 844	376 601	13 243	96,6%	376 511	376 185
	465 894	-	(23 185)	442 709	427 495	15 214	96,6%	430 338	430 011

Economic classification

Current payments	465 765	(240 432)	(23 185)	202 148	186 940	15 208	92,5%	419 291	419 293
Compensation of employees	57 087	-	-	57 087	54 952	2 135	96,3%	54 206	54 206
Salaries and wages	50 295	(63)	-	50 232	48 444	1 788	96,4%	47 891	47 891
Social contributions	6 792	63	-	6 855	6 508	347	94,9%	6 315	6 315
Goods and services	408 678	(240 432)	(23 185)	145 061	131 988	13 073	91,0%	365 085	365 087
Administrative fees	-	-	-	-	-	-	0,0%	40	40
Advertising	18	49	-	67	67	-	100,0%	72	72
Minor assets	267	(15)	(238)	14	14	-	100,0%	21	21
Audit costs: External	488	(488)	-	-	-	-	0,0%	284	284
Catering: Departmental activities	1 174	(178)	(993)	3	3	-	100,0%	297	297
Communication (G&S)	1 235	(249)	(534)	452	452	-	100,0%	315	315
Computer services	168	45	-	213	213	-	100,0%	142	142
Consultants: Business and advisory services	24 005	(14 079)	(4 678)	5 248	5 248	-	100,0%	5 465	5 466
Legal services	132	103	-	235	235	-	100,0%	111	111
Contractors	149 058	(148 961)	(1)	96	96	-	100,0%	72	72
Agency and support / outsourced services	86 478	(23 579)	-	62 899	49 827	13 072	79,2%	166 899	166 899
Fleet services (including government motor transport)	-	-	-	-	-	-	0,0%	1	1

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Programme 3: DESTINATION DEVELOPMENT

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable supplies	533	(115)	(406)	12	12	-	100,0%	1 214	1 214
Consumable: Stationery, printing and office supplies	846	53	(587)	312	312	-	100,0%	256	256
Property payments	-	40 500	-	40 500	40 500	-	100,0%	7 545	7 545
Travel and subsistence	18 656	(6 741)	(8 509)	3 406	3 405	1	100,0%	13 238	13 239
Training and development	119 876	(85 877)	(2 766)	31 233	31 233	-	100,0%	168 264	168 264
Operating payments	2 698	(549)	(1 794)	355	355	-	100,0%	227	227
Venues and facilities	2 725	(30)	(2 679)	16	16	-	100,0%	605	605
Rental and hiring	321	(321)	-	-	-	-	0,0%	17	17
Transfers and subsidies	-	89	-	89	89	-	100,0%	37	37
Households	-	89	-	89	89	-	100,0%	37	37
Social benefits	-	89	-	89	89	-	100,0%	37	37
Payments for capital assets	129	240 340	-	240 469	240 463	6	100,0%	10 831	10 502
Buildings and other fixed structures	-	240 143	-	240 143	240 143	-	100,0%	10 430	10 102
Buildings	-	240 143	-	240 143	240 143	-	100,0%	10 430	10 102
Machinery and equipment	129	197	-	326	320	6	98,2%	401	400
Transport equipment	-	-	-	-	-	-	0,0%	22	22
Other machinery and equipment	129	197	-	326	320	6	98,2%	379	378
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	3	-	3	3	-	100,0%	179	179
Total	465 894	-	(23 185)	442 709	427 495	15 214	96,6%	430 338	430 011

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Sub-Programme: 3.1: DESTINATION DEVELOPMENT MANAGEMENT

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	34 821	(2 540)	(16 452)	15 829	15 347	482	97,0%	11 437	11 437
Compensation of employees	2 073	-	-	2 073	1 591	482	76,7%	1 857	1 857
Goods and services	32 748	(2 540)	(16 452)	13 756	13 756	-	100,0%	9 580	9 580
Transfers and subsidies	-	-	-	-	-	-	0,0%	37	37
Households	-	-	-	-	-	-	0,0%	37	37
Payments for capital assets	17	151	-	168	168	-	100,0%	471	470
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	430	430
Machinery and equipment	17	151	-	168	168	-	100,0%	41	40
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	-	-	-	-	-	0,0%	-	-
Total	34 838	(2 389)	(16 452)	15 997	15 515	482	97,0%	11 945	11 944

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Sub-Programme: 3.2: TOURISM ENHANCEMENT

Economic classification	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	23 196	(7 606)	-	15 590	14 730	860	94,5%	18 236	18 236
Compensation of employees	14 121	-	-	14 121	13 260	861	93,9%	12 993	12 993
Goods and services	9 075	(7 606)	-	1 469	1 470	(1)	100,1%	5 243	5 243
Transfers and subsidies	-	37	-	37	37	-	100,0%	-	-
Households	-	37	-	37	37	-	100,0%	-	-
Payments for capital assets	59	-	-	59	53	6	89,8%	15	15
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	59	-	-	59	53	6	89,8%	15	15
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	-	-	-	-	-	0,0%	20	20
Total	23 255	(7 569)	-	15 686	14 820	866	94,5%	18 271	18 271

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Sub-Programme: 3.3: DESTINATION PLANNING AND INVESTMENT COORDINATION

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	29 638	(1 838)	(6 733)	21 067	20 444	623	97,0%	23 283	23 283
Compensation of employees	18 559	-	-	18 559	17 937	622	96,6%	18 070	18 070
Goods and services	11 079	(1 838)	(6 733)	2 508	2 507	1	100,0%	5 213	5 213
Transfers and subsidies	-	52	-	52	52	-	100,0%	-	-
Households	-	52	-	52	52	-	100,0%	-	-
Payments for capital assets	32	31	-	63	63	-	100,0%	173	173
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	32	31	-	63	63	-	100,0%	173	173
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	-	-	-	-	-	0,0%	155	155
Total	29 670	(1 755)	(6 733)	21 182	20 559	623	97,1%	23 611	23 611

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Sub-Programme: 3.4: WORKING FOR TOURISM

Economic classification	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	378 110	(228 448)	-	149 662	136 419	13 243	91,2%	366 335	366 337
Compensation of employees	22 334	-	-	22 334	22 164	170	99,2%	21 286	21 286
Goods and services	355 776	(228 448)	-	127 328	114 255	13 073	89,7%	345 049	345 051
Transfers and subsidies	-	-	-	-	-	-	0,0%	-	-
Households	-	-	-	-	-	-	0,0%	-	-
Payments for capital assets	21	240 158	-	240 179	240 179	-	100,0%	10 172	9 844
Buildings and other fixed structures	-	240 143	-	240 143	240 143	-	100,0%	10 000	9 672
Machinery and equipment	21	15	-	36	36	-	100,0%	172	172
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	3	-	3	3	-	100,0%	4	4
Total	378 131	11 713	-	389 844	376 601	13 243	96,6%	376 511	376 185

DEPARTMENT OF TOURISM - VOTE 38
APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 4: TOURISM SECTOR SUPPORT SERVICES

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-Programmes									
1 TOURISM SECTOR SUPPORT SERVICES MANAGEMENT	10 288	(3 274)	(872)	6 142	6 143	(1)	100,0%	11 831	11 831
2 TOURISM HUMAN RESOURCE DEVELOPMENT	23 010	1 840	(5 635)	19 215	18 605	610	96,8%	29 040	29 040
3 ENTERPRISE DEVELOPMENT AND TRANSFORMATION	46 697	1 434	(6 415)	41 716	41 716	-	100,0%	36 888	34 701
4 TOURISM VISITOR SERVICES	22 422	-	(170)	22 252	22 147	105	99,5%	26 643	24 119
5 TOURISM INCENTIVE PROGRAMME	59 787	-	63 072	122 859	106 795	16 064	86,9%	150 514	148 307
	162 204	-	49 980	212 184	195 406	16 778	92,1%	254 916	247 998

Economic classification

Current payments

Current payments	118 514	(1 238)	10 729	128 005	123 950	4 055	96,8%	117 161	111 363
Compensation of employees	72 939	-	-	72 939	71 599	1 340	98,2%	77 088	72 111
Salaries and wages	64 260	(9)	-	64 251	62 864	1 387	97,8%	67 677	63 525
Social contributions	8 679	9	-	8 688	8 735	(47)	100,5%	9 411	8 586
Goods and services	45 575	(1 238)	10 729	55 066	52 351	2 715	95,1%	40 073	39 252
Administrative fees	634	(277)	26 643	27 000	27 000	-	100,0%	381	381
Advertising	1 265	(384)	(628)	253	253	-	100,0%	615	615
Minor assets	95	-	(73)	22	22	-	100,0%	43	43
Catering: Departmental activities	2 677	(11)	(1 751)	915	915	-	100,0%	1 924	1 924
Communication (G and S)	513	116	(8)	621	621	-	100,0%	345	345
Consultants: Business and advisory services	16 393	66	(6 073)	10 386	10 386	-	100,0%	5 364	5 364
Legal services	313	-	(313)	-	-	-	0,0%	286	286
Contractors	111	-	10	121	121	-	100,0%	71	72
Agency and support / outsourced services	8	34	(8)	34	34	-	100,0%	4 346	4 346
Entertainment	-	-	69	69	69	-	100,0%	151	151
Consumable supplies	261	(14)	(166)	81	81	-	100,0%	304	304
Consumable: Stationery, printing and office supplies	200	21	(65)	156	156	-	100,0%	449	449

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Programme 4: TOURISM SECTOR SUPPORT SERVICES

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	15 980	(457)	(11 229)	4 294	1 579	2 715	36,8%	14 785	13 963
Training and development	2 327	(379)	5 208	7 156	7 156	-	100,0%	6 896	6 896
Operating payments	691	(228)	(277)	186	186	-	100,0%	101	101
Venues and facilities	3 263	367	(295)	3 335	3 335	-	100,0%	3 772	3 772
Rental and hiring	844	(92)	(315)	437	437	-	100,0%	240	240
Transfers and subsidies	43 628	1 076	39 205	83 909	71 189	12 720	84,8%	137 040	135 921
Departmental agencies and accounts	-	-	3 000	3 000	3 000	-	100,0%	3 715	3 715
Departmental agencies	-	-	3 000	3 000	3 000	-	100,0%	3 715	3 715
Higher education institutions	-	-	-	-	-	-	0,0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	0,0%	-	-
Public corporations and private enterprises	43 628	(29 177)	36 072	50 523	50 523	-	100,0%	132 855	131 736
Private enterprises	43 628	(29 177)	36 072	50 523	50 523	-	100,0%	132 855	131 736
Other transfers to private enterprises	43 628	(29 177)	36 072	50 523	50 523	-	100,0%	132 855	131 736
Non-profit institutions	-	-	-	-	-	-	0,0%	413	413
Households	-	30 253	133	30 386	17 666	12 720	58,1%	57	57
Social benefits	-	243	133	376	376	-	100,0%	57	57
Other transfers to households	-	30 010	-	30 010	17 290	12 720	57,6%	-	-
Payments for capital assets	62	160	46	268	265	3	98,9%	700	700
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	62	160	46	268	265	3	98,9%	700	700
Other machinery and equipment	62	160	46	268	265	3	98,9%	700	700
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	2	-	2	2	-	100,0%	15	14
Total	162 204	-	49 980	212 184	195 406	16 778	92,1%	254 916	247 998

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Sub-Programme: 4.1: TOURISM SECTOR SUPPORT SERVICES MANAGEMENT

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	10 288	(3 503)	(872)	5 913	5 914	(1)	100,0%	11 261	11 261
Compensation of employees	3 229	(641)	-	2 588	2 588	-	100,0%	3 033	3 033
Goods and services	7 059	(2 862)	(872)	3 325	3 326	(1)	100,0%	8 228	8 228
Transfers and subsidies	-	140	-	140	140	-	100,0%	434	434
Non-profit institutions	-	-	-	-	-	-	0,0%	413	413
Households	-	140	-	140	140	-	100,0%	21	21
Payments for capital assets	-	89	-	89	89	-	100,0%	132	132
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	-	89	-	89	89	-	100,0%	132	132
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	-	-	-	-	-	0,0%	4	4
Total	10 288	(3 274)	(872)	6 142	6 143	(1)	100,0%	11 831	11 831

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Sub-Programme: 4.2: TOURISM HUMAN RESOURCE DEVELOPMENT

Economic classification	2020/2021							2019/2020	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	23 010	1 656	(5 635)	19 031	18 421	610	96,8%	25 131	25 131
Compensation of employees	17 743	(67)		17 676	17 066	610	96,5%	18 003	18 003
Goods and services	5 267	1 723	(5 635)	1 355	1 355	-	100,0%	7 128	7 128
Transfers and subsidies	-	113	-	113	113	-	100,0%	3 715	3 715
Departmental agencies and accounts	-	-	-	-	-	-	0,0%	3 715	3 715
Households	-	113	-	113	113	-	100,0%	-	-
Payments for capital assets	-	71	-	71	71	-	100,0%	191	191
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	-	71	-	71	71	-	100,0%	191	191
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	-	-	-	-	-	0,0%	3	3
Total	23 010	1 840	(5 635)	19 215	18 605	610	96,8%	29 040	29 040

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Sub-Programme: 4.3: ENTERPRISE DEVELOPMENT AND TRANSFORMATION

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	46 697	1 434	(9 415)	38 716	38 716	-	100,0%	36 725	34 538
Compensation of employees	20 406	708	-	21 114	21 114	-	100,0%	22 766	20 579
Goods and services	26 291	726	(9 415)	17 602	17 602	-	100,0%	13 959	13 959
Transfers and subsidies	-	-	3 000	3 000	3 000	-	100,0%	36	36
Departmental agencies and accounts	-	-	3 000	3 000	3 000	-	100,0%	-	-
Households	-	-	-	-	-	-	0,0%	36	36
Payments for capital assets	-	-	-	-	-	-	0,0%	124	124
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	-	-	-	-	-	-	0,0%	124	124
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	-	-	-	-	-	0,0%	3	3
Total	46 697	1 434	(6 415)	41 716	41 716	-	100,0%	36 888	34 701

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Sub-Programme: 4.4: TOURISM VISITOR SERVICES

Economic classification	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	22 422	-	(349)	22 073	21 968	105	99,5%	26 529	24 006
Compensation of employees	19 167	-	-	19 167	19 062	105	99,5%	21 269	18 745
Goods and services	3 255	-	(349)	2 906	2 906	-	100,0%	5 260	5 261
Transfers and subsidies	-	-	133	133	133	-	100,0%	-	-
Households	-	-	133	133	133	-	100,0%	-	-
Payments for capital assets	-	-	46	46	46	-	100,0%	109	109
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	-	-	46	46	46	-	100,0%	109	109
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	-	-	-	-	-	0,0%	5	4
Total	22 422	-	(170)	22 252	22 147	105	99,5%	26 643	24 119

APPROPRIATION STATEMENT

for the year ended 31 March 2021

Sub-Programme: 4.5: TOURISM INCENTIVE PROGRAMME

	2020/2021						2019/2020		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	16 097	(825)	27 000	42 272	38 931	3 341	92,1%	17 515	16 427
Compensation of employees	12 394	-	-	12 394	11 769	625	95,0%	12 017	11 751
Goods and services	3 703	(825)	27 000	29 878	27 162	2 716	90,9%	5 498	4 676
Transfers and subsidies	43 628	823	36 072	80 523	67 803	12 720	84,2%	132 855	131 736
Public corporations and private enterprises	43 628	(29 177)	36 072	50 523	50 523	-	100,0%	132 855	131 736
Households	-	30 000	-	30 000	17 280	12 720	57,6%	-	-
Payments for capital assets	62	-	-	62	59	3	95,2%	144	144
Buildings and other fixed structures	-	-	-	-	-	-	0,0%	-	-
Machinery and equipment	62	-	-	62	59	3	95,2%	144	144
Software and other intangible assets	-	-	-	-	-	-	0,0%	-	-
Payment for financial assets	-	2	-	2	2	-	100,0%	-	-
Total	59 787	-	63 072	122 859	106 795	16 064	86,9%	150 514	148 307

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2021

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 1 (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 1, "Annual appropriation", to the annual financial statements.

3. Details on payments for financial assets

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

4. Explanations of material variances from amounts voted (after virement)

4.1 Per Programme	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	R'000
Tourism Research, Policy and International Relations				
Compensation of employees	50 319	48 054	2 265	5%
Good and services	5 122	5 122	-	0%
Transfers and subsidies	426 199	426 141	58	0%
Payment for capital assets	503	210	293	58%
Payment for financial assets	2	2	-	0%
TOTAL	482 145	479 529	2 616	0,5%

Explanation of variance

The bulk of this underspending lies within Compensation of Employees due to strict policies adhered to by the Department to reduce expenditure on salaries and wages.

	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	R'000
Destination Development				
Compensation of employees	57 087	54 952	2 135	4%
Good and services	145 061	131 988	13 073	9%
Transfers and subsidies	89	89	-	0%
Payment for capital assets	240 469	240 463	6	0%
Payment for financial assets	3	3	-	0%
TOTAL	442 709	427 495	15 214	3%

Explanation of variance

The bulk of the unspent funds is due to funds allocated to the Expanded Public Works Programme Incentive which was not approved by the Department of Public Works for spending. These funds must therefore be relinquished back to the National Treasury as unspent funds.

Tourism Sector Support Services

	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	R'000
Compensation of employees	72 939	71 599	1 340	2%
Good and services	55 066	52 351	2 715	5%
Transfers and subsidies	83 909	71 189	12 720	15%
Payment for capital assets	268	265	3	1%
Payment for financial assets	2	2	-	0%
TOTAL	212 184	195 406	16 778	8%

Explanation of variance

The bulk of this underspending lies within the Tourism Incentive Programme of which funds was set aside to provide financial relief to freelance Tourist Guides due to the effects of the COVID-19 pandemic on the tourism industry. Since the total allocation was not fully taken up by the tourist guiding sector, the remaining portion must be relinquished back to the National Treasury.

DEPARTMENT OF TOURISM - VOTE 38
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2021

4.2 Per economic classification	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	R'000
Current expenditure				
Compensation of employees	336 443	330 703	5 740	2%
Good and services	322 074	306 286	15 788	5%
Transfers and subsidies				
Departmental agencies and accounts	426 199	426 199	-	0%
Public corporations and private enterprises	50 523	50 523	-	0%
Foreign governments and international organisations	3 055	2 998	57	2%
Non-profit institutions				
Households	31 629	18 907	12 722	40%
Payments for capital assets				
Buildings and other fixed structures	240 143	240 143	-	0%
Machinery and equipment	10 046	9 742	304	3%
Software and other intangible assets	6 725	6 725	-	0%
Payment for financial assets	23	23	-	0%
TOTAL	1 426 860	1 392 249	34 611	2,4%

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2021

	Note	2020/2021 R'000	2019/2020 R'000
REVENUE			
Annual appropriation	1	1 426 860	2 392 670
Departmental revenue	2	11 857	4 250
Aid Assistance	3	-	89 213
TOTAL REVENUE		1 438 717	2 486 133
EXPENDITURE			
Current expenditure			
Compensation of employees	4	330 703	329 395
Goods and services	5	306 286	535 328
Total current expenditure		636 989	864 723
Transfers and subsidies			
Transfers and subsidies	7	498 627	1 499 202
Aid Assistance	3	-	88 109
Total transfers and subsidies		498 627	1 587 311
Expenditure for capital assets			
Tangible assets	8	249 885	18 765
Intangible assets	8	6 725	1 270
Total expenditure for capital assets		256 610	20 035
Payments for financial assets	6	23	432
TOTAL EXPENDITURE		1 392 249	2 472 501
SURPLUS/(DEFICIT) FOR THE YEAR		46 468	13 632

	Note	2020/2021 R'000	2019/2020 R'000
Reconciliation of net surplus/(deficit) for the year			
Voted funds		34 611	8 278
Annual appropriation		34 611	8 278
Departmental revenue	13	11 857	4 250
Aid assistance	3	-	1 104
SURPLUS/(DEFICIT) FOR THE YEAR		46 468	13 632

DEPARTMENT OF TOURISM - VOTE 38
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2021

Note	2020/2021 R'000	2019/2020 R'000
ASSETS		
Current assets		
	35 105	9 373
Cash and cash equivalents	9 33 701	8 208
Prepayments and advances	10 22	201
Receivables	11 1 382	964
Non-current assets		
	264	439
Receivables	11 264	439
TOTAL ASSETS	35 369	9 812
LIABILITIES		
Current liabilities		
	35 082	9 510
Voted funds to be surrendered to the revenue fund	12 34 611	8 278
Departmental revenue to be surrendered to the revenue fund	13 281	2
Payables	14 190	126
Aid assistance repayable	3 -	1 104
TOTAL LIABILITIES	35 082	9 510
NET ASSETS	287	302
Represented by:		
Recoverable revenue	287	302
TOTAL	287	302

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2021

NET ASSETS

	Note	2020/2021	2019/2020
		R'000	R'000
Recoverable revenue			
Opening balance		302	515
Transfers:		(15)	(213)
Irrecoverable amounts written off		(23)	-
Debts recovered (included in Departmental receipts)		(109)	(225)
Debts raised		117	12
Closing balance		287	302
		<hr/>	<hr/>
TOTAL		287	302
		<hr/> <hr/>	<hr/> <hr/>

CASH FLOW STATEMENT

for the year ended 31 March 2021

	Note	2020/2021	2019/2020
		R'000	R'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
		1 438 701	2 485 879
Annual appropriated funds received	1	1 426 860	2 392 670
Departmental revenue received	2	10 620	3 817
Interest received	2	1 221	179
Aid assistance received	3	-	89 213
Net (increase)/decrease in working capital		(175)	316
Surrendered to revenue fund		(19 856)	(31 433)
Surrendered to RDP fund/Donor		(1 104)	-
Current payments		(636 989)	(864 723)
Payments for financial assets		(23)	(432)
Transfers and subsidies paid		(498 627)	(1 587 311)
Net cash flow available from operating activities	15	281 927	2 296
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(256 610)	(20 035)
Proceeds from sale of capital assets	2	16	254
(Increase)/decrease in non-current receivables		175	410
Net cash flow from investing activities		(256 419)	(19 371)
CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(15)	(213)
Net cash flow from financing activities		(15)	(213)
Net increase/(decrease) in cash and cash equivalents		25 493	(17 288)
Cash and cash equivalents at beginning of period		8 208	25 496
Cash and cash equivalents at end of period	16	33 701	8 208

ACCOUNTING POLICIES

for the year ended 31 March 2021

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.

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 (that is, 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.

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.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the Statement of Financial Position.

ACCOUNTING POLICIES

for the year ended 31 March 2021

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.

8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the Financial Statements at cost 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.

Finance Lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

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.

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.

ACCOUNTING POLICIES

for the year ended 31 March 2021

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.

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 Pre-payments and advances

Pre-payments and advances are recognised in the Statement of Financial Position when the Department receives or disburses the cash.

Pre-payments and advances are initially and subsequently measured at cost.

Pre-payments and advances are expensed when there is a contractual obligation between the Department and the service providers. Details for such pre-payments and advances are recorded in the notes to the Financial Statements.

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 Asset Register is provided in the notes to Financial Statements.

ACCOUNTING POLICIES

for the year ended 31 March 2021

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 the 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.

ACCOUNTING POLICIES

for the year ended 31 March 2021

18 Unauthorised expenditure

Unauthorised expenditure is recognised in the Statement of Financial Position until such time as the expenditure is either:

- approved by Parliament with funding and the related funds are received; or
- approved by Parliament without funding and is written off against the appropriation in the Statement of Financial Performance; or
- transferred to receivables for recovery.

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

19 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the Financial Statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the Financial Statements when it is resolved or transferred to receivables or written off.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written off as irrecoverable.

20 Irregular expenditure

Irregular expenditure is recorded in the notes to the Financial Statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

21 Changes in accounting estimates and errors

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 Expanded Public Works Programme and 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 number of individuals and the full compensation of key management personnel is recorded in the notes to the Financial Statements.

28 Inventories (*Effective from date determined in a Treasury Instruction*)

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 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 Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Department. The Special Advisor to the Executive Authority is not part of the key management personnel as he/she should refrain from interfering in the administration and management of the Department. The number of individuals and their full compensation is recorded in the notes to the Financial Statements.

31 Employee benefits

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

32 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.

33 Mergers

Mergers are accounted for by the combined Departments 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

1. Annual appropriation

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

	2020/2021			2019/2020		
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation received	Funds not requested/ not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	289 822	289 822	-	288 274	288 274	-
Tourism Research, Policy and International Relations	482 145	482 145	-	1 419 142	1 419 142	-
Destination Development	442 709	442 709	-	430 338	430 338	-
Tourism Sector Support Services	212 184	212 184	-	254 916	254 916	-
TOTAL	1 426 860	1 426 860	-	2 392 670	2 392 670	-

Note:

During the 2020 Special Adjustments Budget, the Department's budget was adjusted downwards by R1 billion due to the suspension of some tourism initiatives during the global lock down brought about by the COVID-19 pandemic.

DEPARTMENT OF TOURISM - VOTE 38
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

2. Departmental revenue

	Note	2020/2021 R'000	2019/2020 R'000
Sales of goods and services other than capital assets	2.1	169	166
Interest, dividends and rent on land	2.2	1 221	179
Sales of capital assets	2.3	16	254
Transactions in financial assets and liabilities	2.4	10 451	3 651
TOTAL DEPARTMENTAL REVENUE COLLECTED		11 857	4 250

2.1 Sales of goods and services other than capital assets

	Note	2020/2021 R'000	2019/2020 R'000
Sales of goods and services produced by the Department	2	169	166
Sales by market establishment		67	69
Other sales		102	97
TOTAL		169	166

2.2 Interest, dividends and rent on land

	Note	2020/2021 R'000	2019/2020 R'000
Interest	2	1 221	179
TOTAL		1 221	179

2.3 Sale of capital assets

	Note	2020/2021 R'000	2019/2020 R'000
Tangible assets		16	254
Machinery and equipment	27.2	16	254
TOTAL		16	254

2.4 Transactions in financial assets and liabilities

	Note	2020/2021 R'000	2019/2020 R'000
Other receipts, including recoverable revenue (including project refunds)	2	10 451	3 651
TOTAL		10 451	3 651

3. Aid assistance

	2020/2021 R'000	2019/2020 R'000
Opening balance	1 104	-
Prior period error	-	-
As restated	1 104	-
Transferred from statement of financial performance	-	1 104
Paid during the year	(1 104)	-
CLOSING BALANCE	-	1 104

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

3.1 Analysis of balance by source

	Note	2020/2021	2019/2020
	3	R'000	R'000
Aid assistance from RDP		-	1 104
Closing balance		-	1 104

3.2 Analysis of balance

	Note	2020/2021	2019/2020
	3	R'000	R'000
Aid assistance repayable		-	1 104
Closing balance		-	1 104

3.3 Aid assistance expenditure per economic classification

	2020/2021	2019/2020
	R'000	R'000
Transfers and subsidies	-	88 109
Total aid assistance expenditure	-	88 109

4. Compensation of employees**4.1 Salaries and wages**

	Note	2020/2021	2019/2020
	4	R'000	R'000
Basic salary		229 665	228 457
Performance award		2 888	3 461
Service-based		116	78
Compensative/circumstantial		4 303	4 017
Periodic payments		-	350
Other non-pensionable allowances		54 180	54 310
TOTAL		291 152	290 673

4.2 Social contributions

	Note	2020/2021	2019/2020
	4	R'000	R'000
Employer contributions			
Pension		29 218	29 336
Medical		10 284	9 340
Bargaining council		49	46
TOTAL		39 551	38 722

TOTAL COMPENSATION OF EMPLOYEES

Average number of employees

	330 703	329 395
	497	493

DEPARTMENT OF TOURISM - VOTE 38
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

5. Goods and services

	Note	2020/2021	2019/2020
		R'000	R'000
Administrative fees		27 482	573
Advertising		9 939	4 896
Minor assets	5.1	148	1 158
Bursaries (employees)		1 797	1 472
Catering		2 963	4 350
Communication		16 978	7 906
Computer services	5.2	14 670	12 135
Consultants: Business and advisory services		23 959	21 196
Legal services		1 716	889
Contractors		4 481	3 443
Agency and support/outsourced services		50 779	171 464
Entertainment		286	234
Audit cost – external	5.3	8 059	9 835
Fleet services		1 377	1 759
Consumables	5.4	5 384	7 225
Operating leases		30 720	37 816
Rental and hiring		3 722	1 764
Property payments	5.5	44 645	9 021
Travel and subsistence	5.6	11 484	52 118
Venues and facilities		3 641	6 855
Training and development		39 728	176 715
Other operating expenditure	5.7	2 328	2 504
TOTAL		306 286	535 328

Note:

- *Administrative fees* increased by R26,909 million. This significant increase is due to the payment of Management Fees for the Tourism Equity Fund.
- *Communication* expenditure increased by R9,072 million due to increase in data and cellphone expenditure during the COVID-19 pandemic when employees were compelled to work remotely during the extended lock down.
- *Agency and support / outsourced services* decreased by R120,685 million. The decrease is due to the reduction in the payment of stipends to EPWP projects/workers. Due to the nationwide lock down as a result of the COVID-19 pandemic, a large number EPWP skills/training projects had to be delayed/curtailed.
- *Property payments* increased by R35,624 million. A larger number of EPWP maintenance projects received funding in 2020/2021.
- *Training and development* expenditure decreased by R136,987 million. The decrease is due to a reduction in the funds advanced to EPWP training projects. Due to the nationwide lock down as a result of the COVID-19 pandemic, a large number EPWP skills/training projects had to be delayed/curtailed.
- *Travel and subsistence* expenditure decreased by R40,634 million due to the lock down and restricted travel during the COVID-19 pandemic.

5.1 Minor assets

	Note	2020/2021	2019/2020
		R'000	R'000
Tangible assets		148	1 158
Machinery and equipment		130	1 158
Transport Assets		18	-
TOTAL		148	1 158

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

5.2 Computer services

	Note	2020/2021	2019/2020
	5	R'000	R'000
State Information Technology Agency (SITA) computer services		9 257	6 067
External computer service providers		5 413	6 068
TOTAL		14 670	12 135

5.3 Audit cost – external

	Note	2020/2021	2019/2020
	5	R'000	R'000
Regularity audits		7 280	9 835
Investigations		779	-
TOTAL		8 059	9 835

5.4 Consumables

	Note	2020/2021	2019/2020
	5	R'000	R'000
Consumable supplies		2 590	4 151
Uniform and clothing		521	681
Household supplies		981	842
Building material and supplies		2	1 016
Communication accessories		1	659
IT consumables		478	427
Other consumables		607	526
Stationery, printing and office supplies		2 794	3 074
TOTAL		5 384	7 225

5.5 Property payments

	Note	2020/2021	2019/2020
	5	R'000	R'000
Municipal services		3 689	1 210
Property management fees		128	18
Property maintenance and repairs		40 488	7 546
Other (cleaning and fumigation services)		340	247
TOTAL		44 645	9 021

5.6 Travel and subsistence

	Note	2020/2021	2019/2020
	5	R'000	R'000
Local		10 947	44 326
Foreign		537	7 792
TOTAL		11 484	52 118

5.7 Other operating expenditure

	Note	2020/2021	2019/2020
	5	R'000	R'000
Professional bodies, membership and subscription fees		929	657
Resettlement costs		54	-
Other (printing and publications and courier services)		1 345	1 847
TOTAL		2 328	2 504

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

6. Payments for financial assets

	Note	2020/2021	2019/2020
		R'000	R'000
Other material losses written off	6.1	-	384
Debts written off	6.2	23	48
TOTAL		23	432

6.1 Other material losses written off

Nature of losses	Note	2020/2021	2019/2020
		R'000	R'000
Losses (damage to vehicles due to accidents)	6	-	384
TOTAL		-	384

6.2 Debts written off

Nature of debts written off	Note	2020/2021	2019/2020
		R'000	R'000
Other debt written off (departmental debt)	6	23	48
TOTAL		23	48

7. Transfers and subsidies

	Note	2020/2021	2019/2020
		R'000	R'000
Departmental agencies and accounts	Annex 1A	426 199	1 358 033
Public corporations and private enterprises	Annex 1B	50 523	131 736
Foreign governments and international organisations	Annex 1C	2 998	2 772
Non-profit institutions	Annex 1D	-	413
Households	Annex 1E	18 907	6 248
TOTAL		498 627	1 499 202

Note:

Included under transfers to Households is an amount of R17,280 million that was paid to Tourist Guides as a relief measure after the impact of COVID-19 that caused these tourist guides to lose their income due to the extended shut down of domestic and international tourism.

8. Expenditure for capital assets

	Note	2020/2021	2019/2020
		R'000	R'000
Tangible assets		249 885	18 765
Building and other fixed structures	29.1	240 143	10 102
Machinery and equipment	27.1	9 742	8 663
Intangible assets		6 725	1 270
Software	28.1	6 725	1 270
TOTAL		256 610	20 035

Note:

Expenditure of R240,143 million under Buildings and other fixed structures is for the Expanded Public Works Programme projects.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

8.1 Analysis of voted funds utilised to acquire capital assets

	2020/2021	2019/2020
	R'000	R'000
Tangible assets	249 885	18 765
Building and other fixed structures	240 143	10 102
Machinery and equipment	9 742	8 663
Intangible assets	6 725	1 270
Software	6 725	1 270
TOTAL	256 610	20 035

8.2 Finance lease expenditure included in expenditure for capital assets

	2020/2021	2019/2020
	R'000	R'000
Tangible assets		
Machinery and equipment	996	3 387
TOTAL	996	3 387

9. Cash and cash equivalents

	2020/2021	2019/2020
	R'000	R'000
Consolidated Paymaster general account	39 342	10 559
Cash receipts	1	-
Disbursements	(6 591)	(2 426)
Cash on hand	75	75
Investments (Domestic)	874	-
TOTAL	33 701	8 208

Note:

All cash and cash equivalent held by the Department are available for use.

An amount of R1.3 million was deposited into the Departmental bank account (ABSA) and the interface with the Department's Paymaster General account took place in April 2021. As the Department is on modified cash accounting, this amount is not part of the cash and cash equivalents as stated above.

10. Prepayments and advances

	Note	2020/2021	2019/2020
		R'000	R'000
Travel and subsistence		22	37
Advances paid (Not expensed)	10.1	-	164
TOTAL		22	201

10.1 Advances paid (Not expensed)

	Note	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advance payments	Balance as at 31 March 2021
		R'000	R'000	R'000	R'000	R'000
National departments		164	(92)	(322)	250	-
Total		164	(92)	(322)	250	-

Advances paid (Not expensed)

	Note	Balance as at 1 April 2019	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advance payments	Balance as at 31 March 2020
		R'000	R'000	R'000	R'000	R'000
National departments		659	(1 195)	-	700	164
Total		659	(1 195)	-	700	164

DEPARTMENT OF TOURISM - VOTE 38
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

Note:

Advance payments were made to the Department of International Relations and Cooperation for travel-related bookings for the Department.

10.2 Prepayments (Expensed) - 2020/2021

	Balance as at 1 April 2020	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2021
	R'000	R'000	R'000	R'000	R'000
Goods and services	4 011	(9 067)	-	7 600	2 544
Capital assets	-	-	-	-	-
Total	4 011	(9 067)	-	7 600	2 544

Prepayments (Expensed) - 2019/2020

	Balance as at 1 April 2019	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Goods and services	4 878	(54 241)	-	53 374	4 011
Capital assets	-	-	-	-	-
Total	4 878	(54 241)	-	53 374	4 011

Note:

Prepayments are paid to the service providers for the Expanded Public Works Programme and Destination Development projects as per service level agreement to commence the projects.

DEPARTMENT OF TOURISM - VOTE 38
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

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

Project Name	Balance as at 1 April 2020	Less: Received in the current year	Add: Current year prepayments	Balance as at 31 March 2021
	R'000	R'000	R'000	R'000
Goods and Services:				
EC - Qatywa Security Project - Phase 5	168	(168)	-	-
EC - Six Day Hiking Trail Security - Phase 3	5	(5)	-	-
FS - Qwaqwa Guesthouse Security Project - Phase 3	17	(17)	-	-
LP - Tisane Security Project - Phase 6	5	(5)	-	-
NW - Manyane Lodge Security - Phase 5	295	(295)	-	-
NW - Manyane Lodge Cleaning Services - Phase 3	5	(5)	-	-
KZN - Muzi Pan Cleaning Project	41	(41)	-	-
FS - Hospitality Youth Training (Fast Food)	1 970	(27)	-	1 943
SANBI - Tourism Monitors Programme	1 505	(1 505)	-	-
NW - Manyane Lodge Security - Phase 6	-	(338)	338	-
LP - Tisane Security Project - Phase 7	-	(272)	272	-
LP - Ngove Cultural Centre Security Project- Phase 6	-	(186)	186	-
GP - Komjekejeke Security Project - Phase 6	-	(250)	250	-
LP - Mahlathi Security Project - Phase 4	-	(254)	254	-
GP and NW - Data Collectors Programme	-	(2 407)	2 407	-
LP and MP - Data Collectors Programme	-	(2 080)	2 474	394
KZN - Lilani Hotsprings Security - Phase 5	-	(163)	163	-
KZN - Muzi Pan Canoeing Security Project - Phase 3	-	(110)	110	-
EC - Mthonsi Lodge Security - Phase 4	-	(110)	110	-
LP - Mukumbani Waterfalls Security - Phase 6	-	(370)	370	-
FS - Qwaqwa Guesthouse Security Project - Phase 4	-	(130)	130	-
EC - Six Day Hiking Trail Security - Phase 4	-	(178)	178	-
NW - Manyane Lodge Security - Phase 7	-	-	207	207
EC - Western Tembuland Security - Phase 4	-	(151)	151	-
Total	4 011	9 067	7 600	2 544

DEPARTMENT OF TOURISM - VOTE 38
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

10.3 Advances paid (Expensed) - 2020/2021

	Amount as at 1 April 2020	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2021
	R'000	R'000	R'000	R'000	R'000
Public entities	258 289	(33 001)		277 000	502 288
Total	258 289	(33 001)		277 000	502 288

Advances paid (Expensed) - 2019/2020

	Amount as at 1 April 2019	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Public entities	314 125	(65 686)	-	9 850	258 289
Total	314 125	(65 686)	-	9 850	258 289

Note:

Advances are paid to the service providers for the Expanded Public Works Programme and Destination Development projects as per service level agreement to commence the projects.

DEPARTMENT OF TOURISM - VOTE 38
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

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

Entity / Project Name	Balance as at 1 April 2020	Less: Received in the current year	Add: Current year advances	Balance as at 31 March 2021
	R'000	R'000	R'000	R'000
Ezemvelo KZN Wildlife – KZN-Wildlife Roofing of five resorts	2 615	(399)	-	2 216
Ezemvelo KZN Wildlife – KZN Ezemvelo Midmar Resort upgrade project	14 165	(444)	-	13 721
Trade and Investment KwaZulu-Natal (TIKZN)	18 866	(4 961)	-	13 905
South African National Biodiversity Institute (SANBI)	35 000	-	-	35 000
Eastern Cape Parks and Tourism Agency (ECPTA)	9 019	-	-	9 019
Constitutional Hill (CONHILL)	11 519	(807)	-	10 712
South African National Parks (SANParks)	22 992	(291)	-	22 701
CapeNature	15 840	(69)	-	15 771
Ezemvelo KZN Wildlife - Upgrade and expansion of Giant Castle	8 088	(604)	-	7 484
Maropeng a'Afrika	-	-	7 000	7 000
Tourism KwaZulu-Natal (TKZN) - Mandela Capture Site	9 528	(1 064)	-	8 464
SANPARKS - Dinosaur Interpretation Centre - EPWP Beneficiaries	2 869	(2 575)	-	294
SANPARKS - Pilot Infrastructure Maintenance	92 087	(21 661)	-	70 426
SANPARKS - Tsitsikamma Big Tree Project - EPWP Beneficiaries	666	-	-	666
Mpumalanga Tourism and Parks Agency - Universal Access Project	7 730	-	-	7 730
Eastern Cape Parks and Tourism Agency - Universal Access Project	1 436	-	-	1 436
Ezemvelo KZN Wildlife - Universal Access Project	1 816	(126)	-	1 690
SANPARKS - Business Incubation of Emerging Maintenance Contractors	4 053	-	-	4 053
DBSA - Infrastructure Projects	-	-	270 000	270 000
Total	258 289	(33 001)	277 000	502 288

DEPARTMENT OF TOURISM - VOTE 38
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

11. Receivables

	Note	2020/2021			2019/2020		
		Current	Non-Current	Total	Current	Non-Current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1 Annex 3	-	-	-	-	-	-
Recoverable expenditure	11.2	1 009	-	1 009	790	-	790
Staff debt	11.3	233	264	497	174	439	613
Fruitless and wasteful expenditure	11.4	140	-	140	-	-	-
TOTAL		1 382	264	1 646	964	439	1 403

11.1 Claims recoverable

	Note	2020/2021	2019/2020
	11	R'000	R'000
National departments		-	-
TOTAL		-	-

11.2 Recoverable expenditure (disallowance accounts)

	Note	2020/2021	2019/2020
	11	R'000	R'000
Departmental suspense accounts (Damage Vehicles & Disallowance account)		1 009	790
TOTAL		1 009	790

11.3 Staff debt

	Note	2020/2021	2019/2020
	11	R'000	R'000
Departmental debt account		497	613
TOTAL		497	613

11.4 Fruitless and wasteful expenditure

	Note	2020/2021	2019/2020
	11	R'000	R'000
Opening balance		-	-
Less amounts recovered		(52)	(14)
Less amounts written off		(7)	-
Transfers from note 23 Fruitless and Wasteful Expenditure		191	14
Interest		8	-
TOTAL		140	-

12. Voted funds to be surrendered to the revenue fund

	2020/2021	2019/2020
	R'000	R'000
Opening balance	8 278	27 015
Prior period error	-	-
As restated	8 278	27 015
Transfer from statement of financial performance (as restated)	34 611	8 278
Paid during the year	(8 278)	(27 015)
CLOSING BALANCE	34 611	8 278

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13. Departmental revenue to be surrendered to the revenue fund

	2020/2021	2019/2020
	R'000	R'000
Opening balance	2	170
Prior period error	-	-
As restated	2	170
Transfer from statement of financial performance	11 857	4 250
Paid during the year	(11 578)	(4 418)
CLOSING BALANCE	281	2

14. Payables – current

	Note	2020/2021	2019/2020
		R'000	R'000
Other payables	14.1	190	126
TOTAL		190	126

14.1 Other payables

	Note	2020/2021	2019/2020
		R'000	R'000
Salary-related payables	14	190	126
TOTAL		190	126

15. Net cash flow available from operating activities

	2020/2021	2019/2020
	R'000	R'000
Net surplus/(deficit) as per statement of financial performance	46 468	13 632
Add back non-cash/cash movements not deemed operating activities	235 459	(11 336)
(Increase)/decrease in receivables – current	(418)	(324)
(Increase)/decrease in prepayments and advances	179	541
Increase/(decrease) in payables – current	64	99
Proceeds from sale of capital assets	(16)	(254)
Expenditure on capital assets	256 610	20 035
Surrendered to revenue fund	(19 856)	(31 433)
Surrenders to RDP Fund/Donor	(1 104)	-
Net cash flow generated by operating activities	281 927	2 296

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

	2020/2021	2019/2020
	R'000	R'000
Consolidated Paymaster general account	39 342	10 559
Cash receipts	1	-
Disbursements	(6 591)	(2 426)
Cash on hand	75	75
Cash with commercial banks (Local)	874	-
TOTAL	33 701	8 208

DEPARTMENT OF TOURISM - VOTE 38
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17. Contingent liabilities and contingent assets

17.1 Contingent liabilities

Liable to	Nature		2020/2021	2019/2020
			R'000	R'000
Housing loan guarantees	Employees	<i>Annex 2A</i>	26	26
Claims against the Department		<i>Annex 2B</i>	41	774
Intergovernmental payables (unconfirmed balances)		<i>Annex 4</i>	-	-
TOTAL			67	800

Note:

The Department has only one housing guarantee. There is no possibility of any outflow or reimbursement.

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.

17.2 Contingent assets

Nature of contingent asset	2020/2021	2019/2020
	R'000	R'000
Been Around GP Advert Consulting CC – non-performance/breach of contract.	-	2 805
Bonwelong Skills Development CC, Mr Inama and Nedbank (Pty) Ltd – refund of money advanced for training projects.	9 930	9 930
Corporate Skills Development Services - Irregular award of a tender and cancellation of the contract.	-	8 884
Total	9 930	21 619

18. Capital Commitments

	2020/2021	2019/2020
	R'000	R'000
Tangible Capital Assets		
Machinery and Equipment	2 149	2 095
Buildings and other fixed structures	396 204	220 960
	398 353	223 055
Intangible Capital Assets		
Software	261	1 469
	261	1 469
TOTAL CAPITAL COMMITMENTS	398 614	224 524

Note:

Capital commitments for *buildings and other fixed structures* are for the Expanded Public Works and Destination Development infrastructure projects undertaken by implementing agents on behalf of the Department.

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19. Accruals and payables not recognised

19.1 Accruals

	30 days	30+ days	2020/2021	2019/2020
			R'000	R'000
Listed by economic classification			Total	Total
Goods and services	4 153	50	4 203	26 571
Transfers and subsidies	-	-	-	1 144
Capital assets	152	-	152	918
Other (assets and liabilities)	282	-	282	-
TOTAL	4 587	50	4 637	28 633

	2020/2021	2019/2020
	R'000	R'000
Listed by programme level		
Administration	3 064	6 063
Tourism Research, Policy and International Relations	50	337
Destination Development	1 105	11 016
Tourism Sector Support Services	136	3 640
Other (assets and liabilities)	282	7 577
TOTAL	4 637	28 633

19.2 Payables not recognised

	30 days	30+ days	2020/2021	2019/2020
			R'000	R'000
Listed by economic classification			Total	Total
Goods and services	168	-	168	110
Capital	-	-	-	303
Other (compensation of employees)	-	-	-	-
TOTAL	168	-	168	413

Listed by programme level

	2020/2021	2019/2020
	R'000	R'000
Administration	114	399
Tourism Research, Policy and International Relations	44	-
Destination Development	-	14
Tourism Sector Support Services	10	-
TOTAL	168	413

	2020/2021	2019/2020
	R'000	R'000
Confirmed balances with other departments	82	-
TOTAL	82	-

Material accruals (above R100 000) relate to the following:

Advertising R395 750.00; External Audit Cost R495 495.90; Fleet Services R137 624.86; Operating Payments: Printing and Publication Services R235 568.76; Contractors - R373 482.34; Travel and Accommodation R539 881.19; EPWP Services R668 911.00.

The reason for these accruals is largely due to the fact that invoices were not submitted by service providers by the end of the financial year.

20. Employee benefits

	2020/2021	2019/2020
	R'000	R'000
Leave entitlement	24 841	15 909
Service bonus (13 th cheque)	8 278	8 444
Performance awards	1 682	2 508
Capped leave commitments	3 616	3 653
Provision for long service awards	153	116
TOTAL	38 570	30 630

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Note:

At this stage the Department is not able to reliably measure the long-term portion of the long service awards.

Due to the utilisation 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 R37 139,28.

21. Finance lease expenditure

2020/21	Machinery and equipment	Total
Not later than 1 year	217	217
Later than 1 year but not later than 5 years	188	188
Total lease commitments	405	405

2019/20	Machinery and equipment	Total
Not later than 1 year	468	468
Later than 1 year but not later than 5 years	126	126
Total lease commitments	594	594

General description of the material leasing arrangements:

Finance lease commitments include photocopy machines. The lease periods 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.

22. Irregular expenditure

21.1 Reconciliation of irregular expenditure

<i>Note</i>	2020/2021 R'000	2019/2020 R'000
Opening balance	34 932	26 522
Prior period error		-
As restated	34 932	26 522
Add: Irregular expenditure – relating to prior year	-	-
Add: Irregular expenditure – relating to current year	22.2 1 223	8 410
Less: Prior year amounts condoned	-	-
Closing balance	36 155	34 932

Analysis of closing balance		
Current year	1 223	8 410
Prior years	34 932	26 522
Total	36 155	34 932

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22.2 Details of current and prior year irregular expenditure –added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2020/2021
		R'000
Non-Compliance with SCM procedures- Irregular award of tenders-Bid documents of the winning suppliers did not include the declaration of local production and content to the Department.	Disciplinary steps/ proceedings to be determined criminal after investigations are completed.	164
Non-Compliance with SCM procedures- Irregular award of tenders- Tender not awarded to the tenderer who scored the highest points	Disciplinary steps/criminal proceedings to be determined after investigations are completed.	1 059
Total		1 223

22.3 Details of irregular expenditure condoned

Incident Condoned by (relevant authority)	2020/2021
	R'000
	-
Total	-

22.4 Details of irregular expenditure under assessment (not included in the main note)

Incident	2020/2021
	R'000
Non-Compliance with SCM procedures-Procurement of Security Services and Cleaning Services for EPWP projects	2 724
Total	2 724

23. Fruitless and wasteful expenditure

23.1 Reconciliation of fruitless and wasteful expenditure

	Note	2020/2021	2019/2020
		R'000	R'000
Opening balance		194 771	194 771
Prior-period error			-
As restated		194 771	194 771
Fruitless and wasteful expenditure – relating to prior year	23.2	23	-
Fruitless and wasteful expenditure – relating to current year	23.2	158	14
Less: Amounts resolved		-	-
Less: Amounts recoverable	11.4	(191)	(14)
Less: Amounts written off	23.2	(10)	-
Fruitless and wasteful expenditure awaiting resolution		194 751	194 771

Analysis of awaiting resolution per economic classification

Current	-	20
Capital	194 751	194 751
Transfers and subsidies	-	-
Total	194 751	194 771

23.2 Details of current and prior year fruitless and wasteful expenditure –added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2020/2021
		R'000
Flight amendments and no show for shuttle and accommodation with regards to travel bookings.	No disciplinary steps required – investigation conducted and expenditure recovered.	181
TOTAL		181

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23.3 Details of fruitless and wasteful expenditure recoverable

Incident	2020/2021
	R'000
Late cancellation/no-show/flight amendments with regard to travel bookings	191
TOTAL	191

23.4 Details of fruitless and wasteful expenditure written off

Incident	2020/2021
	R'000
Late cancellation/no-show/flight amendments with regard to travel bookings	10
TOTAL	10

23.5 Prior period error

	Note	2019/2020
Relating to 2018/2019		-
Relating to 2019/2020		-
Total		-

23.6 Details of fruitless and wasteful expenditure under assessment (not included in the main note)

	2020/2021
	R'000
Late cancellation/no-show/flight amendments with regard to travel bookings	4
Procurement of Security Services for EPWP projects already handed over to owning entity	3 413
TOTAL	3 417

24. Related-party transactions

Payments made to South African Tourism	2020/2021	2019/2020
	R'000	R'000
Transfers and subsidies-Tourism Market Access and Grading	-	16 521
Goods and Services	1 262	-
TOTAL	1 262	16 521

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 has been included in Annexure 1A and 1B to the financial statements.

25. Key management personnel

	No. of individuals	2020/2021	2019/2020
		R'000	R'000
Political office-bearers	2	4 385	8 559
Officials:			
Level 15 to 16	5	7 694	8 646
Level 14	15	20 696	19 491
TOTAL		32 775	36 696

26. Provisions

	2020/2021	2019/2020
	R'000	R'000
Expanded Public Works Programme – Final completion report not submitted or signed off. Retention fees outstanding.	5 257	7 660
TOTAL	5 257	7 660

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26.1 Reconciliation of movement in provisions

	2020/2021	2019/2020
	R'000	R'000
Opening balance	7 660	7 033
Increase in provision	-	627
Unused amounts reversed	(2 403)	-
Closing balance	5 257	7 660

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 implementing agent's fees.

27. Movable tangible capital assets

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	64 183		8 592	(1 347)	71 428
Transport assets	10 576	-	2 166	(178)	12 564
Computer equipment	30 968	-	5 755	(1 099)	35 624
Furniture and office equipment	13 160	-	111	(70)	13 201
Other machinery and equipment	9 479	-	560	-	10 039
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	64 183	-	8 592	(1 347)	71 428

27.1 Additions**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Cash	Non- cash	(Capital-work- in-progress current costs and finance lease payments)	Received current, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	9 742	-	(1 266)	116	8 592
Transport assets	2 166	-	-	-	2 166
Computer equipment	5 625	-	-	130	5 755
Furniture and office equipment	381	-	(270)	-	111
Other machinery and equipment	1 570	-	(996)	(14)	560
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	9 742	-	(1 266)	116	8 592

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

27.2 Disposals**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Sold for cash	Non-cash disposals	Total disposals	Cash received (actual)
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	967	380	1 347	16
Transport assets	172	6	178	-
Computer equipment	795	304	1 099	16
Furniture and office equipment	-	70	70	-
Other machinery and equipment	-	-	-	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	967	380	1 347	16

27.3 Movement for 2019/2020**MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020**

	Opening balance	Prior-period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	61 746	-	4 157	(1 720)	64 183
Transport assets	9 605	-	1 422	(451)	10 576
Computer equipment	29 906	-	2 308	(1 246)	30 968
Furniture and office equipment	12 853	-	330	(23)	13 160
Other machinery and equipment	9 382	-	97	-	9 479
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	61 746	-	4 157	(1 720)	64 183

27.4 Minor assets**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	2 485	8 488	10 973
Additions	-	132	132
Disposals	-	(362)	(362)
TOTAL MINOR ASSETS	2 485	8 258	10 743

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	357	357
Number of minor assets at cost	622	5 827	6 449
TOTAL NUMBER MINOR ASSETS	622	6 184	6 806

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	2 483	7 611	10 094
Additions	2	1 129	1 131
Disposals	-	(252)	(252)
TOTAL MINOR ASSETS	2 485	8 488	10 973

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	424	424
Number of minor assets at cost	622	6 363	6 985
TOTAL NUMBER OF MINOR ASSETS	622	6 787	7 409

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28. Intangible capital assets

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	8 729	-	6 725	-	15 454
TOTAL INTANGIBLE CAPITAL ASSETS	8 729	-	6 725	-	15 454

28.1 Additions**ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Cash	Non-cash	Received current year, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000
SOFTWARE	6 725	-	-	6 725
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	6 725	-	-	6 725

28.2 Disposals**DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Sold for cash	Non-cash disposals	Total disposals	Cash received (actual)
	R'000	R'000	R'000	R'000
SOFTWARE	-	-	-	-
TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS	-	-	-	-

28.3 Movement for 2019/2020**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020**

	Opening balance	Prior-period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	7 459	-	1 270	-	8 729
TOTAL INTANGIBLE CAPITAL ASSETS	7 459	-	1 270	-	8 729

29. Immovable tangible capital assets**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Other fixed structures	218 153	23 601	(161 392)	80 362
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	218 153	23 601	(161 392)	80 362

Expanded Public Works Programme infrastructure projects completed (Additions).

	2020/2021
	R'000
FS - Sentinel Peak Car Park Access	7 761
Tsitsikamma Big Tree Project - Infrastructure	15 840
TOTAL	23 601

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

	2020/2021
	R'000
EC - Cradock 4 Garden of Remembrance – Phase 2	12 639
EC - Ubuntu Craft Market - Phase 2	7 585
EC - Vusubuntu Cultural Village and Tour Info - Phase 2	5 651
EC – Manqondo	4 725
EC - Beach Public Facilities and Boat Launching Site	4 962
EC - Wonkumuntu Tourism Project - Phase 3	9 434
FS - Community Tourism and Crafts	1 442
FS - Sentinel Peak Car Park Access	7 761
FS - Information and Business Centre	5 638
FS - Masilonyana Visitor Information Centre	3 746
FS - Witsieshoek Mountain Hotel	25 444
KZN - Isibhubhu Project	14 400
KZN - Tourism Ntuzuma Attractions - Phase 1	3 280
KZN - Tourism Ntuzuma Attractions - Phase 2	1 686
KZN - Muzi Pan Canoeing	974
MP - Huntington Village Tourism Project - Phase 2	3 170
MP - Barberton	24 785
WC - Agulhas Project	8 230
Tsitsikamma Big Tree Project - Infrastructure	15 840
TOTAL	161 392

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

	2020/2021
	R'000
EC - Bulhoek Massacre Heritage Site - Phase 2	10 384
EC - Hamburg Arts Colony	18 764
EC - AbaThembu Cultural Calabash	11 326
EC - Bumbane	4 717
EC - Maluti Hiking Trail	4 508
GP - Alexandra Mandela Yard Project	6 158
LP - Ngove Cultural Centre and Theatre	9 433
NW - The Pampierstad Recreational Park	1 135
NW - Lehurutshe Bird and Supingstad Trophy Hunting	2 363
WC - Tourism Development Programme for Atlantis - Phase 1	1 742
WC - Tourism Development Programme for Atlantis - Phase 2	9 832
TOTAL	80 362

29.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Cash	Non-cash	(Capital work-in-progress current cost)	Total
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	240 143	23 601	(240 143)	23 601
Other fixed structures	240 143	23 601	(240 143)	23 601
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	240 143	23 601	(240 143)	23 601

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29.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Non-cash disposals	Total disposals	Cash received (actual)
	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	161 392	161 392	-
Other fixed structures	161 392	161 392	-
TOTAL DISPOSAL OF IMMOVABLE TANGIBLE CAPITAL ASSETS	161 392	161 392	-

29.3 Movement for 2019/2020

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Other fixed structures	264 002	-	-	(45 849)	218 153
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	264 002	-	-	(45 849)	218 153

29.3.1 Prior period error

	Note	2018/2019
		R'000
Nature of prior period error		
Relating to 2018/2019 Immoveable Capital Assets		
Total prior period errors		

29.4 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

Note	Opening balance 1 April 2020	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2021
	R'000	R'000	R'000	R'000
Annexure 5				
Buildings and other fixed structures	238 256	5 434	(30 630)	213 060
TOTAL	238 256	5 434	(30 630)	213 060

Projects - Ready for use (Assets to the AR) / Contracts terminated

	2020/2021
	R'000
Terminated/Written off:	
EC – Rock Art Tourism - Phase 2	202
EC – Qaukeni Great Place Cultural Village	593
FS – Barolong Bo-Seleka Village	5 719
LP – 24 Rivers	445
LP – Sekhukhune Cultural Village	70
Sub total	7 029
Plus: Non-cash (note 29.1)	23 601
TOTAL	30 630

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Age analysis on ongoing projects

	Number of projects		2020/2021
	Planned, construction not started	Planned, construction started	Total R'000
0 to 1 year	25	-	-
1 to 3 year(s)	2	1	7 659
3 to 5 years	14	6	85 633
Longer than 5 years	-	16	119 768
TOTAL	41	23	213 060

Note:

Included in Capital Work-In-Progress (CWIP) are 16 projects that are over five years. These projects had stalled. The Development Bank of South Africa has been appointed to complete 14 of these projects. Eastern Cape Parks and Tourism Agency (ECPTA) and Tourism KZN will do one each of the remaining two projects.

Accruals and payables not recognised relating to Capital WIP

	2020/2021	2019/2020
	R'000	R'000
Expanded Public Works Programme Infrastructure projects	-	-
Total	-	-

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2020

	Opening balance 1 April 2019	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated)	Closing balance 31 March 2020
Note	R'000	R'000	R'000	R'000	R'000
Annex 5					
Buildings and other fixed structures	208 005		33 423	(3 172)	238 256
TOTAL	208 005		33 423	(3 172)	238 256

Age analysis on ongoing projects

	Number of projects		2019/2020
	Planned, construction not started	Planned, construction started	Total R'000
0 to 1 year	2	1	6 304
1 to 3 year(s)	11	-	2 054
3 to 5 years	7	7	95 785
Longer than 5 years	1	20	134 113
TOTAL	21	28	238 256

29.5 Immovable assets written-off

IMMOVABLE ASSETS WRITTEN-OFF FOR THE YEAR ENDED 31 MARCH 2021

	Buildings and other fixed structures	Total
	R'000	R'000
Immovable assets written-off	593	593
TOTAL IMMOVABLE ASSETS WRITTEN-OFF	593	593

Note

The carrying amount of assets for the EC - Qaukeni Great Place Cultural Village project was written off from the Asset Register. The buildings were damaged by a fire.

IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2020

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

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29.6 S42 Immovable assets**Assets subjected to transfer in terms of S42 of the PFMA – 2020/2021**

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	11	80 362
Other fixed structures	11	80 362
TOTAL	11	80 362

Expanded Public Works Programme infrastructure projects where the transfer has been initiated but not completed at year end.

	2020/2021 R'000
EC - Bulhoek Massacre Heritage Site - Phase 2	10 384
EC - Hamburg Arts Colony	18 764
EC - AbaThembu Cultural Calabash	11 326
EC – Bumbane	4 717
EC – Maluti Hiking Trail	4 508
GP - Alexandra Mandela Yard Project	6 158
LP – Ngove Cultural Centre and Theatre	9 433
NW - The Pampierstad Recreational Park	1 135
NW - Lehurutshe Bird and Supingstad Trophy Hunting	2 363
WC - Tourism Development Programme for Atlantis - Phase 1	1 742
WC - Tourism Development Programme for Atlantis - Phase 2	9 832
TOTAL	80 362

Assets subjected to transfer in terms of S42 of the PFMA – 2019/2020

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	28	218 153
Other fixed structures	28	218 153
TOTAL	28	218 153

30. Principal-agent arrangements

30.1 Department acting as the principal for Expanded Public Works Programme and Tourism Incentive Programme Projects

Include a list of the entities acting as agents for the department and the fee paid as compensation to the agent

PROJECTS	AGENT	Fee Paid	
		2020/2021	2019/2020
		R'000	R'000
Wine Service Programme	Tourism World (Pty) Ltd.	-	840
National Youth Chef Training Programme -Phase 5	South African Chef Association	-	2 498
Tourism Green Coast Project	WESSA	-	845
EC - Tourism Monitors Training Programme	Eastern Cape Parks and Tourism Board	-	283
KZN - Hospitality Youth Training Programme - Phase 2	Tourism World	-	812
EC-Hospitality Youth Training Programme -Phase 2	Corporate Skills Development Services	-	-
GP - Hospitality Youth Training Programme -Phase 2	Clean Heat Academy	-	631
MP - Hospitality Youth Training Programme Phase 2	Bella Fe Consulting	-	208
KwaZulu-Natal Tourism Monitors Programme	AGB Mathe Business Services	-	751
Limpopo Tourism Monitors Programme	The Tourism and Business Institute of SA	-	1 035
Northern Cape Tourism Monitors Programme	Machabelele Associates	-	270
EC - Data Collectors Project - Cluster 1	Amathemba Skills	-	98
NC and FS - Data Collectors Project - Cluster 5	MMC Business Solutions (Pty) Ltd.	-	130
LP - Hospitality Youth Training - Fast Food	Umbuso Training Services (Pty) Ltd.	-	870
NW - Hospitality Youth Training - Fast Food	VPK Business Venture	-	1 240
WC - Hospitality Youth Training - Cluster 1	The Tourism and Business Institute Of SA	-	1 265
WC - Hospitality Youth Training - Cluster 2	Networx for Career Development	-	285
NC - Hospitality Youth Training - Fast Food	Machabelele Associates	-	114
Tourism Blue Flag Programme - Phase 2	WESSA	750	188
Free State Tourism Monitors Programme	AGB Mathe Business Services	188	71
North West Tourism Monitors Programme	VPK Business Venture	97	83
SANBI Tourism Monitors Programme	Networx for Career Development	330	1
Western Cape Tourism Monitors Programme	The Tourism and Business Institution of SA	-	333
Tourism Transformation Fund	National Empowerment Fund (NEF)	-	2 000
Green Tourism Incentive Programme	Industrial Development Corporation of SA	-	5 216
Tourism Equity Fund	Small Enterprise Finance Agency (SEFA)	27 000	-
GP and NW - Data Collectors Project	Umbuso Training Services (Pty) Ltd.	388	-
LP and MP - Data Collectors Project	Inception Incredible Projects (Pty) Ltd	209	-
	TOTAL	28 962	20 067

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

31. Prior period errors**31.1 Correction of prior period errors**

	Note	Amount before error correction	Prior period error 2018/2019	Restated Amount
		R'000	R'000	R'000
Assets:				
		-	-	-
Net effect		-	-	-
Liabilities:				
		-	-	-
Net effect		-	-	-
Other: (for example, irregular expenditure, fruitless and wasteful expenditure, etc.)				
Principal Agent - Department acting as principal	30.1	22 501	(2 434)	20 067
Net effect		22 501	(2 434)	20 067

Note

An amount of R2,434 million paid to security and cleaning service providers for EPWP projects was incorrectly reflected as fees paid to implementing agents.

32. COVID-19 Response Expenditure

	Note	2020/2021	2019/2020
		R'000	R'000
Goods and services	Annexure 7	617	-
TOTAL		617	-

DEPARTMENT OF TOURISM - VOTE 38
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2019/2020
	Adjusted appropriation	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
South African Tourism	423 027	-	-	423 027	423 027	100%	1 354 161
National Tourism Careers Expo	-	-	-	-	-	-	3 715
Culture Art Tourism Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	172	-	-	172	172	100%	157
Technology Innovation Agency	-	-	3 000	3 000	3 000	100%	
TOTAL	423 199	-	3 000	426 199	426 199		1 358 033

ANNEXURE 1B

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2020/2021
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Private enterprises									
Transfers									
<i>Tourism Incentive Programme:</i>									
Tourism Grading Support	-	-	-	-	-	-	-	-	13 700
Market Access Support	43 628	-	(43 105)	523	523	100,0%	-	523	10 536
Tourism Transformation Fund	-	-	-	-	-	-	-	-	40 000
Tourism Equity Fund	-	-	50 000	50 000	50 000	100,0%	-	50 000	-
<i>Green Tourism Incentive:</i>									
Industrial Development Corporation	-	-	-	-	-	-	-	-	67 500
Subtotal: Private enterprises	43 628	-	6 895	50 523	50 523	100,0%	-	50 523	131 736
TOTAL	43 628	-	6 895	50 523	50 523	100,0%	-	50 523	131 736

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

ANNEXURE 1C**STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS**

	TRANSFER ALLOCATION				EXPENDITURE		2019/2020
	Adjusted Appropriation	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
FOREIGN GOVERNMENT/INTERNATIONAL ORGANISATION							
Transfers							
United Nations World Tourism Organisation (UNWTO)	3 055	-	-	3 055	2 998	98%	2 772
TOTAL	3 055	-	-	3 055	2 998		2 772

ANNEXURE 1D**STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

	TRANSFER ALLOCATION				EXPENDITURE		2019/2020
	Adjusted Appropriation	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
NON-PROFIT INSTITUTIONS							
Transfers							
Federated Hospitality Association of Southern Africa (FEDHASA)	-	-	-	-	-	-	413
TOTAL	-	-	-	-	-		413

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for the year ended 31 March 2021

ANNEXURE 1E**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

	TRANSFER ALLOCATION				EXPENDITURE		2019/2020
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Transfers							
Bursaries (Non-Employee)	3 669	-	(3 110)	559	559	100%	631
Employee Social Benefits	-	-	1 040	1 040	1 038	100%	5 314
Claim Against the State (Cash)	-	-	-	-	-	-	293
Donations (Gifts)	-	-	30	30	30	100%	10
Payment - Act of Grace	-	-	30 000	30 000	17 280	58%	-
TOTAL	3 669	-	27 960	31 629	18 907		6 248

ANNEXURE 1F**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2020/2021	2019/2020
		R'000	R'000
Received in kind			
Embassy of the People's Republic of China	20 000 Disposable masks	533	-
TOTAL		533	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

ANNEXURE 1G**STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	Opening balance	Revenue	Expenditure	Paid back on/by 31 March 2021	Closing balance
		R'000	R'000	R'000	R'000	R'000
Received in cash						
European Union	Dinosaur Project-Golden Gate Highlands National Park	1 104	-	-	(1 104)	-
TOTAL		1 104	-	-	(1 104)	-

ANNEXURE 1H**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2020/2021	2019/2020
	R'000	R'000
Made in kind		
Donation of five Apple iPads to former Deputy Minister and support staff	-	56
Donation of Laptop and screen to Ms D Wessels upon retirement	-	39
Donation of Laptop and iPad to Ms N Ngozi upon retirement	35	-
Donation of Laptop, iPad, Computer Monitor, and PC to Ms Ramphele upon retirement	47	-
Donation of sanitisers to Mercy House, shelter for women, registered NPO	13	-
Donation of sanitisers to Ithabeleng Organisation for Disability, registered NPO	13	-
TOTAL	108	95

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2021 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2020	Guarantee draw-downs during the year	Guarantee repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2021
		R'000	R'000	R'000	R'000	R'000	R'000
	Housing						
Nedbank Limited		130	26	-	-	-	26
TOTAL		130	26	-	-	-	26

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2021

Nature of liability	Opening Balance 1 April 2020	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (provide details hereunder)	Closing balance 31 March 2021
	R'000	R'000	R'000	R'000	R'000
Claims against the Department					
Jean-Pierre Klein t/a SA Online and Entertainment – Claim against the Department for damages suffered as a result of breach of contract.	41	-	-	-	41
Second Generation Consulting t/a Rivers - Claim against the Department for damages he has suffered as a result of breach of contract.	733	-	733	-	-
TOTAL	774	-	733	-	41

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

ANNEXURE 3**CLAIMS RECOVERABLE****GOVERNMENT ENTITY****DEPARTMENT****TOTAL**

Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash-in-transit at year-end 2020/2021	
31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	Payment date up to six working days before year-end	Amount
R'000	R'000	R'000	R'000	R'000	R'000		R'000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

DEPARTMENT OF TOURISM - VOTE 38
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021

ANNEXURE 4

INTERGOVERNMENTAL PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash-in-transit at year-end 2020/2021	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	Payment date up to six working days before year-end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENT								
Current								
Department of Justice and Constitutional Development	82	-	854	-	936	-	-	-
	-	-	-	-	-	-	-	-
Sub-Total	82	-	854	-	936	-	-	-
Non-current								
	-	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-	-
TOTAL	82	-	854	-	936	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

ANNEXURE 5**Movement of Capital Work-in-Progress****MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	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	238 256	5 434	(30 630)	213 060
TOTAL	238 256	5 434	(30 630)	213 060

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	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	208 005	33 423	(3 172)	238 256
TOTAL	208 005	33 423	(3 172)	238 256

DEPARTMENT OF TOURISM - VOTE 38
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 March 2021

ANNEXURE 6A

INTER-ENTITY ADVANCES PAID (note 10)

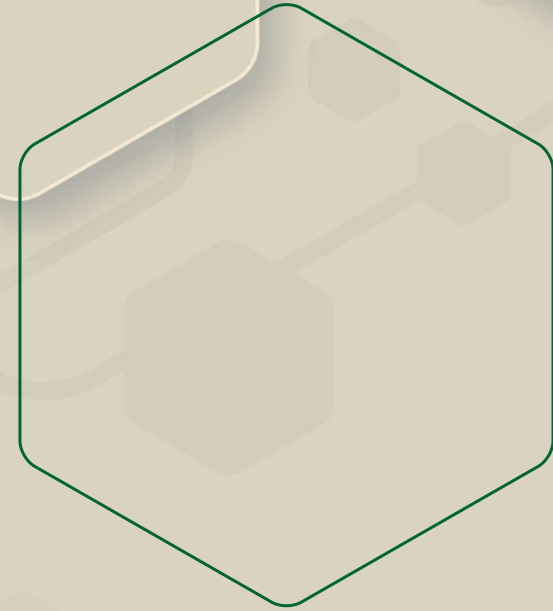
ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of International Relations and Cooperation	-	-	-	164	-	164
TOTAL	-	-	-	164	-	164

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

ANNEXURE 7**COVID 19 RESPONSE EXPENDITURE PER QUARTER TOTAL**

Expenditure per economic classification	2020/2021					2019/2020
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and Services						
Contractors	2	-	-	-	2	-
Consumable Supplies	394	46	37	80	557	-
Property Payments	54	-	-	-	54	-
Consumables Stationery, Printing and Office Supplies	-	-	2	2	4	-
TOTAL	450	46	39	82	617	-



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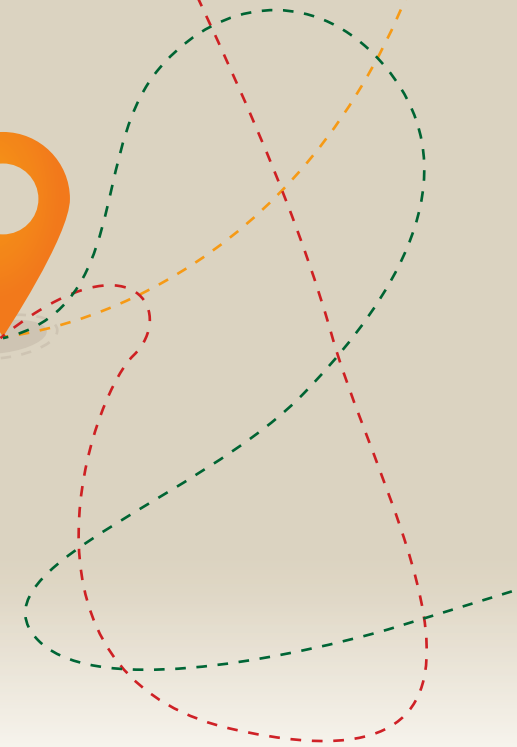
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