

2019  
2020

# ANNUAL REPORT



**tourism**

Department:  
Tourism  
REPUBLIC OF SOUTH AFRICA



SOUTH AFRICAN TOURISM

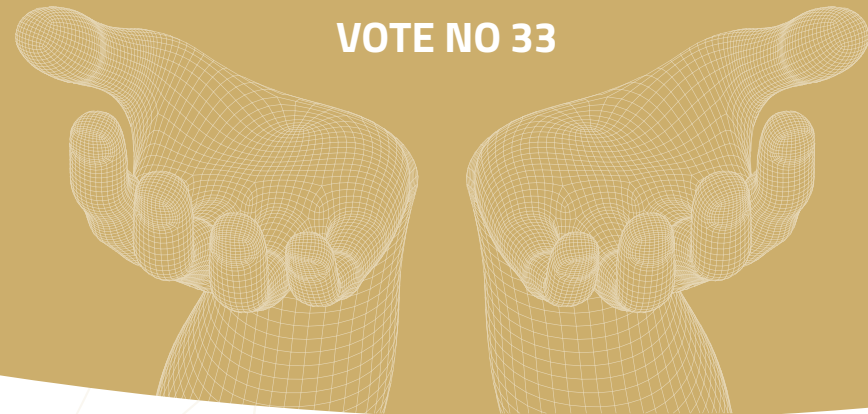
DEPARTMENT OF TOURISM

019

20

# ANNUAL REPORT

VOTE NO 33



# CONTENTS

2

## PART A: GENERAL INFORMATION 3

1. DEPARTMENT GENERAL INFORMATION	4
2. LIST OF ABBREVIATIONS/ACRONYMS	5
3. FOREWORD BY THE MINISTER	8
4. DEPUTY MINISTER STATEMENT	12
5. REPORT OF THE ACCOUNTING OFFICER	14
6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	20
7. STRATEGIC OVERVIEW	21
7.1. Vision	21
7.2. Mission	21
7.3. Values	21
8. LEGISLATIVE AND OTHER MANDATES	22
9. ORGANISATIONAL STRUCTURE	23
10. ENTITY REPORTING TO THE MINISTER	24

## PART B: PERFORMANCE INFORMATION 25

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES	26
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE	26
2.1 Service Delivery Environment	26
2.2 Service Delivery Improvement Plan	31
2.3 Organisational environment	34
2.4 Key policy developments and legislative changes	34
3. STRATEGIC OUTCOME ORIENTED GOALS	35
4. PERFORMANCE INFORMATION BY PROGRAMME	36
4.1 Programme 1: Administration – Corporate Management	36
4.2 Programme 2: Tourism Research, Policy and International Relations	40
4.3 Programme 3: Destination Development	47
4.4 Programme 4: Tourism Sector Support Services	56

5. TRANSFER PAYMENTS	72
5.1. Transfer payments to public entity: South African Tourism Board	72
5.2. Transfer payments to all organisations other than public entities	73
6. DONOR FUNDS	74
6.1. Donor Funds Received	74
7. CAPITAL INVESTMENT	74
7.1. Capital investment, maintenance and asset management plan	74

## PART C: GOVERNANCE 75


1. INTRODUCTION	76
2. RISK MANAGEMENT	76
3. FRAUD AND CORRUPTION	76
4. MINIMISING CONFLICT OF INTEREST	76
5. CODE OF CONDUCT	77
6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES	77
7. PORTFOLIO COMMITTEE ON TOURISM, AND SELECT COMMITTEE ON TRADE & INDUSTRY, ECONOMIC DEVELOPMENT, SMALL BUSINESS DEVELOPMENT, TOURISM AND EMPLOYMENT & LABOUR	78
8. SCOPA RESOLUTIONS	82
9. PRIOR MODIFICATIONS TO AUDIT REPORTS	82
10. INTERNAL CONTROL UNIT	82
11. INTERNAL AUDIT AND AUDIT COMMITTEES	82
12. AUDIT COMMITTEE REPORT	83

## PART D: HUMAN RESOURCE MANAGEMENT 85

1. INTRODUCTION	86
2. OVERVIEW OF HUMAN RESOURCES	86
3. HUMAN RESOURCES OVERSIGHT STATISTICS	87

## PART E: FINANCIAL INFORMATION 119

1. REPORT OF THE AUDITOR GENERAL	121
2. ANNUAL FINANCIAL STATEMENTS	125



# PART A

## GENERAL INFORMATION



# 1. DEPARTMENT GENERAL INFORMATION

**PHYSICAL ADDRESS:** Tourism House  
17 Trevenna Street, Sunnyside  
0002

**POSTAL ADDRESS:** Private Bag X424  
Pretoria  
0001

**TELEPHONE NUMBER:** +27 (0) 12 444 6000  
**CALL CENTRE:** +27 (0) 86 0 86 8747  
**CALL CENTRE EMAIL:** callcentre@tourism.gov.za  
**SWITCHBOARD NUMBER:** +27 (0) 12 444 6000  
**SWITCHBOARD FAX:** +27 (0) 12 444 7000

**WEBSITE:** tourism.gov.za  
**FACEBOOK:** Department of Tourism  
**TWITTER:** @Tourism\_gov\_za  
**INSTAGRAM:** departmentoftourism\_

## 2. LIST OF ABBREVIATIONS/ACRONYMS

<b>4IR</b>	Fourth Industrial Revolution
<b>ACSA</b>	Airports Company of South Africa
<b>AGSA</b>	Auditor-General of South Africa
<b>APP</b>	Annual Performance Plan
<b>ATSF</b>	African Tourism Strategic Framework
<b>AU</b>	African Union
<b>BAR</b>	Basic Assessment Report
<b>B-BBEE</b>	Broad-based Black Economic Empowerment
<b>CATHSSETA</b>	Culture, Art, Tourism, Hospitality, and Sport Sector Education and Training Authority
<b>CMT</b>	Coastal and Marine Tourism
<b>CoE</b>	Compensation of Employees
<b>COGTA</b>	Department of Cooperative Governance and Traditional Affairs
<b>CTP</b>	Chefs Training Programme
<b>DHA</b>	Department of Home Affairs
<b>Dora</b>	Division of Revenue Act of South Africa, 2019
<b>DPSA</b>	Department of Public Service and Administration
<b>DWS</b>	Department of Water and Sanitation

<b>EC</b>	Eastern Cape
<b>ECPTA</b>	Eastern Cape Parks and Tourism Agency
<b>EDP-WIT</b>	Executive Development Programme for Women in Tourism
<b>EDTEA</b>	Economic Development, Tourism and Environmental Affairs
<b>EHW</b>	Employee Health and Wellness
<b>EIA</b>	Environmental Impact Assessment
<b>EPWP</b>	Expanded Public Works Programme
<b>EU</b>	European Union
<b>EXCO</b>	Executive Committee
<b>FEDHASA</b>	Federated Hospitality Association of Southern Africa
<b>FS</b>	Free State
<b>FTE</b>	Full-time equivalent
<b>GDP</b>	Gross Domestic Product
<b>GP</b>	Gauteng Province
<b>GTIP</b>	Green Tourism Incentive Programme
<b>HCT</b>	HIV Counselling and Testing
<b>HDI</b>	Historically Disadvantaged Individuals
<b>HYP</b>	Hospitality Youth Programme

<b>ICT</b>	Information and Communications Technology
<b>IESBA</b>	International Ethics Standards Board for Accountants
<b>IGR</b>	Inter-Governmental Relations
<b>INVESTOUR</b>	Tourism Investment and Business Forum for Africa
<b>ISA</b>	International Standards on Auditing
<b>KZN</b>	KwaZulu-Natal
<b>LED</b>	Local Economic Development
<b>LP</b>	Limpopo Province
<b>LETOFO</b>	Legislature Tourism Oversight Forum
<b>MASP</b>	Market Access Support Programme
<b>MCS</b>	Modified Cash Standard
<b>MoA</b>	Memorandum of Agreement
<b>MoU</b>	Memorandum of Understanding
<b>MP</b>	Mpumalanga Province
<b>MTSF</b>	Medium Term Strategic Framework
<b>NC</b>	Northern Cape
<b>NDP</b>	National Development Plan
<b>NEDLAC</b>	National Economic Development and Labour Council
<b>NGP</b>	New Growth Path

<b>NHI</b>	National Health Insurance
<b>NHTL</b>	National House of Traditional Leaders
<b>NTCE</b>	National Tourism Careers Expo
<b>NTIMS</b>	National Tourism Information and Monitoring System
<b>NTSS</b>	National Tourism Sector Strategy
<b>NW</b>	North West Province
<b>NYC</b>	National Youth Chefs
<b>NYCTP</b>	National Youth Chefs Training Programme
<b>OHS</b>	Occupational Health and Safety
<b>PAA</b>	Public Audit Act of South Africa, 2004
<b>PFMA</b>	Public Finance Management Act, 1999
<b>PMDS</b>	Performance Management Development System
<b>POPI</b>	Protection of Personal Information
<b>RMC</b>	Risk Management Committee
<b>SAA</b>	South African Airways
<b>SACU</b>	Southern African Customs Union
<b>SADC</b>	Southern African Development Community
<b>SAIMI</b>	South African International Maritime Institute
<b>SALGA</b>	South African Local Government Association

<b>SANBI</b>	South African National Biodiversity Institute
<b>SANParks</b>	South African National Parks
<b>SARB</b>	South African Reserve Bank
<b>SARS</b>	South African Revenue Service
<b>SA Tourism</b>	South African Tourism
<b>SCM</b>	Supply Chain Management
<b>SLA</b>	Service Level Agreement
<b>SMMEs</b>	Small, medium and micro-enterprises
<b>SMS</b>	Senior Management Service
<b>SONA</b>	State of the Nation Address
<b>STR</b>	State of Tourism Report
<b>TBCSA</b>	Tourism Business Council of South Africa
<b>TDDS</b>	Total Domestic Direct Spend
<b>TEF</b>	Tourism Equity Fund
<b>TGSP</b>	Tourism Grading Support Programme
<b>THRD</b>	Tourism Human Resource Development
<b>TIA</b>	Technology Innovation Agency
<b>TIP</b>	Tourism Incentive Programme
<b>TOMSA</b>	Tourism Marketing Levy South Africa

<b>ToR</b>	Terms of Reference
<b>TRF</b>	Tourism Relief Fund
<b>TSHRD</b>	Tourism Sector Human Resource Development
<b>TTF</b>	Tourism Transformation Fund
<b>UAE</b>	United Arab Emirates
<b>UIF</b>	Unemployment Insurance Fund
<b>UK</b>	United Kingdom
<b>UNISA</b>	University of South Africa
<b>UNWTO</b>	United Nations World Tourism Organization
<b>USA</b>	United States of America
<b>VIC</b>	Visitor Interpretation Centre
<b>WC</b>	Western Cape
<b>WEF</b>	World Economic Forum
<b>WFT</b>	Working for Tourism
<b>WHO</b>	World Health Organization
<b>WHS</b>	World Heritage Site
<b>WIT</b>	Women in Tourism
<b>WSP</b>	Workplace Skills Plan

### 3. FOREWORD BY THE MINISTER OF TOURISM

8



**Mmamoloko Kubayi-Ngubane, MP**  
Minister of Tourism

Globally, in the year under review, the tourism sector continued on a growth trajectory. According to the United Nations World Tourism Organization (UNWTO), international tourist arrivals (overnight visitors) worldwide grew by 4% in 2019 to reach 1,5 billion, based on data reported by destinations around the world. The growth rate was slower compared to the outstanding rates of 2017 (+6%) and 2018 (+6%), but it was still a robust growth.

South Africa's tourism base is significant, and the country is one of the world's most popular long-haul destinations. In 2019, South Africa received 10,23 million international arrivals which is a drop from 10,4 million arrivals in 2018. African markets account for nearly three quarters of arrivals but less than half of total spend. This means that there is a potential growth in the total spend by the African market. In contrast, key global source markets, such as the UK, Germany and the USA, contribute a quarter of our tourism spend by just 1,2 million arrivals annually.

The number of domestic holiday trips grew by 170,6 % from 2,6 million in 2018 to 7,1 million in 2019. This indicates that domestic travellers had started to be responsive to

the domestic travel promotion campaigns we launched in the second half of 2018. This also confirms our view that the domestic market has a huge potential for growth. Going forward, we will invite the private sector to partner with us to introduce affordable pricing for domestic travellers including the introduction of dual pricing – one for locals and the other for international travellers.

All these travellers made a significant contribution to the Gross Domestic Product (GDP) and the creation of jobs. In 2019, the tourism sector accounted for 2,9% of GDP (8,6% indirect), supported over 725 000 direct jobs (1,49 million indirect) and accounted for 8,2% of total investment activity. Perhaps most importantly, inbound tourism generated R82,5 billion in direct foreign spend (R126,7 billion total), contributing an equivalent of 9,2% of total national exports.

The outbreak of the COVID-19 pandemic in the fourth quarter of the financial year under review, put the tourism sector in a tailspin. Just before the outbreak, we had embarked on an international roadshow in countries that we had identified as the next frontier travel growth markets, namely Nigeria, India and China.

China is a key market towards us reaching the 21 million tourists target by 2030 as announced by President Cyril Ramaphosa in his State of the Nation Address (SONA) 2019. In this regard, we undertook a working visit to the People's Republic of China in October 2019. A key component of the visit was for us to interact with the stakeholders in the market including the media. During the visit, SA Tourism signed a Memorandum of Understanding (MoU) with the Chinese IT company, Tencent – China's biggest online platform. The partnership will be used to promote South Africa as a preferred tourism destination in China, through digital marketing campaigns on **WeChat**, as well as other platforms within the Tencent ecosystem. This will further assist us to access multiple segments of the Chinese travellers' market. South Africa was leveraging its significant trade relationship with China, in order to strengthen the people-to-people exchange between our country and China. Tencent platforms would enrich the Chinese travellers' experience when they travel to South Africa.



We then visited Nigeria together with Ghana on 28 November 2019 with the aim of meeting the tourism partners, trade and stakeholders in the tourism sector. The visit served as an opportunity to discuss and strengthen the already existing strong bilateral ties between South Africa and Nigeria and Ghana in the field of tourism in promoting inter-Africa trade and the development of tourism in Africa. This visit to West Africa also gave us the opportunity of correcting false perceptions that had been created that our African brothers and sisters from other African countries were experiencing xenophobic attacks in South Africa.

Our next visit was to Mumbai, India from 14–16 January 2020. The visit provided an opportunity for engagement with the Indian travel trade, media practitioners and other key tourism stakeholders.

We were expecting the impact of the work done during these visits to start bearing fruit in the financial year 2020/21. However, the work has been overshadowed by the pandemic. To weather the pandemic, our continued participation in international forums will be a vital element of our international engagement strategies. Safe international travel can only be achieved through a globally coordinated recovery programme.

The Sharing of Best Practices Workshop is one of the projects that we have undertaken for some years. Since 2017, we have been co-hosting the project with the Provincial Tourism Departments. In the 2019/20 financial year, it was co-hosted in partnership with the Gauteng Department of Economic Development and Tourism, as well as the Gauteng Tourism Authority, which organised the excursion. The Workshop was aimed at building capacity and strengthening regional integration in the African continent, targeting the countries with which we have signed Bilateral Agreements. Thus, the focus was informed by the areas of cooperation outlined in the signed Agreements. These areas included the exchange of tourism information, experience and expertise in policies, strategies and initiatives relating to tourism development, tourism destination marketing, National Parks for the society, incentives for tourism development, cross-border tourism, tourism resorts development, trans-frontier parks development, regional tourism marketing, responsible tourism, rural tourism development; and community tourism development framework and projects.

Our country has participated in the development and approval of the Southern African Development Community (SADC) Tourism Programme 2020–2030. The approval was

made during the Joint Meeting of SADC Ministers responsible for Environment and Natural Resources and Tourism held in Arusha, Tanzania on 25 October 2019. The SADC Tourism Programme serves as a roadmap to guide and coordinate the development of a sustainable tourism industry in the region, and to facilitate the removal of barriers to tourism development and growth.

South Africa has been part of the process of the development of the African Tourism Strategic Framework 2019–2028 (ATSF), which was endorsed by the African Union Executive Council (ATSF) during its Ordinary Session held in Niamey, Niger in July 2019. The ATSF seeks to provide a strategic action plan geared towards development of a competitive, sustainable and integrated tourism industry in Africa.

We took part in the UNWTO General Assembly held in Saint Petersburg, Russia in September 2019, where the UNWTO Agenda for Africa 2030 – Tourism for inclusive growth, was endorsed. The UNWTO Agenda for Africa is a dedicated programme for the region, to support an integrated approach to sustainable tourism development as one of its key socio-economic drivers in the continent. The programme aims to build a more resilient, sustainable and innovative tourism sector that generate jobs, promote inclusive and low-carbon growth in line with all three dimensions of sustainable development, by placing people, the planet and prosperity at its core.

We participated in the 3rd Ministerial Round Table held alongside the Tourism EXPO Japan in Osaka in October 2019, and represented South Africa at the G20 Tourism Ministers' Meeting held in Kuchan, Hokkaido. Both these forums presented an opportunity for our country to make substantive contribution on issues at the centre of global tourism, such as recognising tourism as a source of economic growth, concerns on over tourism, sustainable tourism, and; technology and innovation.

In order to facilitate enterprise growth and expansion, and thereby stimulate job creation and transformation in the tourism sector, we have continued with the implementation of the Tourism Incentive Programme (TIP). Through TIP, we aim to promote quality tourism services and products through expanding participation in the tourism grading system, enable businesses to access foreign and domestic tourism markets, unlocking black investment in viable tourism projects by reducing funding gaps that may exist between loans and own

contributions, encouraging enterprises to become more energy efficient, and supporting the growth of the green economy through job creation and enterprise development. For the period under review, we have:

- Approved a total 96 applications during the 2019/20 financial year for Market Access Support Programme, 57 of which had to be cancelled as a result of the cancellation of exhibitions due to the outbreak of COVID-19;
- Approved 2 765 discounts for Tourism Grading Support Programme;
- Approved 27 Applications for the Green Tourism Incentive Programme;
- Approved 6 Applications for the Tourism Transformation Fund.
- The final Tourism Equity Fund concept document was approved in February 2020 for an initial planned launch in 2020/21. The planned launch has however been postponed and a new launch date will be announced in due course.

For the period under review, we were able to create 4 558 full-time equivalent jobs through our Working for Tourism Programme (WfT). We have seen an additional 288 jobs created over our target.

The growth of domestic tourism, transformation of the tourism sector, and the diversification of tourism products and experiences across the country has focused on the development and implementation of destination enhancement initiatives, budget resort product, brand, network, ownership and operating model for both domestic and international youth market segments. This ongoing programme includes the development of a concept and institutional design, as well as piloting such concepts with key stakeholders and strategic partners to test market appetite.

We hosted a very successful Tourism Breakaway Session on Wednesday, 6 November 2019 during the President's South Africa Investment Conference, which took place from 5-7 November 2020 in Sandton. The tourism and hospitality category pledged investment to the value of R36,1 billion, which amounted to 9,9% of the total pledges amounting to R363 billion.

We participated in the Inaugural UNWTO Global Tourism Investment Forum for Africa at Abidjan, Côte d'Ivoire, from 20-22 February 2020. Three Greenfield projects, which form part

of Coastal and Marine Tourism (CMT), were presented to international investors gathered at the Forum. These projects are the Nonoti Beach Resort and the Durban Waterfront Hotel Development (KwaZulu-Natal) and the Hole-in-the-Wall Hotel Resort, Eastern Cape Province. The combined value of these projects amounted to R6,2 billion. These projects form part of the Pipeline of Nationally Prioritised Tourism Investment Opportunities.

Significant constraints to the fiscal framework and the policy position of Government to contain the public service wage will always have implications for the Department's human resource capacity. This required of the Department to explore all possibilities for creating adequate capacity to implement its programmes and to introduce efficiency and effectiveness improvements, i.e. doing more with less. It required of the Department to improve its procurement capacity and planning capabilities.

As an economic sector, tourism's performance is largely a function of the size and nature of demand. Tourists' demands and expectations are ever changing. We thus need to ensure that our offering is able to meet demand – in terms of quantity, quality and fit. Infrastructure development has long lead times for planning and implementation. Work is currently underway to develop a comprehensive tourism infrastructure plan to address future growth of the sector. This includes the sustained refurbishment, enhancement and maintenance of the current state-owned tourism infrastructure assets as well as plans for new products.

In responding to the rapid spread of the COVID-19 pandemic, countries around the world put measures to ensure that they contain the spread. These measures included closing the borders or travel restrictions and in some cases, similar to our country, countries have imposed a lockdown. This means that the supply and the demand side of the tourism temporarily collapsed and as a result of these measures, tourism ground to a halt.

Before the breakout of the COVID-19 pandemic, the South African economy was already in a precarious position. Our economy had not been growing at desirable levels for some time and as a result our debt to GDP was growing, our budget deficit was widening and South African Revenue Service (SARS) was not collecting enough revenue to cover the needs of our population. This meant that the pandemic found our economy in a very vulnerable state.

Our work is cut out for the coming months; our focus will be on implementing the Tourism Recovery Plan. Indeed, as part of the recovery of the tourism sector and by extension, the economy, it will be critical for us to focus on protecting and rejuvenating the supply side of the market. The public and private sectors will have to find ways of working together to ensure business continuity, aligning the value chain to new biosecurity standards, as well as investment facilitation and market access. There is rising domestic demand which has been augmented by the international market when we opened the borders. This is a very critical element of our road to recovery.

I would like to express my sincere appreciation to the oversight role by our Portfolio and Select Committees in fostering accountability on our part. The contribution of all of our stakeholders through various engagements at various platforms in planning for, and execution of our mandate, is greatly appreciated.

My gratitude further goes to Deputy Minister Mahlalela for the support provided and the role played in the overall execution of our mandate. The commitment and dedication of the Director-General of our Department, his management team, and staff of tourism towards planning and executing plans to assist our Government's efforts to address the triple challenges of poverty, inequality and unemployment, through tourism, is greatly appreciated.



**Mmamoloko Kubayi-Ngubane, MP**

Minister of the Department of Tourism

## 4. DEPUTY MINISTER STATEMENT

12



**Fish Mahlalela, MP**  
Deputy Minister of Tourism

In the year under review, the Department gave expression to its mandate to build an expanded tourism sector that contributes incrementally towards an inclusive and prosperous South Africa. To this end, we have focused on the importance of people development as a lever for economic and social development through transformation of the sector, increased skills levels and development support to ensure that South Africa remains a competitive tourism destination.

The tourism sector is a significant economic pillar with its benefits impacting many sectors in its value chain. There is, however, still a challenge with gender parity and transformation, which has seen slow movement. The Women in Tourism Programme (WiT) is an initiative that advances and supports the development and empowerment of women in the tourism sector. This programme serves as a mechanism to elevate the status of women in the tourism sector by providing training, empowerment and networking opportunities that facilitate their competitiveness as entrepreneurs, professionals and leaders. This has led to the establishment of the Executive Development Programme which is a partnership between the Department; Cultural, Arts, Tourism Hospitality and Sports Education Training Authority (CATHSSETA); and the University of South Africa which aims to advance transformation.

This capacity-building programme produced many success stories with various graduates moving up the management ladder or starting their own businesses.

Through our WfT Programme, we continue to implement our tourism skills development programme and support training. In the year under review, we successfully implemented the following skills programmes: National Youth Chefs Training Programme, Sommelier/Wine Service, Hospitality Youth Training Programme and the Tourism Monitors Programme. These programmes have yielded many successful placements in the industry as well as being a springboard for entrepreneurship.

Our flagship project, the National Tourism Career Expo (NTCE) which alternates between provinces, continues to yield success. The 2019 NTCE was the 11th in total, and hosted by the North West Province for the second year. The Expo is an interactive opportunity between tourism curricula experts, tourism educators, learners and stakeholders to discuss diverse careers in the tourism sector. It seeks to empower thousands of learners across the country with information on tourism as a career choice through opportunities such as learnerships, internships, bursaries and life skills programmes.

The Department has conceptualised a programme for the collection of data for the development of the National Tourism Information and Monitoring System (NTIMS), with the aim of placing 600 data collectors (youths) in all municipalities across the country. The main objective was to collect tourism supply information and data to inform planning, decision-making, policy and strategy development at sector level.

In addition, we also committed to completing feasibility studies and business plans to inform the development of, and support to community-based enterprises to enter the tourism value chain for communities within the proximity of these five national parks: Addo Elephant National Park, Augrabies Falls National Park, Golden Gate Highlands National Park, Kruger National Park – Phalaborwa Gate and Marakele National Park. Business plans were drafted to assist communities to develop and package tourism experiences and products that can be sold into the tourism value chain.

The Department continues to implement Enterprise Development Programmes to transform the sector and provide developmental support to rural tourism SMMEs (small, medium and micro-enterprises) over the medium term. This includes funding, a market access programme, tourism grading funding and incubators to become more sustainable and in so doing, create more jobs.

Through the Enterprise Development and Transformation Programme, we are increasing the pool of participants in the industry and thus contributing to the competitiveness of our tourism destinations. Its portal will serve as an online supplier marketplace for SMMEs in order to promote sector transformation and job creation.

Investment plays an important role in the sustainability of the sector. In January, we successfully led a delegation to the Tourism Investment and Business Forum for Africa to Spain where three Greenfield projects were presented to international investors. The combined value of these Coastal and Marine Tourism projects amounted to R6,2 billion which form part of the Pipeline of Nationally Prioritised Tourism Investment Opportunities.

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

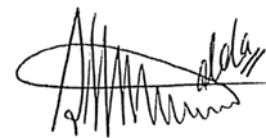
Tourism is a multifaceted portfolio that creates multiplier effects across multiple value chains. Tourism is therefore an activity that involves multiple sectors and partnerships are integral to our success. This sector works most effectively if there is integration, coordination and collaboration between the various spheres of government working with industry and

communities. The role of all of our stakeholders in the business of giving practical expression to the tourism mandate cannot be overstated. It is highly appreciated, particularly at this time, when tourism has been hard-hit by the COVID-19 pandemic.

My appreciative gratitude is extended to the Portfolio Committee on Tourism and the Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism and Employment and Labour who have kept us focused on the important aspect of growing an inclusive tourism sector that caters to the needs of youth, women, and SMMEs in our rural and township communities.

I would like to commend the visionary leadership provided by Minister Mmamoloko Kubayi-Ngubane, who continues to steer us towards practical delivery on commitments we have made to all our stakeholders in the tourism sector. The role played by the Director-General and the administration team, in translating the vision and commitments into practical service delivery outcomes, is highly appreciated and valued.

I extend my deepest gratitude to all South Africans who have dedicated their efforts towards the growth of the tourism sector. They have our commitment on this journey to build an inclusive tourism sector that benefits us all.



**Fish Mahlalela, MP**

Deputy Minister of the Department of Tourism



## 5. REPORT OF THE ACCOUNTING OFFICER



**Nkhumeleni Victor Tharage**  
Director-General

### 5.1 Overview of the operations of the Department

The 2019/20 Annual Report represents implementation of the last leg of the 2014–2019 (Medium Term Strategic Framework) MTSF, and projects implemented to drive the achievement of the mandate of the 5th Administration. The period during which all of these happened, was characterised by two significant occurrences, namely a fiscally constrained environment and the general elections, which resulted in the new 6th Administration.

Responding to the challenge of functioning in a fiscally constrained environment, whilst also recognising the need to achieve good corporate and cooperative governance (one of our strategic outcome-oriented goals), demanded a *business unusual* approach. The *business unusual* approach required effective systems for the management of the limited public resources, ridding the system of any inefficiency and enabling oversight by institutions of the State in the interest of the public. This meant, for the Department, giving due consideration to effective allocation of resources (ensuring that allocation of limited resources reflects the political and policy priorities of the Government, taking

into account the evidence of programme effectiveness). It also meant giving the same consideration to value for money (ensuring that resource allocation through the budget and new approaches to procurement, contribute to the constitutional requirement for promotion of efficient, economic and effective use of resources). It meant finding creative ways to do more with less. It meant focusing on high impact projects that contribute to inclusive growth of tourism, taking into account less developed areas like villages and townships.

Having gone through the elections in May 2019, and the SONA, as well as the Cabinet Lekgotla, the mandate for the 6th Administration was set, which clearly defined the targets for the tourism portfolio. These were outlined in SONA 2019. They included more than doubling international tourist arrivals to 21 million by 2030, renewal of the country's brand, introducing a world-class visa regime and a significant focus on Chinese and Indian markets and air arrivals from the rest of our continent, as well as tourists' safety. This meant that we had to explore the conditions we needed to create, for these tourism targets to be met, and identify strategic focus areas in which we needed to intervene, in order to realise Government's aspirational goals for tourism growth. We needed game changers for accelerated inclusive economic growth of the tourism sector.

We proposed some game-changing interventions within the MTSF context and priorities for 2019–2024. These interventions were clustered around the following specific priority areas: Urgent matters for resolution (e.g. simplification of visa process, tourist safety); Revolutionising Domestic Tourism (e.g. utilising events to drive domestic tourism growth, implementation of Domestic Tourism Scheme); Driving international market growth (e.g. improved marketing, targeted marketing strategies); and Tourism Infrastructure Investment Plan (e.g. ensuring sustained refurbishment, enhancement and maintenance of current tourism infrastructure assets).

Tourism is an activity that involves multiple sectors. This means there is a need for integration and working collaboratively with partners to accelerate implementation. It means recognising that the tourism sector only works if there is integration between

the various spheres of Government and between the public and private sectors. In short, tourism is everyone's business. Therefore, a "whole of government" approach is taken for tourism development, in order to achieve tourism aspirations for the country as a whole. In recognition of this, we have worked with various departments within Government, as well as the private sector on the development of the game changers for the sector. The aim was to increase the contribution of the sector by facilitating ease of access to, and travel within the country, that are underpinned by excellent products and experiences.

The National Development Plan (NDP), the Tourism Act, 2014 (Act No. 3 of 2014) as well as the Re-imagined Industrial Strategy are instrumental in the Department's effort to grow tourism such that its contribution to the GDP and job creation are increased, and that its work has the effect of transforming the sector to broaden participation in, and benefits of, tourism. For the growth of tourism to and within South Africa, the Department is committed to providing an enabling environment in order to realise improvements in the tourism offering, the visitor experience, and access to the destination, while diligently ensuring that the tourism sector transformation levels improve significantly.

Our work in 2019/20 focused on the following, amongst others:

Safety and security are vital to providing a quality tourism experience. More than any other economic activity, the success or failure of a tourism destination depends on being able to provide a safe and secure environment for visitors. The Department has finalised the development of the National Tourism Safety Strategy. This includes the costing of the implementation plan of the strategy. The strategy covers three broad thematic areas:

- a) **Proactive Measures** (focusing on addressing the issues that can minimise the potential of incidences that affect tourist safety – both domestic and international). The Tourism Monitors Programme, which forms part of this area, was introduced to improve the safety of tourists and enhance the visitor experience.
- b) **Responsive Measures** (focusing on measures or processes followed once an incident has occurred – on-the-scene mechanism that ensures quick and effective turnaround time to attend to tourists in distress).

- c) **After-Care Programme** (focusing on after-care measures or processes taken following the occurrence of an incident. It relates to on and after the scene mechanisms that ensure quick and effective turnaround times to attend to the needs of tourists in distress).

In support of SMME development and job creation, the Department has continued with the implementation of the Enterprise Development and Transformation Programme. This is meant to transform the tourism sector and provide developmental support to tourism enterprises. The programme forms part of the key strategy aimed at introducing new players in the tourism economy and achieving the transformation objectives. It supports the growth of tourism enterprises in a manner that promotes inclusive participation and job creation.

We have continued with facilitation of tourism capacity-building programmes for the sector, focusing on training of young people, especially young women. The skills level in the sector has a direct and significant impact on the experience of visitors. This is meant to contribute towards efforts intended to overturn the rising unemployment, especially amongst the youth. The Department has continued to implement the WfT Programme that supports two types of training. The first type of training offered is for Expanded Public Works Programme (EPWP) workers incidental to infrastructure project implementation and during the construction phase, where a percentage (2% to 5%) of the project budget is earmarked for such training. It is not implemented in isolation from other Government strategic initiatives. It is one of the short-term initiatives by Government aimed at creating work opportunities for the marginalised; especially women, youth and people living with disabilities. The main objective of the EPWP is to draw a significant number of unemployed South Africans into productive work in a manner that will enable them to gain skills and increase their capacity to earn income as well as to contribute in developing their communities and country.

The second type is the stand-alone accredited training programmes. Projects under this area which were implemented included the following: National Youth Chefs Training Programme (in all provinces targeting youth); Hospitality Youth Training Programme (targeting unemployed youth); and Wine Service Training Programme (targeting youth).

The Department has continued to enhance visitor services through implementation of the journey to service excellence programme. Most importantly, developing new products such as these mentioned above, has been part of our plan to enhance visitor offerings.

## 5.2: Overview of the Financial Results of the Department for the 2019/20 Financial Year

	Adjustment Appropriation	Virement	Final Appropriation	Expenditure	Over/(Under) Expenditure	Virement
Programme	R'000	R'000	R'000	R'000	R'000	%
Administration	295 874	(7 600)	288 274	287 323	951	(2.57)
Tourism Research, Policy and International Relations	1 331 053	88 089	1 419 142	1 419 060	82	6.62
Destination Development	463 297	(32 959)	430 338	430 011	327	7.11
Tourism Sector Support Services	302 446	(47 530)	254 916	247 998	6 918	(15.72)
<b>TOTAL</b>	<b>2 392 670</b>	<b>-</b>	<b>2 392 670</b>	<b>2 384 392</b>	<b>8 278</b>	<b>-</b>

### 5.2.1 Virement

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.

The Department and SA Tourism have agreed to embark on a collaborative initiative to address the impact of the COVID-19 pandemic on the tourism sector. More specifically the collaboration involves the implementation of a tailored funding mechanism to unlock support for those affected within the tourism sector. The funding mechanism, to be known as the "Tourism Relief Fund" (TRF), will offer funding support to qualifying tourism SMMs that are in distress due to the pandemic. The Department transferred R100 million in the 2019/20 financial year to SA Tourism to fund the TRF. National Treasury granted approval for this virement and transfer.

### 5.2.2 Underspending

The Department spent 99,7% of its total budget for the 2019/20 financial year. The Department spent 99,9% of the total WfT (EPWP and Expanded Public Works Incentive Programme) budget resulting in an underspending of R326 000 which is allocated within Programme 3: Destination Development. The Tourism Incentive Programme within Programme 4: Tourism Sector Support Services spent 98,5% of its allocated budget resulting in an underspending of R 2,207 million (including Compensation of Employees).

### 5.2.3 Roll-overs

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

### 5.3 A description of the reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent potential recurrences

The Department had no unauthorised expenditure. With regard to fruitless and wasteful expenditure, the majority of this spending relates to EPWP projects where the deliverables were not completed according to the agreed specifications. For such projects, a forensic investigation was commissioned to determine the root causes of the wastage and unauthorised deviations, corrective measures necessary to be taken to ensure compliance with the PFMA. The Department has initiated the implementation of the recommendations of the forensic audit. These include opening of cases with SAPS, initiation of the recovery processes through the Office of the State Attorney, and internal disciplinary issues as subsequent events after the reporting period. In terms of completion of the projects, the Department has secured the services of the Development Bank of Southern Africa to serve as implementing agent for the Department. There is also a relatively small amount that relates to travel expenditure (revised bookings, cancellations and no-shows). Possible cases of fruitless and wasteful expenditure. These occurrences are reported and disclosed as such in the financial statements pending investigation. Once investigated, the expenditure will be accepted as valid expenditure, transferred to the departmental debt account for recovery or written off if no person can be held responsible.

### 5.4 Future plans of the Department

Tourism continues to offer many real opportunities for growth and, with that, transformation at various points along the value chain, at a reasonable cost of entry and within a short to medium-term period. Key enablers that must be in place to ensure that this potential is realised include:

- Improving our tourism assets and infrastructure, making South Africa a diverse and unique tourism destination. Offering a diversified tourism product offering can contribute to broadening participation and encouraging tourists to interact with hosts and service providers beyond the mainstream providers.
- Offering excellent service and creating memorable experiences, which meet and exceed the expectations of tourists. This includes addressing the safety concerns of visitors.
- Marketing our destination effectively, domestically and internationally, in order to achieve growth in the sector's contribution to job creation and GDP. Importantly, developing a culture

of travel amongst South Africans, which is supported by a diverse and responsive product range. This is necessary in order to fully benefit economically from the domestic market.

- Working with our sister departments to improve the ease of access to South Africa as a destination including an enabling visa regime and airlift.
- Transforming the entire tourism value chain in order to expand participation, transform ownership patterns and ensure that all South Africans share the benefits that accrue from the tourism economy.

The above notwithstanding, there is now the COVID-19 outbreak, which was declared a pandemic by the World Health Organization (WHO) on 30 January 2020. It started in the Chinese city of Wuhan, with the first case being reported on 31 December 2019, and rapidly spread to other parts of the world (e.g. Thailand, Japan and South Korea by late January 2020, Europe started reporting cases from that point). The intensification rate of the transmission in Wuhan, led to the city being placed under lockdown by the Chinese government on 23 January 2020, prohibiting travel in and out of the city. As the spread of COVID-19 intensified across different parts of the world, South Africa reported its first case on 5 March 2020. A State of National Disaster was declared on 15 March 2020 in terms of the Disaster Management Act in order to mitigate against the severity of the impact of COVID-19. On 23 March 2020, President Cyril Ramaphosa announced a nationwide lockdown commencing on 27 March 2020 and ending on 16 April 2020, subsequently extending the lockdown to 30 April 2020, and further subsequent extension.

The COVID-19 pandemic has had a profound impact on our society and economies too. As an industry that facilitates mobility and human interaction, the travel and tourism sector has been amongst the hardest hit. Air, land and sea ports were closed. Airlines were grounded except planes that carry cargo. Restrictions were placed on movement of people. As a result, tourism activity came to an abrupt halt, thus affecting the tourism industry negatively. The impact of the virus has led to closure of businesses and tourism establishments, and severe job losses. The effect of the COVID-19 outbreak is expected to be significant on the global arrivals in 2020 as will be for South Africa, thereby impacting on foreign currency earnings, and jobs in tourism.

By July 2020, South Africa has been under lockdown conditions for 105 days. While a gradual re-opening of society was underway, the pandemic in the country had not yet reached its peak and the long process towards recovery was just beginning. The Government as a whole adopted a Risk-Adjusted Approach, thus placing the country at a lower level of lockdown - Level 4, from 1 May 2020, and subsequently to Level 3, from 1 June 2020.

All efforts were on getting through the COVID-19 challenges and for effective response by the industry through the implementation of the Risk Adjusted Strategy, with health protocols to prevent the spread of the virus through the sector activities.

In response to the impact of COVID-19 on SMMEs in the tourism sector, the Department established the TRF with R200 million available to assist SMMEs in the tourism and hospitality-related sectors who are under particular stress due to the new travel restrictions. The Fund provides once-off capped grant assistance to SMMEs in the tourism value chain to ensure they remain sustainable during and post the implementation of government measures to curb the spread of COVID-19 in South Africa. Applications were open until 31 May 2020. The Fund is capped at R50 000 per entity. The grant funding can be utilised to subsidise expenses towards fixed costs, operational costs, supplies and other pressure cost items. Eligible categories are the following: Accommodation establishments such as Hotels, Lodges, B&Bs, Guest Houses and Backpackers; Hospitality and related services: Restaurants (not attached to hotels); Conference Venues (not attached to hotels), Professional Catering; Attractions; and Travel and related services (Tour Operators; Travel Agents; Tourist Guiding; Car Rental companies; and Coach Operators). The scheme was also guided by the implementation Tourism Broad-based Black Economic Empowerment (B-BBEE) Codes of good practice.

The Department has further collaborated with the tourism sector and other Government Departments to contribute to the national effort of responding to the COVID-19 pandemic. In solidarity with the national effort, the tourism private sector contributed R30 million to pay for the use of three hotels in Johannesburg, Durban and Cape Town as quarantine sites during the lockdown period. Collaboration with the Department of Labour and Employment, and the Tourism Business Council of South Africa (TBCSA), led to a more efficient system of the application of Unemployment Insurance Fund (UIF) by businesses in Travel, Tourism and Hospitality for employees through the TBCSA.

It is in that context that the Tourism Recovery Plan is being developed which proposes measures to enable re-opening of the tourism sector, and resumption of operations as early as it is safe to do so. This will minimise economic and employment impacts and position the country for broader economic recovery.

### 5.5 Public Private Partnerships

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

### 5.6 Discontinued activities / activities to be discontinued

The Department has no discontinued activities or activities to be discontinued.

### 5.7 New or proposed activities

The Department began the implementation of the TRF as a new activity in response to the COVID-19 pandemic and its impact on SMMEs in the tourism and hospitality sector distressed by decimated tourism activity. The Department has re-directed the financial and human resources towards the implementation of the project. The TRF was funded through the reallocation of R200 million.

Further to the above, the Department will roll out a Relief Fund to assist distressed Tourist Guides who have been impacted by the countrywide Disaster Management Measures to mitigate the COVID-19 pandemic. This is applicable to registered freelance Tourist Guides who operate independently (without any formal employment). The Fund for Tourist Guides is administered through a 'no application' process. Information on Guides will be sourced from the databases maintained by the Provincial Registrars of Tourist Guides in all nine provinces, and sent to the Department of Home Affairs (DHA) and the UIF for verification and validation where necessary. Registered Tourist Guides, who have valid identification according to DHA, and who are not registered with UIF nor claimed any financial support through the Tourism Relief Fund, will receive financial relief from the Department. Each eligible Tourist Guide will receive a financial relief of R1 500 for a period of three months, from the R30 million allocation.

### 5.8 Supply Chain Management

The Department received no unsolicited bids in the 2019/20 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.

### 5.9 Gifts and Donations received in kind from non-related parties

The European Union (EU) donated R120 million via the National Treasury for the Golden Gate Highlands National Park Interpretation Centre. The planning phase and appointment of contractors have been completed and construction started in the 2018/19 financial year.



The EU donated a further R57,610 million via National Treasury for the Baviaanskloof World Heritage Site Interpretive Centre over the Medium-Term Expenditure Framework: R42,353 million in the 2018/19 financial year, R9,756 million in the 2019/20 financial year, and R5,501 million in the 2020/2021 financial year.

### 5.10 Exemptions and deviations received from the National Treasury

National Treasury granted approval in terms of section 43 of PFMA, Treasury Regulation 6.3.1(a) and section 5(1) of the Appropriation Act for the National Department of Tourism to put in place mitigation measures in support of the tourism sector following the declaration of the National State of Disaster on 15 March 2020 due to the COVID-19 outbreak. R100 million was transferred to SA Tourism for this purpose.

### 5.11 Events after the reporting date

Reported in the categories above.

### 5.12 Other

None

### 5.13 Acknowledgements or appreciation

I would like to thank all our stakeholders within the broader tourism sector for all collaboration and partnerships on a wide variety of projects. This is in view, particularly, of the demands placed on the tourism sector by COVID-19, to which the sector partners also responded. I thank the officials of our Department – management and staff in their

dedication and commitment towards implementation of our plans for transformation and inclusive economic growth, and ultimately for the betterment of the living conditions of South Africans. We do what we do because of the leadership and support of our political principals, Minister Kubayi-Ngubane and Deputy Minister Mahlalela. We are appreciative for the oversight role and support of 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 on our work. The role played by our Internal Audit, the Audit Committee, as well as the AGSA in assurance provision on our work is greatly appreciated.

### 5.14 Conclusion

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

### 5.15 Approval and sign-off

The Annual Financial Statements set out on pages 125 to 229 have been approved by the Accounting Officer.



**Mr Nkhumeleni Victor Tharage**

Accounting Officer

Department of Tourism

Date: 31 July 2020

## 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 controls 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 2020.

Yours faithfully,



**Mr Nkhumeleni Victor Tharage**

Accounting Officer

Department of Tourism

Date: 31 July 2020

# 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.

## 8. LEGISLATIVE AND OTHER MANDATES

### 8.1 Constitutional mandate

Part A of Schedule 4 to 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 mandates

The Tourism Act, 2014 (Act No. 3 of 2014) aims to promote the practise 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 mandates

- The 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 New Growth Path (NGP) includes tourism as one of the six pillars of economic growth.

- The Revised National Tourism Sector Strategy, 2017 (NTSS) provides a blueprint for the Tourism Sector in the pursuit of growth targets contained in the NGP.
- 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.

### 8.4 Relevant court rulings

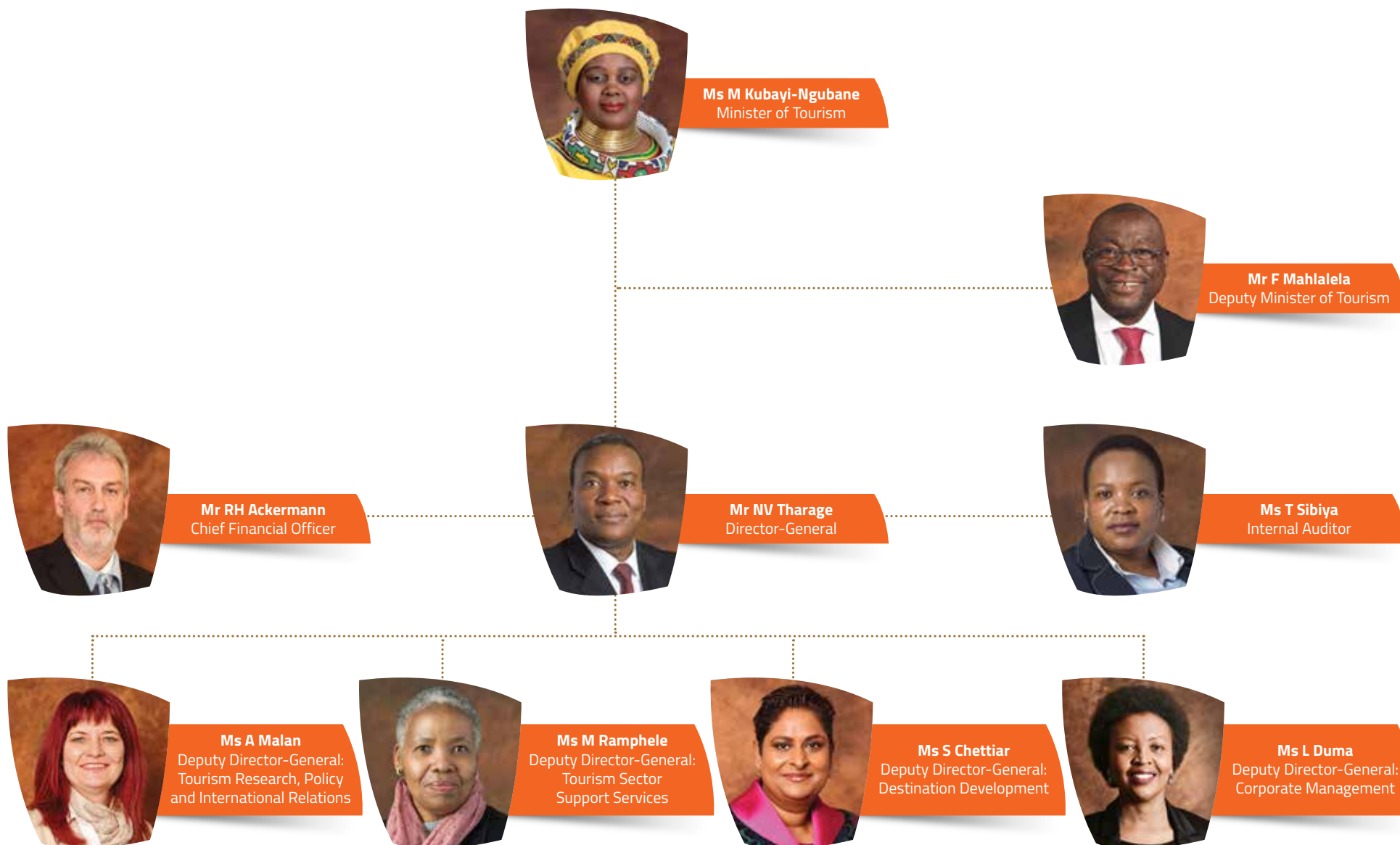
Not applicable.

### 8.5 Planned policy initiatives

**Table 1: Departmental planned policy initiatives per programme**

No.	Programme	Planned initiatives
1	Administration	None
2	Tourism Research, Policy and International Relations	White Paper on the Development and promotion of Tourism in South Africa (1996)
3	Destination Development	None
4	Tourism Sector Support Services	Tourism Broad-based Black Economic Empowerment (B-BBEE) Charter

## 9. ORGANISATIONAL STRUCTURE





## 10. ENTITY REPORTING TO THE MINISTER

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
<b>South African Tourism (SA Tourism)</b>	<p>Chapter 3 of the Tourism Act, 2014 (Act No. 3 of 2014) stipulates the following as the functions of the South African Tourism Board:</p> <ul style="list-style-type: none"> <li>▪ Market South Africa as a domestic and international tourist destination.</li> <li>▪ Market South Africa's Tourism products and facilities internationally and domestically.</li> <li>▪ Develop and implement a marketing strategy for tourism that promotes the objectives of the Act and the NTSS.</li> <li>▪ Advise the Minister on any other matter relating to tourism marketing.</li> <li>▪ 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"> <li>» Coordinating bidding for international conventions</li> <li>» Liaising with other organs of state and suitable bodies to promote South Africa as a destination for business events; and</li> <li>» Reporting to the Minister on the work performance of the National Conventions Bureau.</li> </ul> </li> <li>▪ 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.</li> </ul>	<b>Transfer payment</b>	<ul style="list-style-type: none"> <li>▪ Contribute to inclusive economic growth by increasing the number of international and domestic tourists.</li> <li>▪ Contribute to an enhanced, recognised, appealing, resilient and competitive tourism and business events brand for South Africa across the target markets and segments.</li> <li>▪ Enhance stakeholder partnerships and collaboration, both local and international, to better deliver on SA Tourism's mandate.</li> <li>▪ Contribute to an improved tourist experience in line with the brand promise.</li> <li>▪ Position SA Tourism's corporate brand to be recognised as a tourism and business events industry leader in market intelligence, insights and analytics.</li> <li>▪ Achieve operational efficiencies in all activities, including human, marketing and other resources available to SA Tourism.</li> </ul>

The background features a light beige network of dots and lines on the left side. On the right, there are two curved, overlapping map-like shapes. The top shape is orange with a white dot pattern and shows the Americas. The bottom shape is also orange with a white dot pattern and shows Africa and Europe. The text is centered in a white box between these two shapes.

# **PART B**

## PERFORMANCE INFORMATION

# 1. AUDITOR-GENERAL'S REPORT: 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 120 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 and travel sector, comprised of a wide range of industries, aims to serve and support domestic and international visitors. Tourism holds immense potential to change the fortunes of the country and contribute to the achievement of Government's economic objectives. When managed well, the growth of tourism brings with it jobs, boosts economic growth, foreign exchange earnings and provides opportunities for economic participation at all levels, to all citizens.

The tourism sector is characterised by high labour intensity and offers great growth opportunities that are critical to addressing the challenges of unemployment, inequality and poverty. The South African Reserve Bank (SARB) observes that the third quarter of 2019 saw the global economic growth remaining subdued and slowing slightly further to 2,8%. This was due to decreasing economic activity in both the advanced and emerging economies.<sup>1</sup>

The annual report is released at a time when world events have been overshadowed by the COVID-19 pandemic. The global outbreak of the pandemic in late 2019 and early 2020 illustrated the vulnerability of travel and tourism. The economic impact of the Coronavirus has been felt in every corner of the world and almost every sector of the economy. Tourism has been abruptly halted by the pandemic. Air, land and sea ports in most countries were closed with the exception of repatriation and delivery of cargo. Restrictions had to be placed on movement of people. The impact of the virus has led to closure of businesses, tourism establishment and severe job losses. As at March 2020, this outbreak had affected key source markets for South Africa.

During times of crisis, such as in this public health emergency, tourism has to live up to its responsibility as an integral part of wider society. The sector has repeatedly demonstrated resilience in the face of global crises. This requires agility, effectiveness and efficiency in responding as well as strong, effective collaborations to attend to emergencies when they occur. To mitigate against the potential negative impact on businesses and jobs, the Government has engaged various stakeholders regarding implementation of measures to bring relief to affected businesses and individuals. It is anticipated that the core industries that include accommodation, food and beverage services, recreation and entertainment, transportation and travel service, will be hard hit. A comprehensive Tourism Recovery Strategy has been developed and will be implemented over the next few years.

South Africa dropped eight places in its overall ranking in the latest World Economic Forum (WEF) Travel and Tourism Competitiveness rankings from 53 in 2017 (relative to 136 countries) to 61 in 2019 relative to 140 countries between 2017 and 2019.<sup>2</sup> The report indicates that South Africa has made improvements in the following indices: Information and Communications Technology (ICT) Readiness, International Openness, Price Competitiveness, Ground and Port Infrastructure as well as Natural Resources. The move downwards is largely attributable to scoring poorly in the areas of safety and security, environmental sustainability, and health and hygiene. Sub-optimal scores were also attained in respect of international openness and government prioritisation of tourism. The sub-indices that are scoring low point to the areas that require attention in order to improve South Africa's competitiveness.

<sup>1</sup> South African Reserve Bank. 2019. Quarterly Bulletin No. 294. December 2019. Pretoria: SARB. p.1, at <https://www.resbank.co.za/Lists/News%20and%20Publications/Attachments/9632/01Full%20Quarterly%20Bulletin.pdf>, accessed on 20/02/2020.

<sup>2</sup> WEF. 2019. The Travel and Tourism Competitiveness Report – Travel and Tourism at a Tipping Point, at [http://www3.weforum.org/docs/WEF\\_TTCR\\_2019.pdf](http://www3.weforum.org/docs/WEF_TTCR_2019.pdf), accessed 22/03/2020.

Downside risks in the global environment include potential escalation of trade tensions, sharper growth deceleration in major economies than expected, a reappearance of financial stress in large emerging markets, escalation of geopolitical tensions, a series of extreme weather events, high debt levels and subdued productivity growth.<sup>3</sup> This global context creates a constraining income effect that is critical to improving the global international tourist outbound market.

International tourist arrivals (overnight visitors) across the world grew by 4% in 2019 to reach 1,5 billion arrivals; about 54 million more than in the previous year according to data reported by destinations worldwide. 2019 was the 10th consecutive year of sustained growth since 2009. All regions experienced an increase in arrivals. Growth was led by the Middle East (+8%), Asia and the Pacific (both +5%). International arrivals in Europe and Africa (both +4%) grew in line with the world average, while the Americas (+2%) saw moderate growth.

In 2019, international arrivals in Africa grew to reach 71 million, at an estimated growth of 4%. Stronger growth was recorded for North Africa at 9%, while Sub-Saharan Africa saw growth at 1%. In Sub-Saharan Africa, island destinations like Madagascar saw double-digit growth in arrivals, while Cabo Verde and the Seychelles took advantage of increased air connectivity. South Africa, the sub region's most visited destination, witnessed a decline of 2,3% in 2019. Drivers of this decline included safety concerns by potential visitors. The UNWTO had forecast a growth of 3% to 4% in international tourist arrivals worldwide in 2020, based on current trends, economic prospects and the UNWTO Confidence Index.<sup>4</sup>

The global economic slowdown, trade tensions and rising geopolitical challenges, social unrest, and lower business confidence have weighed on growth in international tourism. The EU as a bloc is South Africa's largest trading partner. Total trade between the South Africa and the United Kingdom (UK) in 2017 amounting to R79,6 billion, excluding gold. The UN calculates that the UK is South Africa's eighth-largest import and export market in global terms. The Southern African Customs Union (SACU) and the UK concluded a SACU-UK economic partnership agreement in 2019. As a party to SACU, South Africa's trading relationship with the UK is expected to continue without disruption when this agreement comes into effect, regardless of Brexit.

<sup>4</sup> UNWTO. 2020. World Tourism Barometer. 1(18), January 2020, p.1

<sup>5</sup> UNWTO. 2019. World Tourism Barometer, Issue 17(4), November 2019, p.4.

<sup>6</sup> WTTC. 2020. Travel and Tourism: Economic Impact 2020 – South Africa.

<sup>7</sup> Stats SA. 2019. Tourism and Migration Report. December.

The failure and collapse of major travel group Thomas Cook on 26 September 2019 illustrates the adverse impact of high market concentration. As a result of the group's collapse, some small European airlines disrupted some tourism flows, and temporarily affected some key tourism destinations. The collapse of the group also led to 600 000 travellers around the world being left stranded, which included 150 000 British travellers. Some 38 countries were affected, particularly in Europe and the Americas. The implication was that more than 8,5 million seats would be cancelled from September 2019 until August 2020, according to inbound flight seats scheduled by Thomas Cook.<sup>5</sup>

Domestically, tourism supports a vibrant and complex value chain that is not characterised by significant market concentration or deep vertical integration like many other sectors in South Africa. Growth in tourism promises accessible employment opportunities, geographic diversification and increased foreign currency receipts. The sector is therefore a strategic development priority.

South Africa is geopolitically distinctive and possesses natural and cultural diversity that supports a globally compelling tourism proposition. The direct contribution of the sector GDP in 2019 was R136,9 billion (2,7% of GDP), while it also generated 760 000 jobs (4,7% of total employment) directly in the same period. Travel & Tourism is expected to have attracted capital investment of R79,6 billion, and generated R129,9 billion in visitor exports in 2019 in South Africa. Domestic travel spending generated 55,0% of direct Travel & Tourism GDP in 2019, compared with 45,0% for visitor exports (i.e. foreign visitors spending on international tourism receipts) in the same period.<sup>6</sup>

In South Africa, tourism has been growing steadily since the advent of democracy. It has continued to create employment even during difficult economic times. However, in the period January to December 2019, South Africa experienced a decline in tourist arrivals of 2,3% compared to the same period on 2018. This was a decline from a total of 10 472 105 international tourist arrivals in 2018 to 10 228 593 in 2019. The total tourist arrivals from overseas and Africa markets both recorded a decline of 2,2% and 2,4% respectively during the period under review.<sup>7</sup> In 2019, the total contribution of Tourism Travel & Tourism to GDP (including wider effects from investment, the supply chain and induced income

impacts) was R354,9 billion (7,0% of GDP), while for employment (including wider effects from investment, the supply chain and induced income impacts), it was 1 483 000 jobs (9,1% of total employment) for the same period.<sup>8</sup>

Our efforts were impacted adversely by events such as attacks on foreign nationals, which largely impacted the numbers of African tourists as well as crimes against tourists that were publicised in their home countries, particularly in the United States of America, Europe and China leading to travel advisories against our country in some of these markets.

The extent of cancellations as a result of the South African Airways (SAA) challenges have also had an impact. This has taught us to introduce gradual and sufficient liberalisation of our skies in order to cushion airlines operating to and from our country. We will continue to work with the aviation industry in this regard.

SA Tourism reported that the numbers for the domestic market improved in 2019 than in the previous year. The number of holiday trips grew by 170,6% from 2,6 million in 2018 to 7,1 million in 2019. The special-offer driven campaigns had a big uptake in 2019, as all the months where there was a special promotion showed a spike in domestic travel. This is indicative of the potential that lies in the domestic market, provided that dual pricing offerings are available to locals who view travel as too expensive.

Domestically, the GDP contracted by 1,4% in the fourth quarter of 2019, considering the growth rate of the economy in preceding quarters of 2019 resulted in a growth of 0,2% for the previous year. It is important to note that the South African economy has experienced two consecutive quarters of negative growth, 0,8% and 1,4% for 2019 Q3 and 2019 Q4, respectively. This subdued economic growth restricts the stimulation of domestic tourism from a disposable income standpoint.

However, much has been done to restore market confidence although it will take time to see the impact of these efforts. The partnership between South African Police, Department of Tourism and the tourism industry to proactively deal with crime against tourists using both preventative and rapid response measures has been highly welcomed by trade in particular and the market in general. However, it must be emphasised that crimes against tourists seriously undermine our efforts to fight poverty and unemployment.

Domestically, President Cyril Ramaphosa outlined the focus for the tourism portfolio in SONA 2019, which marked the beginning of the 6th Administration. He stated that: "We will make good on our ambition to more than double international tourist arrivals to 21 million by 2030. This will be achieved through the renewal of the country's brand, introducing a world-class visa regime and a significant focus on Chinese and Indian markets and air arrivals from the rest of our continent. We are determined to ensure that tourists who come to our country are safe." In addition to specific focus on China and India, Nigeria as well as other markets on the African continent cannot be left behind.<sup>9</sup>

As part of the process of simplification of the visa system, visa requirements were simplified for countries such as China and India. From December 2017, travellers from Angola and the Russian Federation were able to travel to South Africa without having to apply for visas. The Government has waived visas for Saudi Arabia, the United Arab Emirates (UAE), Qatar, New Zealand, Cuba, Ghana, São Tomé and Príncipe. The Department of Home Affairs (DHA) is constantly reviewing its operations to ensure that entry requirements are relaxed without compromising our responsibility towards safety and security of South African citizens.

The DHA announced in November 2019 that international minors travelling to South Africa no longer require unabridged birth certificates or consent letters when travelling with their parents. This meant that only valid passports are required for minors travelling with parents to South Africa. This came into effect immediately. All ports of entry as well as the airline and maritime industries were informed accordingly.

The scrapping of requirements for unabridged birth certificates will boost South Africa's economy as in all our markets, family travel is a key driver for arrivals and the country competes with many other destinations for its share of family travel. The waiver announcement will enable our country to be proactive, and aggressively market South Africa as a family destination.

The DHA also announced the launch of the e-visa pilot scheme in November 2019. The introduction of e-visas would remove a massive tourism obstacle by allowing the visa applicants to easily access their documents online; thus eliminating the need to visit South African missions abroad. The e-visa system promises to be a game changer in the country's effort to double inbound tourism numbers to 21 million tourist visits by 2030. The tourism

<sup>8</sup> WTTC. 2020. Travel and Tourism: Economic Impact 2020 – South Africa.

<sup>9</sup> State of the Nation Address, 2019. <https://www.gov.za/speeches/2SONA2019>

industry needs to eliminate as many barriers to inbound tourism as possible in order to grow tourism in South Africa.

To revitalise the achievement of the tourist arrival target, SA Tourism has undertaken international roadshows with the objective to:

- Engage international stakeholders to help dispel fears associated with visiting South Africa, while providing the true context of the current situation in South Africa.
- Continue to shape global messaging about South Africa as a tourist destination while further pushing our narrative around misperceived threats.
- Defend our leading tourism position and respond to questions with regard to inaccurate media reports.
- Engage targeted stakeholders who can help inform a longer-term response to identified threats.

These were undertaken within the following specific priority markets: UAE / Middle East (Abu Dhabi, Ajman, Dubai, Fujairah, Ras Al Khaimah, Sharjah, Umm Al Quwain); Europe Trade Stakeholder Roadshow: Central Europe (Germany, Austria and Switzerland) and United Kingdom (August to September 2019), North America Roadshow (October 2019): New York, Los Angeles and Las Vegas.

The South African National Parks (SANParks) Maintenance Programme is an initiative adopted at Jobs Summit in October 2018 with the primary objective to improve and ensure proper maintenance of National Park Assets, for the purpose of destination enhancement, job creation and SMME development. The Department of Tourism has provided funding support (R120 million) for the maintenance programme in SANParks properties and tourist attractions. The initiative aims to provide about 605 job opportunities in the 22 National Parks for tourism infrastructure development and maintenance. In 2019, the project was now in its second year.

South Africa shares great connections and special relationships with both China and India. Outreach to Chinese trade indicated that the answer to growth rested in faster and easier

visa application processes, authentically South African and affordable product offerings (particularly culture and not just top end), strategic partnerships with large trade partners who also have a degree of government participation, continuously growing the number of direct flights between the two countries and most importantly guaranteeing that their citizens are safe in our country. These form part of the Department and Industry's strategy in the medium to long term.

In October 2019, South Africa signed a two-year agreement with China's biggest online platform, Tencent. This was in order to help attract visitors to the country. The partnership will be used to promote South Africa as a preferred tourism destination in China, through digital marketing campaigns on WeChat, as well as other platforms within the Tencent ecosystem. This will further assist us to access multiple segments of the Chinese traveller's market. South Africa was leveraging its significant trade relationship with China, in order to strengthen the people-to-people exchange between our country and China. Tencent platforms would enrich the Chinese travellers' experience when they travel to South Africa. China is South Africa's biggest trading partner, but tourist numbers from the populous country have not reached their full potential, with 93 171 Chinese visitors said to have visited the country in 2019.

Closing the performance gap will demand examination of reliance on 'traditional' products and markets, the relatively weak domestic tourism base and the global strength of South Africa's nation destination brand. Underpinning these factors is the legacy of exclusion and persistent inequality, which erects barriers to entry, disincentivises innovation and creates policy complexity.

Tourism is a sector that has, largely, emerged in the post-Apartheid period and is therefore a product of the new democratic South Africa. Growth in tourism creates accessible employment opportunities, drives geographic diversification of development, and supports rural communities as well as increases foreign currency receipts, thereby contributing significantly to the expansion of final demand. Despite the current challenges facing tourism, the sector remains a strategic development priority.

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, 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.
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.
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 2019/20 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
<b>DEVELOP TOURISM ENTERPRISES</b>	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.	There were 4 incubators operational (Manyeleti, Phalaborwa, Mier, and Pilanesberg), supporting 176 SMME beneficiaries.
		The Tourism Enterprise Development portal was developed and was to be integrated into the bigger 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.	<ul style="list-style-type: none"> <li>■ The Enterprise Development and Transformation Portal was implemented ("Go –Live"). The Enterprise Development and Transformation Portal can be accessed at <a href="http://tourism.procure.co.za">http://tourism.procure.co.za</a>.</li> <li>■ The service provider was appointed for the provision, customisation, hosting, maintenance and support of the Enterprise Development and Transformation Portal for a period of 12 months.</li> <li>■ The portal will see the provision of a comprehensive online supplier marketplace to channel procurement expenditure to SMMEs in order to promote transformation and job creation within the tourism sector.</li> </ul>
	Black SMMEs in the tourism value chain.	<ul style="list-style-type: none"> <li>■ 1 604 black-owned suppliers were registered on the Tourism B-BBEE Portal to trade with large enterprises.</li> <li>■ The suppliers registered are for food, beverages, operating and maintenance equipment and professional services.</li> <li>■ Enterprise Development Portal will be integrated into the B-BBEE portal. The integration process will be finalised in 2019/20.</li> </ul>	5 000 black-owned enterprises to be introduced through the portal network into the tourism value chain for linkages with large enterprises.	1 604 black-owned enterprises are registered through the tourism portal network into the tourism value chain for linkages with large enterprises.

Main services	Beneficiaries	Current/actual standard of service (Baseline)	Desired standard of service	Actual achievement
<b>PROVIDING INCENTIVE PROGRAMMES TO THE TOURISM SECTOR</b>	Tourism Businesses.	<p>Four Tourism Incentive Programmes were implemented as follows:</p> <ul style="list-style-type: none"> <li>122 small tourism enterprises approved for support under the Market Access Support Programme.</li> <li>1 955 discounts on grading assessment fees approved under the Tourism Grading Support Programme.</li> <li>12 applications approved for energy and water efficiency retrofitting under the Green Tourism Incentive Programme.</li> <li>14 applications by black investors approved for support under the Tourism Transformation Fund.</li> </ul>	<p><b>Five Tourism Incentive Programmes to support:</b></p> <ul style="list-style-type: none"> <li>Market access;</li> <li>Tourism grading;</li> <li>Green Tourism Incentive Programme</li> <li>Tourism Transformation Fund</li> <li>Tourism Equity Fund.</li> </ul>	<p><b>Four Tourism Incentive Programmes implemented and one programme under development</b></p> <p>Businesses supported include:</p> <ul style="list-style-type: none"> <li>96 enterprises were approved under the Market Access Support Programme. Support to 57 enterprises was withdrawn due to cancellation of the following platforms: ITB, WTM, ATM, MITT, IMEX Frankfurt, WTM Africa and the Asia Pacific Trade Road Show.</li> <li>2 765 discounts on grading assessment fees were approved under the Tourism Grading Support Programme.</li> <li>27 applications were approved under the Green Tourism Incentive Programme.</li> <li>6 applications were approved under the Tourism Transformation Fund.</li> </ul> <p>The Tourism Equity Fund was not implemented.</p>

Main services	Beneficiaries	Current/actual standard of service (Baseline)	Desired standard of service	Actual achievement
<b>DEVELOP TOURISM SECTOR SKILLS</b>	Tourism sector.	<p>The Tourism Sector Human Resource Development (TSHRD) Coordinating Forum (Coordinating Body) was established in June 2018.</p> <p>The Forum met twice on a 6-monthly basis in 2018/19 and the EXCO met 3 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 THRD management and implementation established.	<ul style="list-style-type: none"> <li>■ TSHRD Coordinating Forum as established in June 2018 continued to meet twice a year as a general congregation of all tourism education and training stakeholders from both the demand and supply side, which included both public and private sectors.</li> <li>■ The TSHRD Coordinating EXCO as established by the TSHRD Forum since August 2018, has met on a quarterly basis until February 2020 to implement the decisions of the TSHRD Forum, and reported progress at every forum meeting.</li> <li>■ The EXCO established 3 sub-committees in October 2018, which are directly responsible for the implementation of the TSHRD Strategy per Theme or Strategic Pillars. The sub-committees have met on a quarterly basis and reported progress at every EXCO meeting.</li> </ul>

### 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, email and telephone.	Email 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 <a href="mailto:callcentre@tourism.gov.za">callcentre@tourism.gov.za</a> . 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"> <li>▪ The Departmental Call Centre is accessible at 0860TOURISM for the public to utilise to lodge complaints about services of the Department.</li> <li>▪ Complaints in respect of any tourism services, facilitates or products should be directed to the Tourism Complaints Officer at complaints@tourism.gov.za or 012 444 6312.</li> <li>▪ Complaints and suggestions box is available at the ground floor entrance of the Department.</li> </ul>

## 2.3 Organisational environment

The Department has implemented its plans and projects within an operating environment highly influenced by allocations to the Tourism Vote, significant constraints to the fiscal framework, and the Government policy position towards cost containment.

The Department has continued to maintain proper structures of governance and a system of management meetings, which have continued to foster integration between and amongst officials. The system of management meetings serves as a platform to enrich discussions about departmental strategy, policy decisions, their implementation and implication for the Department.

The Qualified Audit Opinion received by the Department in the previous financial year, highlighted weaknesses in specific areas for which the Department needed to focus on, and augment capacity around. These related to project management practices, procurement and contract management, and oversight over implementing agents. These demanded of the Department to improve capacity and competence in these areas, especially as they relate to capital projects in order to mitigate against the risk of fruitless and wasteful expenditure.

## 2.4 Key policy developments and legislative changes

The policy position of Government to rationalise the public entities has implications for repurposing of all branding and marketing entities, including SA Tourism. This will have an impact on the model for marketing Destination South Africa.

An Agreement and two (MoUs) was signed between South Africa and Ethiopia. The Agreement is expected to ease the travel of officials, which will contribute to further strengthening of bilateral relations. The MoU on cooperation in the field of tourism will be key to the creation of employment opportunities, especially for the youth.

National Treasury's new policy document – "Economic transformation, inclusive growth and competitiveness" towards an Economic Strategy for South Africa, released in September 2019, highlight tourism plans. It regards tourism as one of the sectors that can drive labour intensive growth and help to combat South Africa's high level of unemployment. The policy documents consider tourism to be an important economic driver of rural economies and mechanism to create sustainable employment opportunities outside urban and industrial areas.

The DHA announcement of more visa waivers. The DHA added seven countries to the list of countries exempted from visa. From 15 August 2019, visitors from Qatar, Saudi Arabia, the UAE and New Zealand will no longer require a visa to visit South Africa for the purpose of holidays, conferencing and business meeting visits. Visa waivers for Ghana, Cuba, and Sao Tome and Principe were also implemented.

The DHA published amended Immigration Regulations on 30 November 2018, which are in respect of minors (all children under 18 years of age) travelling to and from South Africa. In terms of foreign minors, copies of original documents are sufficient and need not be certified; children travelling with both parents need no extra documentation. However, if there are situations such as where the surname is different, the carrying of proof of parental relationship is advised.

### 3. STRATEGIC OUTCOME-ORIENTED GOALS

In support of the Government's medium-term strategic outcomes, the following are the Department's strategic outcome-oriented goals:

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

#### Outcome 4: Decent employment through inclusive economic growth

The contribution of tourism to economic growth is indicated by a percentage contribution to the GDP and the number of jobs created. As reported in South Africa's Tourism Satellite Account (2018 provisional data), the sector's direct contribution to the GDP and direct employment has increased significantly to R130,163 million (2,7% of total GDP) and 739 657 (4,5 % of total employment) respectively in 2018. The sector has consistently had a

positive trade balance, which in 2018 was at R 36,3 million.<sup>10</sup> Due to the sector's multiplier effect, the total number of direct and indirect jobs supported by tourism in 2017 was 1,5 million. Total direct and indirect GDP contribution was R412,5 billion in the same period.

At the centre of the Department's mandate is economic transformation in the tourism sector. Tourism remains a key economic growth sector. The participation of previously excluded groups has remained at levels below set targets. To support the inclusive growth imperative espoused in Outcome 4, the Department's strategy is to use the entire value chain of tourism to realise inclusive participation in the tourism economy and create opportunity for new entrants in the sector, small enterprise development, community-based enterprise development. To encourage participation, the Department implemented the following programmes:

- The Tourism Incentive Programme was offered to drive departmental objectives in relation to market access for SMMEs, quality assurance, energy efficiency.
- The Tourism Enterprise Development Programme, a sector transformation strategy, was implemented to broaden participation in the sector by introducing new entrants and ensuring SMME sustainability.
- The Tourism Sector Human Resource Development Programme was implemented to ensure the availability of requisite skills that enhance visitor experience.

#### Outcome 11: Creating a better South Africa, and contributing to a better and safer Africa in a better world

The Department's contribution into Outcome 11 was in support of South Africa's economic diplomacy objectives. Tourism's contribution in this regard was to be indicated by the number of international tourist arrivals and total spend by international tourists. By the end of 2019, South Africa had reached 10 228 593 million international tourists.<sup>11</sup>

<sup>10</sup> StatsSA. 2019. Tourism Satellite Account for South Africa, final 2016 and provisional 2017 and 2018.

<sup>11</sup> StatsSA. 2020. Tourism and Migration Report. December, 2019. Statistical Release - P0351

## 4. PERFORMANCE INFORMATION BY PROGRAMME

### 4.1 Programme 1: Administration – Corporate Management

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

**Subprogrammes:** Strategy and Systems; Financial Management; Human Resource Management and Development; Communications and Legal Services.

**Strategic Objectives:** To ensure economic, efficient and effective use of departmental resources; To enhance understanding and awareness of the value of tourism and its opportunities; To create an enabling legislative and regulatory environment for tourism development and growth; To contribute to economic transformation in South Africa.

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
<b>Strategic objective 1: To ensure economic, efficient and effective use of departmental resources</b>							
<b>PPI 1: Audit outcome on financial and non-financial performance</b>							
-	-	-	Unqualified audit on financial and non-financial performance	After AGSA process			
<b>PPI 2: Vacancy rate</b>							
Vacancy rate as at 31 March 2017 was at 6.6%	Vacancy rate as at 31 March 2018 was at 6.2%	Vacancy rate as at 31 March 2019 was at 9.1%	Vacancy rate not to exceed 10% of the funded establishment	Vacancy rate as at 31 March 2020 was at 9.2%	None	None	N/A
<b>PPI 3: Percentage compliance with equity targets in terms of departmental Employment Equity Plan</b>							
Women representation in SMS was maintained at 50.7% as at 31 March 2017	Women representation at SMS level was maintained at 49.3% as at 31 March 2018	Women representation at SMS level was at 50.7% as at 31 March 2019	Maintain minimum of 50% women representation at SMS level	Women representation at SMS level was at 46.5% as at 31 March 2020	3.5% women representation at SMS level	The Department has recently lost female employees at SMS level without replacing them with females	The Department will be deliberate about recruiting female SMS in its advertising for and recruitment of suitably qualified females
People with disabilities representation was maintained at 4.6% as at 31 March 2017	Representation of people with disabilities was maintained at 4.7% as at 31 March 2018	People with disabilities representation was at 4.5% as at 31 March 2019	Maintain minimum of 3% people with disabilities representation	People with disabilities' representation was at 4.3% as at 31 March 2020	None	None	N/A
Black representation was maintained at 95.2% as at 31 March 2017	Black representation was maintained at 95.3% as at 31 March 2018	Black representation was at 95.5% as at 31 March 2019	Maintain minimum of 91.5% Black representation	Black representation was at 95.9% as at 31 March 2020	None	None	N/A

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
<b>PPI 4: Percentage implementation of Workplace Skills Plan (WSP) with defined targeted training interventions</b>							
100% of WSP was implemented	100% of WSP was implemented	75% development and implementation of WSP	Development and 100% implementation of WSP	95% development and implementation of WSP	5% of WSP was not implemented	The 5% of WSP not implemented constituted One Skills Programme on Analysing Financial Statements. The above course was supposed to be attended on a public group (Employees from various organisations) with Enterprises University of Pretoria. The course was canceled by the University on reasons beyond the control of the department. Employees from other organisations expressed concerns of sitting for the course which was supposed to commence on 23 March 2020. It is worth noting that the service provider has place only for a maximum of 25 people, 6 of which came from the department. The university could not settle to train only 6 departmental delegates in a class that accommodates 25 delegates.	The Skills Programme on Analysing Financial Statements will be undertaken through the use of digital platforms



Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
						As for now and moving forward, the department uses digital platforms for training purposes.	
<b>PPI 5: Percentage implementation of the annual internal audit plan</b>							
100% of the annual internal audit plan was implemented	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
<b>Strategic objective 2: To enhance understanding and awareness of the value of tourism and its opportunities</b>							
<b>PPI 6: Percentage implementation of the communication strategy</b>							
100% of the Department's communication strategy was implemented	100% of the Department's communication strategy was implemented	98% (47 of 48 initiatives) of the Department's communication strategy was implemented	Implement 2019/20 communication strategy targets as indicated in the implementation plan	2019/20 communication strategy targets as indicated in the implementation plan were implemented	None	None	N/A
<b>Strategic objective 4: To contribute to economic transformation in South Africa</b>							
<b>PPI 7: Percentage procurement of goods and services from B-BBEE compliant businesses and SMMEs</b>							
100% procurement from B-BBEE-compliant businesses was achieved	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 enterprises on B-BBEE contributor status levels 1 to 5	100% of expenditure achieved 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	59.52% expenditure on procurement of goods and services from SMMEs was achieved	19.52% over 30% minimum expenditure on procurement of goods and services from SMMEs was achieved	The Department mainly procures from level 1-5 B-BBEE compliant service providers	N/A

## Narrative of Highlights

The Department has continued to ensure that the National Treasury directives on cost containment are implemented in order to save costs and ensure the best value for money. The Department also has taken a policy decision to implement its transformation objective through ensuring that 100% of our expenditure on goods and services is sourced from enterprises on B-BBEE contributor levels 1 to 5. We also exceeded our target of 30% minimum expenditure on procurement of goods and services from SMMEs by 19,52%.

The Department continues to empower citizens and tourism stakeholders through provision of up-to-date, reliable and accurate information. The Call Centre, accessible at 0860TOURISM, has been effective in providing general information and for receiving tourism complaints from members of the public seeking immediate assistance. We have continued to promote community empowerment and engagement through utilisation of varied and accessible communication platforms. This was done through community media usage and the allocation of a portion of our advertising spend to community radio and television.

Our Izimbizo, community meetings, stakeholder roundtables, roadshows, and awareness campaigns have continued to promote our tourism programmes, as well as build and entrench the "We Do Tourism" message. These engagements have provided valuable inputs to strengthen our strategies, programmes and policies.

The Department has institutionalised mechanisms and capacity necessary to promote good governance in conducting its business. These include the following: internal control mechanisms, combined with assurance procedures; promoting good ethical conduct necessary to combat and prevent fraud and corruption, implementing risk management, proper delegation of authority, proper management of information, communication, technology and other mechanisms required to entrench good governance, as well as initiatives that build cohesion and strengthen teams are critical to the Department's ability to deliver on its mandate.

## Changes to planned targets

None

## Subprogramme expenditure

	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Sub-Programme Name	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	38 774	38 774	-	23 516	23 444	72
Management	3 270	3 270	-	2 987	2 930	57
Corporate Management	155 602	154 653	949	158 807	153 747	5 060
Financial Management	51 543	51 542	1	36 153	35 614	539
Office Accommodation	39 085	39 084	1	44 995	44 995	-
<b>TOTAL</b>	<b>288 274</b>	<b>287 323</b>	<b>951</b>	<b>266 458</b>	<b>260 730</b>	<b>5 728</b>

## 4.2 Programme 2: Tourism Research, Policy and International Relations

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

**Subprogrammes:** Research and Knowledge Management; Policy Planning and Strategy; International Relations and Cooperation; Strategic Sector Partnerships.

**Strategic Objectives:** To create an enabling legislative and regulatory environment for tourism development and growth; To provide knowledge services to inform policy, planning and decision-making; To enhance regional tourism integration; To facilitate tourism capacity-building programmes

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
<b>Strategic objective 3: To create an enabling legislative and regulatory environment for tourism development and growth</b>							
<b>PPI 1: Development of Policy framework to support SA Missions for tourism development and promotion</b>							
-	-	-	Policy Framework for the SA Missions tourism promotion and facilitation support developed	Policy Framework for the SA Missions tourism promotion and facilitation support was developed	None	None	N/A
<b>Strategic objective 9: To provide knowledge services to inform policy, planning and decision making</b>							
<b>PPI 2: Number of monitoring and evaluation reports on tourism projects and initiatives developed</b>							
-	2016/17 National Tourism Sector Strategy (NTSS) Implementation Report was Developed	2017/18 NTSS Implementation Report was developed	<b>Seven monitoring reports developed:</b>				
			1. 2018/19 NTSS Implementation Report developed	2018/19 NTSS Implementation Report was developed. The implementation mechanisms by the 3 spheres of government in partnership with the industry were aligned to the 5 pillars of the NTSS.	None	None	N/A

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
2015/16 State of Tourism Report (STR) was developed	2016/17 STR was developed	Draft 2017/18 STR was developed	2. 2017/18 STR published	2017/18 STR was published	None	None	N/A
			3. Draft 2018/19 STR developed	Draft 2018/19 STR was developed, which cover the performance of key tourism industries on an annual basis	None	None	N/A
-	-	Quarterly Tourism Fact Sheets were developed	4. Four Tourism Performance Reports developed (Quarterly)	Four Tourism Performance Reports were developed	None	None	N/A
-	-	Impact evaluation report on departmental capacity-building programmes commenced was developed	5. One Impact evaluation report on departmental capacity-building programme 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 5 years	None	None	N/A

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
<b>PPI 3: Number of sub-systems developed and maintained for the National Tourism Information and Monitoring System (NTIMS)</b>							
-	-	Development of database of black-owned products and services was finalised	<b>Two sub-systems developed:</b>				
			1. Database of black-owned products and services implemented (Go Live)	Database of black-owned products and services was implemented (Go Live), which will enable the tourism sector to quantify the size, extent and variety of black-owned tourism businesses, services and products to inform its sector transformation and inclusive economic growth initiatives	None	None	N/A
	-	-	2. Development of the Enterprise Development and Transformation Portal	The Enterprise Development and Transformation Portal was developed, which will maintain a comprehensive online supplier marketplace to channel procurement expenditure to SMMEs in order to promote transformation and job creation within the tourism sector	None	None	N/A

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
<b>PPI 4: Number of information dissemination platforms hosted</b>							
-	Annual Tourism Research Seminar was hosted	Tourism Research Seminar was hosted on 15 March 2019 in Pretoria	<b>One information dissemination platform:</b>				
			Tourism Research Seminar hosted	The annual Tourism Research Seminar was not hosted. However, all activities planned towards hosting the research seminar were undertaken. These included the 'save the date' that was sent out in December 2019, the invitation and the Programme which were distributed, 250 RSVPs (both online and manual) received from various stakeholders. Seminar presentations were disseminated through the research seminar webpage, and links were sent to those who confirmed attendance.	Tourism Research Seminar was postponed	The research seminar, that was planned for 20 March 2020, was postponed following the Regulations published in the Government Gazette on 18 March 2020 which came into operation on the date of publication specifically the section on the Prevention and prohibition of gatherings	A Research Webinar is planned for the next financial year to disseminate and discuss the research findings

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
<b>PPI 5: Number of initiatives conducted to promote innovation in the tourism sector</b>							
-	-	-	<b>One initiative conducted to promote digitalisation in the tourism sector:</b>				
			Digitalisation Framework for the tourism sector developed	Digitalisation Framework for the tourism sector was developed; it will be consulted with various stakeholders in order to provide a blueprint for digitalisation and modernisation within the tourism sector, and inform the implementation of digital platforms across the tourism value chain.	None	None	N/A
<b>Strategic objective 11: To enhance regional tourism integration</b>							
<b>PPI 6: Number of initiatives facilitated for regional integration</b>							
-	Sharing of Best Practices Workshop targeted at African countries with whom SA signed tourism agreements was hosted in Mpumalanga	Sharing of Best Practices Workshop targeted at African countries with whom SA signed tourism agreements was hosted on 19 to 21 February 2019 in Durban	<b>Two initiatives facilitated for regional integration:</b>				
			1. Best Practices Workshop targeting African countries and countries with whom Agreements were signed hosted	Best Practices Workshop targeting African countries and countries with whom Agreements were signed was hosted on 4-6 March 2020 in Gauteng. 13 countries and 35 delegates attended the workshop.	None	None	N/A



Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
-	-	-	2. Implementation of signed bilateral agreements and bilateral engagements	Signed bilateral agreements and bilateral engagements were implemented	None	None	N/A

## Narrative of Highlights

### National Tourism Sector Strategy (NTSS)

The Department continued with implementation of the NTSS approved by Cabinet in 2017 through amongst others, incorporation of the NTSS priorities into the APPs of both the Department and SA Tourism. The NTSS implementation mechanisms, namely the National Tourism Stakeholders Forum and the Work Streams were coordinated to monitor implementation of the NTSS by the various role players. The role players included other enabling sector departments such as the Departments of Home Affairs, Transport, Public Enterprises, Department of Cooperative Governance and Cooperation, the South African Police Service, provincial departments responsible for the tourism mandate, local government represented by the South African Local Government Association (SALGA) and the private sector. The Work Streams are aligned to the five pillars of the NTSS, namely, Effective Marketing, Facilitating Ease of Access, Visitor Experience, Destination Management and Broad-Based Benefits

### Monitoring and Evaluation

In 2019/20 financial year, a number of programmes funded and implemented by the Department in the past five years under the auspices of the Capacity-Building Programme, were evaluated. These are Hospitality Youth Programme (including Tourism Buddies and Tourism Ambassadors), Blue Flag Programme, Tourism Safety Monitors, Wine Service Training Programme, Executive Development Programme, and Tourist Guiding Programme. The purpose of the evaluation was to ascertain the extent to which the intended objectives and outcomes of the capacity-building programmes were achieved. Key for the evaluation was the analysis of the budget spent towards the various programmes, the competitiveness within the current workforce on human capacity development, and creation of employment opportunities for the South African youth within the tourism sector.

The findings from the evaluation revealed that the majority of the participants, such as learners and host employers, unequivocally reported that the Department's capacity-building programmes had a positive impact on their lives, in one way or another. Positive outcomes were reported by employers in terms of increased motivation and better performance from the learners who participated in the various programmes. However, the most significant positive impact was reported by the learners themselves, most of whom (over 80%) reported that the training was of a good quality and beneficial. As a result of participating in these various programmes, some learners were able to secure full-time employment, others, as part of their development, improved the productivity of their host employer's establishments by proposing and implementing some innovations to manage and improve the workplaces.

## Tourism Statistics and Performance

The Department continued to monitor the performance of the tourism sector on a regular basis by producing monthly, quarterly and annual Tourism Performance Reports. The 2017/18 State of Tourism Report was finalised and published during the 2019/20 financial year. The report covers the performance of key tourism industries and is accessible on the departmental website together with monthly and quarterly reports. Monthly reports provide an analysis of tourist arrivals to South Africa and Tourism Quarterly Performance Reports cover the performance of the tourism sector by also focusing on key tourism industries on a quarterly basis, subject to availability of data from secondary sources. Furthermore, the Department continued to coordinate and host the Tourism Statistics Technical Committee meetings, which are stakeholder engagement platforms for ensuring the quality assurance mechanisms for production of data and alignment of key national tourism statistics. This committee consists of technical members from the Department of Tourism, South African Tourism, Statistics South Africa, Department of Home Affairs and the private sector, which is represented by the Tourism Business Council of South

## National Tourism Information and Monitoring System

The Department, in line with the Tourism Act, 2014, is required to develop a National Tourism Information and Monitoring System (NTIMS) to collect, manage and analyse tourism information, and monitor trends in tourism. The NTIMS seeks to provide tourism stakeholders with access to comprehensive data and information on the size, extent and variety of tourism businesses, products and services in South Africa, at a municipality level. In 2019/20 financial year, the NTIMS Regulations were published in the Government Gazette to enforce the Tourism Act. The NTIMS information technology system was developed for storing, reporting and accessing information on tourism businesses, products and services.

## Changes to planned targets

None

## Subprogramme expenditure

	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Sub-Programme Name	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Research, Policy And International Relations Management	8 437	8 357	80	7 987	7 450	537
Research And Knowledge Management	23 244	23 244	-	33 488	33 488	-
Policy Planning And Strategy	11 974	11 974	-	11 761	11 758	3
South African Tourism	1 354 161	1 354 161	-	1 208 048	1 208 048	-
International Relations And Cooperation	21 326	21 324	2	26 846	23 164	3 682
<b>TOTAL</b>	<b>1 419 142</b>	<b>1 419 060</b>	<b>82</b>	<b>1 288 130</b>	<b>1 283 908</b>	<b>4 222</b>

### 4.3 Programme 3: Destination Development

**Purpose:** To facilitate and coordinate destination development

**Subprogrammes:** Destination Planning and Investment Coordination; Tourism Enhancement; Working for Tourism

**Strategic Objectives:** To diversify and enhance tourism offerings; To create employment opportunities by implementing tourism projects

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
<b>Strategic objective 8: To diversify and enhance tourism offerings</b>							
<b>PPI 1: Number of destination planning and investment coordination initiatives undertaken</b>							
-	-	Draft Master Plan for Hondeklipbaai to Port Nolloth was completed	<b>Seven destination planning and investment coordination initiatives undertaken:</b>				
			1. Tourism Master Plan for Port Nolloth to Hondeklipbaai finalised	Tourism Master Plan for Port Nolloth to Hondeklipbaai was finalised	None	None	N/A
-	-	Draft Master Plan for Sutherland to Carnarvon / SKA was completed	2. Tourism Master Plan for Sutherland to Carnarvon finalised	Tourism Master Plan for Sutherland to Carnarvon was finalised	None	None	N/A
-	-	Draft Master Plan for Orange River Mouth was completed	3. Tourism Master Plan for Orange River Mouth to Vioolsdrift finalised	Tourism Master Plan for Orange River Mouth to Vioolsdrift was finalised	None	None	N/A
-	-	Draft Master Plan for Port St Johns to Coffee Bay was completed	4. Tourism Master Plan for Port St Johns to Coffee Bay finalised	Tourism Master Plan for Port St Johns to Coffee Bay was finalised	None	None	N/A

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
-	-	Ownership and operational model for the accommodation and related tourism products (budget resorts) was developed	5. Budget resort network and brand concept developed	Budget resort network and brand concept was developed	None	None	N/A
-	-	-	6. Develop content and facilitate a session per Province for the implementation of the niche (township / rural) tourism development methodology	Content development and facilitation of a session per Province for the implementation of the niche (township / rural) tourism development methodology were done	None	None	N/A
-	-	A pipeline of prioritised tourism investment projects and opportunities was developed and promoted	7. A pipeline of nationally prioritised tourism investment opportunities managed	A pipeline <sup>12</sup> of nationally prioritised tourism investment opportunities was managed	None	None	N/A

<sup>12</sup> Through a consultative process involving all Provinces, a pipeline of projects has been identified for progressive implementation. The Department assists by evaluating project concepts, project packaging and promotion and facilitating discussion between project owners and potential investors at various investment platforms

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
<b>PPI 2: Number of destination enhancement initiatives supported</b>							
-	-	-	<b>Fifteen destination enhancement initiatives supported:</b>				
			1. Support the implementation of interpretative signage in Kruger National Park	The implementation of interpretative signage in Kruger National Park was supported	None	None	N/A
			2. Support the implementation of interpretative signage in Golden Gate Highlands National Park	The implementation of interpretative signage in Golden Gate Highlands National Park was supported	None	None	N/A
			3. Support the implementation of interpretative signage in Kgalagadi World Heritage Site (WHS)	The implementation of interpretative signage in Kgalagadi WHS was supported <sup>13</sup>	None	None	N/A
			4. Support the implementation of interpretative signage in the Marakele National Park	The implementation of interpretative signage in the Marakele National Park was supported	None	None	N/A
			5. Support the implementation of interpretative signage in the Addo Elephant National Park	The implementation of interpretative signage in the Addo Elephant National Park was supported	None	None	N/A

<sup>13</sup> The Department provided funding support for tourism signage in 5 National Parks. This project involved the management, implementation of the design, production and installation of Tourism Interpretation Signage in the identified SANParks properties. Tourism interpretative signage tells the story of a particular site.

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
-	-	Leopard Trail and Interpretation Centre at Baviaanskloof WHS were supported	6. Construction of the Leopard Trail in Baviaanskloof (Cape Floral Region WHS) commenced	Construction of the Leopard Trail in Baviaanskloof (Cape Floral Region WHS) has not commenced	Construction has not commenced	This project is implemented in partnership with the Eastern Cape Parks and Tourism Agency (ECPTA). There were delays in appointment of a contractor due to delays in Supply Chain Management (SCM) processes. A contractor was appointed on 23 March 2020, but construction is yet to commence. However, as at 31 March 2020 construction had not yet commenced.	Construction works for Leopard Trail in Baviaanskloof (Cape Floral Region WHS) will commence once the activity is allowed in terms of the risk adjusted strategy
-	-		7. Appointment of contractor for the construction of the Visitor Interpretation Centre (VIC) in Baviaanskloof (Cape Floral Region WHS)	Contractor for the VIC in Baviaanskloof (Cape Floral Region WHS) was appointed	None	None	N/A

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
-	-	-	8. Construction for the Dinosaur Interpretation Centre at the Golden Gate Highlands National Park continued	Construction for the Dinosaur Interpretation Centre at the Golden Gate Highlands National Park has continued	None	None	N/A
Construction at Shangoni Gate has not commenced. However, flood line studies by the Department of Water and Sanitation (DWS) were completed. Final plans have been submitted and the service providers for construction have already been appointed. Environmental Impact Assessment (EIA) is completed and Basic Assessment Report (BAR) was submitted to the Department of Environmental Affairs. Public participation meeting on EIA / BAR was also held.	The implementation of three destination enhancement initiatives was monitored: <ul style="list-style-type: none"> <li>Shangoni Gate tourism development in Kruger National Park</li> <li>Phalaborwa Wild Activity Hub in Kruger National Park</li> <li>National Heritage Monument Park Interpretation Centre Signage at identified National Heritage sites: (Kgalagadi Transfrontier Park, Golden Gate National Park, Gugulethu Seven Memorial, Sarah Baartman Heritage Site)</li> </ul>	The following destination enhancement projects were not supported: <ul style="list-style-type: none"> <li>Shangoni Gate and;</li> <li>Phalaborwa Wild Activity Hub</li> </ul>	9. Contractor appointed for Shangoni Gate	Contractor for Shangoni Gate was not appointed. However, road design was completed in quarter 3, and had to be revised after the flooding that happened during December 2019 / January 2020.	Contractor was not appointed	The engineer appointed to manage the project implementation resigned in February 2020, further affecting the finalisation of the Terms of Reference (ToR) for appointment of the contractor. Thus, the project could not move on to appointment of a contractor.	A consulting Engineering firm has since been appointed in June 2020 to finalise the bridge 1 designs and revise the Bill of Quantity

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
Construction at Phalaborwa wild activity hub has not commenced. However, final plans and costing have been completed and submitted. The service providers for construction have already been appointed.			10. Input into the facilitation of statutory authorisations and approvals for the Phalaborwa Wild Activity Hub site	Input into the facilitation of statutory authorisations and approvals for the Phalaborwa Wild Activity Hub site was made	None	None	N/A
-	-	-	11. Finalisation of designs for the Harold Johnson Nature Reserve KwaZulu-Natal (KZN) as a CMT initiative	Designs for the Harold Johnson Nature Reserve KZN as a CMT initiative were finalised	None	None	N/A
-	-	-	12. Finalisation of designs for the Hole in the Wall (Eastern Cape) as a CMT initiative	Designs for the Hole in the Wall (Eastern Cape) as a CMT initiative were finalised	None	None	N/A
-	-	-	13. Finalisation of designs for the Orange River Mouth (Northern Cape) as a CMT initiative	Designs for the Orange River Mouth (Northern Cape) as a CMT initiative were finalised	None	None	N/A



Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
-	-	-	14. Implementation of the infrastructure maintenance programme in 2 national parks (Golden Gate Highlands National Park, Kgalagadi National Park)	Infrastructure maintenance programme in 2 national parks (Golden Gate Highlands National Park, Kgalagadi National Park) was implemented	None	None	N/A
One programme (facilitating the implementation of the Blue Flag Programme at 50 South African beaches) was done	Monitoring of the Blue Flag Programme on 75 Beaches was done. The Programme is well established on 50 and has commenced on 25 additional beaches.  <b>Actual progress:</b> ▪ Participants at the 25 additional beaches were recruited in March	-	15. Implementation of the Tourism Blue Flag Programme to enhance South African beaches	The Tourism Blue Flag Programme to enhance South African beaches was implemented			

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
<b>Strategic objective 12: To create employment opportunities by implementing tourism projects</b>							
<b>PPI 3: Number of Full-time Equivalent (FTE) jobs created through Working for Tourism (WfT) projects</b>							
1 734 FTE jobs created through the WfT Programme	3 457 FTE jobs created through the WfT Programme	3 199 FTE jobs created through the WfT Programme	4 331 Full Time Equivalent Jobs created	4 558 Full Time Equivalent Jobs were created	288 additional FTE jobs were created	Given the historical incidence of dropouts, and to mitigate against such, more participants were taken into training programmes to ensure that targets are met. The dropout rate in the period under review was lower, yielding higher numbers of participants.	N/A

## Narrative of Highlights

### Destination Planning:

Destination planning efforts have continued to focus on developing tourism planning capacity and providing shared services support across all spheres of Government and the sector. This process has implemented the earlier developed, easy-to-use destination planning tools (Destination Planning Manual, Niche Tourism Methodology and Tourism Precinct Methodology). These included the facilitation of niche tourism workshops across all provinces, development of tourism precinct plans in Galeshewe, Mdantsane, and Big Hole Precinct, development of feasibility study for the Northern Cape coastal aviation infrastructure, development of technical studies for the Port St Johns waterfront, as well as the development of long-term tourism spatial masterplans for the following corridors: Port St Johns to Coffee Bay, Sutherland to Carnarvon, Hondeklipbaai to Port Nolloth and Orange River Mouth to Vioolsdrift.

### Destination Enhancement

Tourism product development and infrastructure enhancement aims to ensure quality assured products and competitive attractions including 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:

As part of the outcome of the Job Summit, the Department has developed a programme that seeks to amplify job creation and economic development opportunities for communities living on the outskirts of National Parks. To this end, the Department has signed a Memorandum of Agreement (MoA) for the implementation of the programme in five selected National Parks for the 2019/20 period. The five parks are, the Kruger National Park, Auwabies Falls National Park, Addo Elephant National Park, Marakele National Park and Golden Gate Highlands National Park. It is anticipated that the Programme, once rolled out, will contribute to tourism development in Villages, Small Towns and Dorpies to ensure that tourism benefits accrue to these communities, especially those around key attraction sites, for example villages surrounding National Parks.

Tsitsikamma Big Tree Interpretation Centre, which serves as visitor facility, has been successfully constructed and completed. The project is due to be launched after COVID-19 lockdown.

### Changes to planned targets

None

### Subprogramme expenditure

	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Sub-Programme Name	R'000	R'000	R'000	R'000	R'000	R'000
Destination Development Management	11 945	11 944	1	19 806	19 667	139
Tourism Enhancement	18 271	18 271	-	18 253	17 590	663
Destination Planning And Investment Coordination	23 611	23 611	-	29 781	22 183	7 598
Working For Tourism	376 511	376 185	326	339 007	339 007	-
<b>TOTAL</b>	<b>430 338</b>	<b>430 011</b>	<b>327</b>	<b>406 847</b>	<b>398 447</b>	<b>8 400</b>

#### 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

**Subprogrammes:** Tourism Sector Human Resource; Enterprise Development and Transformation; Tourism Visitor Services; Tourism Incentive Programme

**Strategic Objectives:** To accelerate the transformation of the tourism sector; To facilitate the development and growth of tourism enterprises to contribute to inclusive economic growth and job creation; To facilitate tourism capacity-building programmes

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
<b>Strategic objective 5: To accelerate the transformation of the tourism sector</b>							
<b>PPI 1: Number of awareness sessions hosted</b>							
-	-	-	<b>Two awareness sessions hosted:</b>				
			1. Local Government Tourism Peer Learning Network sessions for municipal practitioners conducted in four provinces	Local Government Tourism Peer Learning Network sessions for municipal practitioners were conducted in the following four provinces: WC, KZN, NW & GP	None	None	N/A

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
			2. Tourism information sharing sessions on departmental programmes and services hosted in four provinces	Tourism information sharing sessions on departmental programmes and services, were hosted in the following four provinces: <ul style="list-style-type: none"> <li>▪ KZN (eThekweni Metro, Ugu, Harry Gwala, uMgungundlovu, &amp; uThukela Districts)</li> <li>▪ WC (Central Karoo &amp; Overstrand Districts)</li> <li>▪ NW (Dr Kenneth Kaunda &amp; Dr Ruth Segomotsi Mompoti Districts),</li> <li>▪ LP (Waterberg District)</li> </ul>	None	None	N/A

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
<b>PPI 2: Number of incentivised programmes implemented</b>							
Three priority areas were incentivised during the pilot phase, namely: 1. Market access 2. Tourism grading 3. Energy efficiency	Four incentive programmes were supported with funding, namely: 1. Market access 2. Tourism grading 3. Energy efficiency 4. Universal accessibility (pilot)	Four incentive programmes were implemented: 1. Market Access Support Programme 2. Tourism Grading Support Programme 3. Energy Efficiency (Green Tourism Incentive Programme) 4. Sector Transformation Tourism Transformation Fund)	<b>Five incentive programmes implemented:</b>				
			1. Market Access Support Programme (MASP)	MASP was implemented: 39 MASP applications were approved during 2019/20	None	None	N/A
			2. Tourism Grading Support Programme (TGSP)	TGSP was implemented: 2 762 TGSP discounts were approved during 2019/20	None	None	N/A
			3. Green Tourism Incentive Programme (GTIP)	GTIP was implemented: 31 GTIP applications approved during 2019/20	None	None	N/A
			4. Tourism Transformation Fund (TTF)	TTF was implemented: 6 TTF applications approved during 2019/20	None	None	N/A
			5. Tourism Equity Fund (TEF)	TEF was not implemented. However, the concept document was finalised and approved by the Executive Authority.	TEF was not implemented	Delays in finalisation of the concept proposal meant that approval could only be obtained in Q4 and it was not possible to launch and open the programme for applications before the end of the financial year	Subsequent inputs received will be considered to refine the programme prior to a formal launch and commencement with implementation

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
<b>PPI 3: Number of initiatives implemented to support Domestic Tourism Growth Strategy</b>							
	-	One Domestic Tourism Scheme was developed for travel facilitation	<b>Three initiatives:</b>				
			1. Implementation of Domestic Tourism Incentive Scheme to increase tourist numbers in partnership with SANParks at five National Parks: <ul style="list-style-type: none"> <li>▪ Kruger National Park</li> <li>▪ Golden Gate National Park</li> <li>▪ Kgalagadi National Park</li> <li>▪ Marakele National Park</li> <li>▪ Addo Elephant National Park</li> </ul>	Domestic Tourism Incentive Scheme to increase tourist numbers in partnership with SANParks was implemented at Five National Parks: <ul style="list-style-type: none"> <li>▪ Kruger National Park</li> <li>▪ Addo National Park</li> <li>▪ <sup>14</sup>Augrabies Falls National Park</li> <li>▪ Golden Gate National Park</li> <li>▪ Marakele National Park</li> </ul>	None	None	N/A

<sup>14</sup> SANParks has written to the Department requesting that one of the Parks located in Northern Cape Province – Kgalagadi National Park, be replaced with Augrabies Falls National Park (also in Northern Cape).

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
-	-	Tours for designated groups supported (youth, the elderly and people with disabilities) were conducted	2. Implementation of initiative targeted at supporting the increase in domestic tourism among designated groups (youth, elderly and people with disabilities)	Initiative targeted at supporting the increase in domestic tourism among designated groups was implemented on the elderly and people with disabilities only	Initiative targeted at supporting the increase in domestic tourism among designated groups was not implemented with the youth	The activations were planned to take place as follows: Eastern Cape (Mpondoland) - 13 to 14 March 2020, and Mpumalanga (Makhonjwa Mountains) - 25 to 27 March. As a precautionary measure at the time when the Covid-19 pandemic infections were projected to rise, the activations were cancelled after consultation with stakeholders.	Activations will commence after national lockdown and associated restrictions have been lifted
-	-	-	3. Tourism Month campaign implemented in conjunction with provinces and the sector	Tourism Month campaign was implemented in conjunction with provinces and the sector	None	None	N/A



Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
<b>Strategic objective 6: To facilitate the development and growth of tourism enterprises to contribute to inclusive economic growth and job creation</b>							
<b>PPI 4: Number of enterprise development initiatives implemented</b>							
Implementation of an enterprise development programme focusing on: <ul style="list-style-type: none"> <li>Incubation; and</li> <li>Business support services (portal)</li> </ul>	Two existing incubators were supported	Four existing incubators were supported: Pilanesberg, Mier, Phalaborwa, and Manyeleti incubators	<b>Three initiatives:</b>				
			1. Support four existing incubators: <ul style="list-style-type: none"> <li>Pilanesberg</li> <li>Manyeleti</li> <li>Phalaborwa</li> <li>Mier</li> </ul>	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: <ul style="list-style-type: none"> <li>Pilanesberg</li> <li>Manyeleti</li> <li>Phalaborwa</li> <li>Mier</li> </ul>	None	None	N/A

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
-	<ul style="list-style-type: none"> <li>Two new incubators were established (on 2 March 2018 in Phalaborwa, Limpopo) and on 20 March 2018 in Mier (Northern Cape)</li> <li>Business support services portal</li> </ul>	One new incubator was established: Maintenance Incubation Programme in Partnership with SANParks	2. Develop 2 new incubators off-site: <ul style="list-style-type: none"> <li>Tour Operators Incubator</li> <li>Innovation Incubator</li> </ul>	Two new incubators off-site; the Tour Operators Incubator, and Innovation Incubator were not fully implemented. However, concept documents were approved and the appointment of the service provider for the Tour Operators Incubator was almost completed with the exception of site visits as mandated by the SCM process.	Two new incubators were not developed	<p><b>Tour Operators:</b> There was a bid requirement that the premises of the identified service providers be inspected for confirmation of operational requirements. As at the end of the financial year the site visits had not taken place and thus the service provider was not appointed.</p> <p><b>Innovation Incubator:</b> Protracted negotiations, which affected finalisation of the SLA</p>	The Innovation Incubator will be implemented in 2020/21

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
-	-	Stakeholder consultation in the 5 communities and the feasibility study have been completed	3. Conduct a feasibility study of community-based enterprises in communities within the proximity of the following 5 national parks: <ul style="list-style-type: none"> <li>▪ Kruger National Park</li> <li>▪ Golden Gate National Park</li> <li>▪ Kgalagadi WHS</li> <li>▪ Marakele National Park</li> <li>▪ Addo Elephant National Park</li> </ul>	Feasibility study of community-based enterprises in communities within the proximity of the following 3 national parks was conducted: <ul style="list-style-type: none"> <li>▪ Kruger National Park</li> <li>▪ Golden Gate National Park</li> <li>▪ Marakele National Park</li> </ul>	Feasibility studies of the community-based enterprises within the proximity of the national parks were not completed by the end of 2019/20 for the following parks: <sup>15</sup> Augrabies National Park and Addo Elephant National Park	Quality of work submitted by service providers, protracted in order to ensure adequate Feasibility studies were submitted	Feasibility studies will be finalised in quarter 1 of 2020/21

<sup>15</sup> SANParks has written to the Department requesting that one of the Parks located in Northern Cape Province – Kgalagadi National Park, be replaced with Augrabies Falls National Park (also in Northern Cape)

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
<b>Strategic objective 8: To diversify and enhance tourism offerings</b>							
<b>PPI 5: Number of initiatives for improving visitor services implemented</b>							
-	-	Training was implemented in the following three provinces: <ul style="list-style-type: none"> <li>▪ Gauteng (194)</li> <li>▪ Mpumalanga (238)</li> <li>▪ Eastern Cape (167)</li> </ul>	<b>Two initiatives:</b>				
			1. Tourism Monitors Programme implemented in all provinces	Tourism Monitors Programme was implemented in all provinces in terms of deployment of Tourism Monitors in identified tourism attractions aligned to the safety hotspots in all provinces	None	None	N/A
-	100% of tourist complaints were referred to appropriate authorities for resolution within the agreed timeframes	100% compliance with the service delivery charter in the management of tourist complaints was achieved	2. 100% compliance with the service delivery charter in the management of tourist complaints	100% compliance with the service delivery charter in the management of tourist complaints was achieved. The complaints received were all attended through resolution or referral to the relevant authorities.	None	None	N/A

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
<b>Strategic objective 7: To facilitate tourism capacity-building programmes</b>							
<b>PPI 6: Number of capacity-building programmes implemented</b>							
Eight capacity-building programmes were implemented, namely: <ul style="list-style-type: none"> <li>▪ Chefs Training Programme (CTP)</li> <li>▪ Sommelier Training Course</li> <li>▪ Hospitality Service Training Programme</li> <li>▪ Food Safety Programme</li> <li>▪ Local Government Tourism Induction Programme</li> <li>▪ Tourism Human Resource Development (THRD) Strategy developed: Phase 2</li> <li>▪ National Tourism Careers Expo (NTCE)</li> <li>▪ Black Women Trained</li> </ul>	Ten capacity-building programmes were implemented, namely: <ul style="list-style-type: none"> <li>▪ National Youth Chefs (NYC)</li> <li>▪ Sommelier Training Course</li> <li>▪ Hospitality Service Training Programme</li> <li>▪ Food Safety Programme</li> <li>▪ THRD</li> <li>▪ Local Government Tourism Induction Programme</li> <li>▪ NTCE</li> <li>▪ Executive Development Programme</li> <li>▪ Tourist Guiding Skills Development Programme</li> <li>▪ Resource Efficiency (National Cleaner Production Centre of South Africa)</li> </ul>	Nine Skills Development Programmes Tourism Human Resource Development (THRD) initiatives implemented, namely: <ul style="list-style-type: none"> <li>▪ National Youth Chefs Training Programme (NYCTP)</li> <li>▪ Blue Flag Beach Training Programme</li> <li>▪ Sommelier Training Programme</li> <li>▪ Hospitality Youth Programme</li> <li>▪ NTCE</li> <li>▪ Executive Development Programme for Black Women</li> <li>▪ Tourist guides Programme</li> <li>▪ Resource Efficiency Training Programmes</li> <li>▪ Provincial and Local Government tourism information sharing sessions</li> </ul>	<b>Ten capacity-building programmes implemented:</b>				
			1. 20 tourist guides trained in Mandarin language	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)	None	None	N/A

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
			2. National Tourism Careers Expo 2019 hosted	National Tourism Careers Expo 2019 was hosted in partnership with NW, Department of Tourism and CATHSSETA	None	None	N/A
			3. Hospitality Youth Programme (HYP) implemented targeting 3 900 unemployed youth	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 FS 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.	None	None	N/A

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
			4. National Chefs Training Programme implemented in all provinces targeting 560 youth	National Chefs Training Programme in all provinces targeting 560 youth was implemented from the 2018/19. 536 youth graduated and 381 remained in order to continue with Diploma in pastry. However, as at 31 March 2020, 368 youth remained in the programme to be completed by December 2020. The 12 dropped out.	None	None	N/A
			5. Wine Service Training Programme implemented targeting 300 youth	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.	None	None	N/A

Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
			6. Food Safety Quality Assurer Programme implemented targeting 1500 youth	Food Safety Quality Assurer Programme targeting 1 500 youth was not implemented	The Food Safety Quality Assurer Programme was not implemented	Advertisement for tender closed in December 2019. The evaluation and adjudication were done in February 2020. The procurement process did not identify a suitable service provider to implement the Programme.	The finalisation of the procurement of the service provider will be done in the next financial year and taking into consideration the response to COVID-19
			7. Training of 60 Youth on Resource Efficiency: <ul style="list-style-type: none"> <li>North West</li> <li>Northern Cape</li> <li>Mpumalanga</li> </ul>	Training of 60 Youth on Resource Efficiency was conducted: <ul style="list-style-type: none"> <li>North West</li> <li>Northern Cape</li> <li>Mpumalanga</li> </ul>	None	None	N/A
			8. Four capacity-building initiatives implemented for the Women in Tourism Programme capacity-building initiatives implemented: <ul style="list-style-type: none"> <li>One Board Development training for WiT Chapter Executives</li> <li>Three Business Development and Training Sessions</li> </ul>	One capacity-building initiative implemented for the WiT Programme capacity-building initiatives (Business Development and Training Session) was implemented	Three (Business Development and Training Sessions for WiT) were not implemented	This project was based on potential partnerships that could not be secured in time for implementation	Department will budget for project on its own



Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	Strategy to overcome areas of under performance
			9. Executive Development Programme: 20 Black Women trained	Executive Development Programme was implemented: 20 Black Women trained	None	None	N/A
			10. Mentorship Pilot Programme implemented	Mentorship Pilot Programme was not implemented. The committee has however approved the draft implementation plan.	Mentorship Pilot Programme was not implemented	<ul style="list-style-type: none"> <li>Job summit resolution based on partnership between the Department and private sector</li> <li>MoU negotiations protracted and could not be finalised timeously</li> </ul>	Virtual implementation of the pilot will take place in 2020/21

## Narrative of Highlights

### SMME development

The implementation of the **Enterprise Development** Long-term Policy Framework seeks to provide guidance to the Department to support for tourism enterprises, more especially the emerging and black-owned enterprises. The objective of the Department's Enterprise Development and Support Programme is to provide development support to SMMEs in order to improve their sustainability in the tourism sector. The Department is rolling out a business support and incubation programme located within or proximal to tourism hubs or destinations as one of the strategic ways to address the challenges within the tourism SMME sphere. SMME operators or beneficiaries have been selected in consultation with Provincial Departments of Tourism and Economic Development and local municipal structures. In 2019/20, the Department established and supported four tourism incubation programmes (each supporting 50 SMMEs) in Mogwase (Pilanesberg) in the North West Province, Bushbuckridge (Manyeleti) in the Mpumalanga, Ba-Phalaborwa (Phalaborwa) in the Limpopo Province and Dawid Kruiper (Mier) in the Northern Cape.

The Department commenced with the **Women in Tourism (WiT) Programme** in 2013 as a platform to drive initiatives that support the development and empowerment of women in the tourism sector. The WiT platform is meant to integrate women from the different backgrounds within the sector and to ensure that they converge on a set of common goals and interests within the industry. During Africa Travel Indaba 2019, it was proposed that the Minister host the 7th Women in Tourism Networking Dinner for 200 guests; mostly women. For the past five years, the WiT Networking Dinner sessions have provided a unique platform for women in the tourism industry, stakeholders and experts from the tourism sector to share ideas on building strong business skills and leadership capabilities amongst women. The ultimate goal is to enhance and nurture more top leaders, entrepreneurs and industrialists in the sector. The Indaba platform presents an excellent opportunity for Minister to extend an invite to our African Women in Tourism counterparts and the UNWTO colleagues.

The Department through the WiT Programme identified an opportunity to collaborate with the Department of Environment, Forestry and Fisheries to drive the implementation of the Thuma Mina Good Green Deeds Awareness Campaign. A clean-up campaign, hosted by the Deputy Minister of Tourism and Deputy Minister, Department of Environment, Forestry and Fisheries was successfully held in Howick, KZN on 6 December 2019. Due to the impact of COVID-19 pandemic, although additional events had been planned, the events could not take place.

The **Executive Development Programme** was implemented. The programme objective is to equip black female managers with executive management requisite management skills and qualifications for the tourism sector through a recognised South African business school, to prepare them for the executive or board positions in the tourism sector. This is a transformational initiative aimed at creating a pool of women executive skills which industry can tap from whenever they need competent women to balance their transformation gaps. The programme draws its candidates from all nine provinces where their current employers in the private sector nominate candidates. The ultimate goal is that once the graduates are well equipped with business management skills, they will also be confident enough to start and grow their own tourism businesses to help change the skewed ownership patterns, and create a pool of black industrialists for the growing tourism sector in the near future.

The Department, through the EPWP, is continuously training young people between the ages of 18-35 in various fields within the Tourism and Hospitality sector. The aim of the **training interventions** is to address the skills shortage within the Tourism Hospitality Industry as well as to provide learners with accredited training programmes that will enable them to obtain credits towards further studies. This will increase the pool of skilled labour within industry and create temporary jobs for unemployed people through implementation of the EPWP - focusing on the youth, women and people with disabilities, thus contributing towards poverty alleviation through the payment of stipends.

The tourism talent pipeline received yet another boost as the **National Youth Chefs Training Programme (NYCTP)** commenced a series of provincial graduations. The Deputy Minister of Tourism, Mr Fish Mahlalela, officiated at graduation ceremonies and welcomed the new graduates into this dynamic sector. A staggering 58 graduates from the Eastern Cape, 35

from the Western Cape and 57 from KwaZulu-Natal received their qualifications as Chefs in November 2019, with more scheduled for December 2019.

Launched in 2011, the NYCTP is a 10-month training course, which comprises 30% theory and 70% work integrated learning. The NYCTP is recognised globally for its positive impact and outcomes. The South African Chefs Association implements the programme and it is accredited by City and Guilds. During training, the beneficiaries were introduced to the fundamentals, core and electives unit standards of Professional Cookery. This qualification is recognised by all cookery or food-related sectors in South Africa.

The **National Tourism Careers Expo (NTCE)** TCE 2019 was hosted on 19- 21 September 2019 at Royal Marang Hotel in Rustenburg in partnership with the North West Department of Economic Development, Environment, Conservation and Tourism and CATHSSETA. This was the second year of the hosting of the NTCE in North West. The event is meant to promote tourism as a career, profession and business of choice whilst at the same time promoting the tourism industry as an employer of choice. The event, officiated by the Deputy Minister of Tourism, Mr Fish Mahlalela, was attended by tourism, hospitality and customer studies learners, students from universities, TVET Colleges and High Schools; unemployed graduates and out of school youth. Educators, lecturers and tutors also attended. The biggest highlight was the reinstatement of the Educators Seminars Platform that was stopped two years ago. The broader industry stakeholders participated as exhibitors. Through the various platforms at the NTCE, learners were exposed to various career opportunities in tourism. The NTCE left a positive economic footprint amongst the business community of Rustenburg.

The **Coastal and Marine Tourism (CMT)** Skills Working Group initiated a Skills Audit Project through the South African International Maritime Institute (SAIMI). This is to bring guidance on skills requirements in the CMT space. The highlight in this regard was the completion and presentation of the Skills Audit Report in March 2020. The Skills Audit Report identified skills gaps that need be closed for tourism to have maximum impact in the ocean economy sector. Another highlight in the space is the inaugural CMT Careers Expo 2019, which was held in East London, Eastern Cape in September 2019. Learners who attended the event were exposed to multiple careers options available in the ocean economy sector. This event will be held annually, going forward.

## Changes to planned targets

PPI 3: Number of initiatives implemented to support Domestic Tourism Growth Strategy; Target 1 (Implementation of Domestic Tourism Incentive scheme to increase tourist numbers in partnership with SANParks at five National Parks). SANParks has written to the Department requesting that one of the Parks located in Northern Cape Province (Kgalagadi National Park), be replaced with Auwabies Falls National Park.

PPI 4: Number of enterprise development initiatives implemented, Target 3 (Conduct a feasibility study of community-based enterprises in communities within the proximity of the following five national parks: Kruger National Park, Golden Gate National Park, Kgalagadi WHS, Marakele National Park and Addo Elephant National Park). SANParks has written to the Department requesting that one of the Parks located in Northern Cape Province (Kgalagadi National Park), be replaced with Auwabies Falls National Park.

## Subprogramme expenditure

	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Sub-Programme Name	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Sector Support Services Management	11 831	11 831	-	8 950	8 950	-
Tourism Human Resource Development	29 040	29 040	-	30 401	30 401	-
Enterprise Development And Transformation	36 888	34 701	2 187	46 741	44 684	2 057
Tourism Visitor Services	26 643	24 119	2 524	24 697	24 213	484
Tourism Incentive Programme	150 514	148 307	2 207	189 593	183 469	6 124
<b>TOTAL</b>	<b>254 916</b>	<b>247 998</b>	<b>6 918</b>	<b>300 382</b>	<b>291 717</b>	<b>8 665</b>

## 5. TRANSFER PAYMENTS

### 5.1 Transfer payments to public entity: South African Tourism Board

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, 1993 (Act No. 72 of 1993), and continues to exist in terms of the Tourism Act, 2014 (Act No. 3 of 2014).

The functions of the South African Tourism Board are to:

- 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;
- Liaising 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 (R'000)	Amount spent by the public entity (R'000)	Achievements of the public entity
SA Tourism	<ul style="list-style-type: none"> <li>▪ Market South Africa as a tourist destination internationally and domestically.</li> <li>▪ Market South Africa as a tourism brand.</li> <li>▪ Provide quality assurance for tourism products.</li> <li>▪ Market South Africa as a meetings destination and provide support for bids.</li> </ul>	1 354 161 000	1 335 241 000 (unaudited)	<ul style="list-style-type: none"> <li>▪ Number of international tourist arrivals achieved (Apr 2019 – Feb 2020): 9 418 609 million</li> <li>▪ Number of domestic holiday trips achieved (Apr 2019 – Feb 2020): 7.3 million</li> <li>▪ Total tourism revenue: R94.2 billion</li> <li>▪ TTFDS: R58.5 billion</li> <li>▪ TDDS: R35.7 billion achieved (Apr – Dec 2019)</li> <li>▪ Percentage brand awareness achieved: 77%</li> <li>▪ Percentage brand positivity achieved: 39%</li> <li>▪ Number of business events hosted in South Africa: Not available at the time of submission of report</li> <li>▪ Number of business delegates hosted in South Africa: Not available at the time of submission of report</li> <li>▪ Number of accommodation establishments graded (April 2019 – March 2020): 5 173</li> <li>▪ Number of graded rooms (April 2019 – March 2020): 122 938</li> </ul>

## 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 2019 to 31 March 2020

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
National Tourism Career Expo (North West Tourism Board)	Non-Business entity	NTCE	Yes	3 715 000	3 715 000	Not Applicable
Federated Hospitality Association of Southern Africa (FEDHASA)	NON Profit Institution	Contribution to operations of FEDHASA	Yes	413 000	317 498	Remaining funds are to be spent in 2020/21 financial year to conduct Educators Development Programme
United Nation World Tourism Organisation (UNWTO)	Foreign Governments and International Organisations	Membership fee	Yes	2 774 000	2 771 640	Due to foreign exchange rate at the time of transfer
CATHSSETA	Non-business entity	Training Contribution	Yes	157 000		Only transferred toward the end of the financial year
National Empowerment Fund	Departmental Agency	Tourism Transformation Fund	Yes	40 000 000	2 000 000	Remaining funds are to be spent in 2020/21 financial year
Industrial Development Corporation	Public Entity	Tourism Transformation Fund	Yes	67 500 000	4 700 000	Remaining funds are to be spent in 2020/21 financial year

## 6. DONOR FUNDS

### 6.1 Donor Funds Received

The table below disclose details of donor funds received during the period 1 April 2019 to 31 March 2020.

<b>Name of donor</b>	European Union
<b>Full amount of the funding</b>	R120 000
<b>Period of the commitment</b>	Three years
<b>Purpose of the funding</b>	Construction of an interpretive centre featuring dinosaur relics found in the park.
<b>Expected outputs</b>	Golden Gate Highlands National Parks Dinosaur Interpretive Centre
<b>Actual outputs achieved</b>	The building structure is approximately 83% complete.
<b>Amount received in current period (R'000)</b>	R 89 213
<b>Amount spent by the Department (R'000)</b>	R 88 109
<b>Reasons for the funds unspent</b>	The unspent funds relates to a 1% retention amount on the project.
<b>Monitoring mechanism by the donor</b>	Reporting structure via National Treasury.

## 7. CAPITAL INVESTMENT

### 7.1 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 2019 to 31 March

	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
<b>Infrastructure projects</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
New and replacement assets						
Existing infrastructure assets						
Upgrades and additions						
Rehabilitation, renovations and refurbishments	10 430	10 102	328	94 739	94 187	552
Maintenance and repairs	7 545	7 545	-	1 495	1 495	-
Infrastructure transfer						
Current						
Capital						
<b>TOTAL</b>	<b>17 975</b>	<b>17 647</b>	<b>328</b>	<b>96 234</b>	<b>95 682</b>	<b>552</b>



# PART C

## GOVERNANCE

## 1. INTRODUCTION

The Department of Tourism is committed to continuously strengthening 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-centered 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's risk management processes allow it to identify measure, manage and monitor strategic, operational and fraud risks across the entire organisation as per the approved Risk Management Policy and Strategy. The Department continues to use risk management as a tool to identify potential threats that could impede its ability to meet its strategic objectives. The Risk Management Committee (RMC) drives the implementation of the enterprise-wide risk management in the Department.

The risk management function is focused on improvements to ensure that key risks are identified, mitigations plans are developed and the implementation progress is reported on a quarterly basis, to the Risk Management Committee.

The quarterly risk management dashboard report is presented to the Audit Committee to appraise members on the risk management activities, and affords them an opportunity to provide assurance where necessary.

Risks are thoroughly interrogated and receive the required level of attention within the Department. To this end, risk owners are required to present their progress on the implementation of mitigation plans to remedy / treat strategic and fraud risks related to their business units to the RMC.

## 3. FRAUD AND CORRUPTION

The Department has an approved Fraud and Prevention Policy and Plan that provide mechanisms for the implementation of fraud prevention. Fraud, corruption and ethics risk assessments are conducted annually, through consultations with departmental branches. The assessments are based on the Annual Performance and Business Plans, Internal Audit Report and any other information gathered within the environment, that relate to fraud and corruption.

Emerging risks are identified through observation of the operating environment by the Risk Practitioners, as well as incidents reported by departmental branches on a quarterly basis. Management communicates its view on business practices and ethical behaviour through the Director-General staff Izimbizo, articles developed by the Risk Management Unit (and communicated through the internal communications platform), branch empowerment sessions and Anti-Corruption Workshops (facilitated in collaboration with the Office of the Public Service Commission, Management Committee and departmental planning sessions).

The National Anti-Corruption Hotline number is communicated to employees through articles. Cases are investigated as and when they are reported. The Department also receives and administers formal and informal matters reported on various communication platforms.

## 4. MINIMISING CONFLICT OF INTEREST

The objective of Chapter 2 of the Public Service Regulations, 2016, is to identify any conflict of interest in order to promote just and fair administrative actions by officials in senior positions. It is also to protect the public service from actions that may be detrimental to its functioning, and that may constitute unlawful administrative actions as a result of ulterior motives. SMS members and other designated officials are obliged to disclose their financial interests, thereby placing a responsibility on the employer, specifically, the Executing Authority, to determine whether the employees' financial interests will not negatively influence the execution of their duties. Disclosure of financial interests is conducted through the Department of Public Service and Administration's (DPSA) e-Disclosure online system. In this regard, the Department has implemented the Public Service Regulations, 2016, Regulation 16(c), 17(2) and 18(3): Determination on Other Categories of Designated Employees to disclose their financial interests.



The Department also implements Regulation 13(h) of the Public Service Regulations, 2016, (PSR, 2016) which regulates the management of receipt and acceptance of gifts by public servants, in order to prevent conflict of interests.

## 5. CODE OF CONDUCT

The Code of Conduct acts as a guideline to employees regarding their conduct from an ethical point of view, both in their individual conduct and in their relationships with others such as the legislature, political and executive office bearers, other employees and members of the public. It spells out the spirit in which employees should perform their duties, avoid conflicts of interests, and manage their personal conduct in public and private life.

Compliance with the Code of Conduct enhances professionalism and helps to ensure confidence in the public service. The Department builds a culture that encourages employees to act and behave ethically, by providing training and awareness through induction sessions, as well as employee relations capacity-building sessions. These information and awareness sessions are conducted annually to reinforce ethical conduct by employees at all times.

The Department implements the requirements and procedures to employees for application in undertaking other remunerative work outside of the employees' employment, as contemplated in the Directive on Other Remunerative Work Outside the Public Service (2014). The main reasons for requiring employees to obtain permission from the Executive or Delegated Authority before they engage themselves in other remunerative work are:

- (i) To manage the possibility of other remunerative work performed by employees creating potential, perceived or actual conflict of interest.
- (ii) To prevent other remunerative work from negatively impacting the conduct of employees, and to prevent it from interfering or impeding the effective and efficient performance of the employees.

Standard disciplinary steps are taken in terms of the Disciplinary Code and Procedures of the Public Service if employees are in breach of the Code of Conduct.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department has an approved internal Occupational Health and Safety (OHS) Policy which is aimed at safeguarding employees and all visitors / clients through providing and maintaining, as far as reasonably practical, a working environment that is safe and without risks. In order to ensure that such an environment exists, the Department has provided and maintained safe offices and equipment that pose no risk to the health of employees and visitors / clients.

The new OHS Committee was appointed to oversee the functioning of OHS representatives, and make recommendations to the Department (Accounting Officer). New Health and Safety Representatives, Fire Marshals and First Aiders were appointed, and will be provided with training after the State President announces the easing of the lockdown to Alert Level 1. *(Training can be done online; however, there is practical work to be completed, which cannot be done online).*

Inspections are conducted in the workplace to identify and minimise hazards that will affect and expose employees and visitors / clients to health risks. Training is conducted annually to ensure that representatives are well equipped to save the lives of employees, visitors and guests, should there be an emergency.

Fire equipment is serviced annually and routine inspections are conducted on all equipment to ensure that it is in working order. Continuous testing of systems is undertaken to ensure its effectiveness during evacuation.

Evacuation drills are conducted annually to ensure that all employees are aware of the exit routes and to test the state of readiness in case of emergencies that will warrant the Department to evacuate all occupants.

The Department continues to provide various internal communications tools including awareness sessions, intranet, internal newsletters and information sessions, amongst others, to raise awareness on Safety, Health and Environment issues.

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

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

The Portfolio Committee on Tourism (in the National Assembly) and Select Committee on Trade & Industry, Economic Development, Small Business Development, Tourism and Employment & 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 Department on the Annual Performance Plan (APP) 2019/20 on 3 July 2019

**The committee welcomed the Department's 2019/20 APP and discussed the following issues:**

Women in Tourism; Negative media coverage; Incubator programmes; Blue Flag beaches; EPWP maintenance programme in parks; MoUs with Universities; Independence of the Tourism Grading Council; Impact of land expropriation; Tourism Marketing Levy South Africa (TOMSA); Impact of currency fluctuation on tourism; Exclusion of traditional leaders in local tourism; Transformation; and various travel solutions to improve tourist access to South Africa.

#### 7.1.2. The Department and SA Tourism presented a combined presentation at the Consultative Workshop on Safety and Security as arranged by the Portfolio Committee on Tourism and the Portfolio Committee of Police on 27 August 2019

**The following issues were discussed:**

Emphasis on tourist safety must not take preference over safety of citizens; dedicated tourism police; usage of technology; relevant partnerships to strengthen integrated safety strategy; communication strategy and media reporting; benchmarking with other countries, effectiveness of the criminal justice system; intensifying the "We Do Tourism" campaign; and dealing with beggars at airports.

#### 7.1.3. Briefing by the Department on the Fourth Quarterly Performance Report for 2018/19 on 10 September 2019

**The committee welcomed the presentation by the Department and discussed the following issues:**

Drop-outs and loss of interest in training; procurement processes; forward planning of projects; implementation of Master Plans; Skills Development Plan; Tourism Transformation Fund; National Tourism Sector Strategy (NTSS) projections; B-BBEE Tourism Charter Council; panel of pre-approved service providers; and stringent qualifying criteria for the Transformation Fund.

#### 7.1.4. Oversight visit to Howick and attendance of the World Tourism Day Celebrations at the Nelson Mandela Capture Site in KZN on 26-28 September 2019

The committee attended the 2019 the World tourism Day Celebrations at the Nelson Mandela Capture Site at Howick, KZN. The committee was informed that tourism in the area of Howick was deteriorating and agreed to visit the Howick Falls to assess the state of tourism. This included engagements with the KZN Destination Management Organisation, KZN Economic Development, Tourism and Environmental Affairs (EDTEA), local tourism SMMEs in the Umgeni Local Municipality, the uMgungundlovu District Municipality, Members of the Provincial Tourism Portfolio Committee as well as other relevant stakeholders. Subsequent to the visit, the KZN MEC of EDTEA established an Intergovernmental Task Team, of which the Department is a member.

#### **7.1.5. Briefing by the Department on the APP for the 2018/19 Financial Year and Presentation on the 2019/20 First Quarter Performance Report on 8 October 2019**

##### **The following issues were discussed:**

Learner drop-outs and pre-course counselling; Audit Committee; precautionary suspensions; recovered funds and working towards reduction of fruitless and wasteful expenditure and the pace of forensic investigations; and preventative measures.

**Note:** Due to time constraints, the 2019/20 First Quarter Performance Report was not presented. However, the report was submitted. The Department took note of the committee recommendations.

#### **7.1.6. Briefing by the Department on NTSS - 22 October 2019**

##### **The following issues were discussed:**

Villages, Townships, Small Towns and Dorpies; Airlift Strategy and cost of travel in South Africa; coordination of partnerships; modes of transport; Transformation; monitoring the maintenance of the World Heritage Sites and other attraction sites; rural tourism; medical tourism and product diversifications e.g. marine travel.

#### **7.1.7. Briefing by the B-BBEE Tourism Charter Council on the State of Transformation in the Tourism Sector on 29 October 2019**

##### **The following issues were discussed:**

- Impact of slow payment and non-payment by government departments and entities;
- The council need to set targets and standards to increase the pace of transformation;
- Funding of SMMEs, the challenges of franchising and linkages between big business and the small businesses.
- The cost of grading in South Africa;
- The impact of online bookings and the implication of the Fourth Industrial Revolution (4IR) on job losses. SMMEs need to be capacitated in terms of technology enablement;
- Expanding the mandate of the Tourism Charter Council to include consequence management for non-compliance;
- Need for the Tourism Charter Council to improve communication with tourism stakeholders;

- Dealing with perceptions that the tourism industry is employing more foreign nationals than South Africans; and
- Inclusion on the Council, of programmes that deal with Rural Development in South Africa.

The Department took note of the committee recommendations and resolutions. The Tourism Charter Council submitted responses to the outstanding questions.

#### **7.1.8. Briefing by the Department on the Implementation Programmes of the Rural Tourism Strategy on 12 November 2019**

##### **The following issues were discussed:**

- Slow pace of implementation of programmes;
- Capacity building programmes that need to be intensified at municipal level as more challenges were persistent at that level;
- Rural Tourism Strategy should be aligned to the new District Model in the development at municipalities;
- The strategy did not address imparting of indigenous knowledge and governance systems, burials, entertainment and celebrations in a village life, which could be packaged into tourism experiences;
- The need for building strong partnerships between small businesses and big businesses;
- Low absorption rates of trained youth into permanent jobs;
- Assistance to municipalities on how to draft their masterplans in order to plan and develop rural tourism accordingly and include tourism in their Local Economic Development (LED) strategies.
- Sustainability of departmental programmes and failure to create jobs was raised as a concern;
- The need to identify rural products that already exist and support them to advance rural tourism;
- Review of the Rural Tourism Strategy to capture the new focus of the committee.

#### **7.1.9. Meeting with Provincial Chairpersons of Tourism Committees in Legislatures on the Draft Concept Paper on the Tourism Oversight Approach (Legislature Tourism Oversight Forum - LETOFO) on 3 December 2019**

The committee identified a need to synchronise tourism oversight work. Thus, the committee met with the Chairpersons of the Provincial Legislatures, National House of Traditional Leaders, SALGA to discuss the establishment of a Chairpersons Tourism Oversight Forum.

Tourism is a concurrent function therefore all villages, townships and small towns of South Africa must be at the centre. There is a need to make a thorough economic assessment of the situation to ensure that all communities are brought into the mainstream tourism economy.

The following Issues were discussed: low hanging fruits, barriers of entry, opening of the tourism sector, value chain, strengths of municipalities and positivity.

#### **7.1.10. Briefing by the Department on the 2019/20 Second Quarterly Performance Report and a presentation on coordination across tourism stakeholders on 4 February 2020**

##### **The following issues were discussed:**

- Impact of COVID-19 on tourism;
- Achievement of pre-determined objectives and the contextualisation of performance;
- Employment equity;
- Stakeholder co-ordination including Inter-Governmental Relations (IGR);
- Digitalisation;
- Data collectors;
- Innovation Incubator Programme;
- Destination enhancement initiatives;
- Internal Audit Plan;
- Food Safety Quality Assurer Programme; and
- Delays in issuing of Tour Operator Permits.

#### **7.1.11. Briefing by the National Registrar of Tourist Guides on Compliance with Legislation and their Programmes on 25 February 2020. The sharing of perspectives on COVID-19 and the implications for the tourism sector by the Consul-General of the Peoples Republic of China**

China's experience on COVID-19 was shared with the committee. The committee discussed extensively the impact of the COVID-19 and how the Chinese government was handling it.

##### **The following issues were discussed:**

Development of a vaccine and drugs; South African and other foreign Nationals in China; repatriation and transport; mechanism of transmission; affected ages; Chinese wet markets and their health system and the Chinese responses.

The following issues were further discussed in respect of the Registrar of Tourist Guides: Training of local tourist guides and the profile of tourist guides; and Categories of grading of guides.

#### **7.1.12. Engagement with the National House of Traditional Leaders (NHTL) on the State of Tourism in Villages in South Africa on 3 March 2019**

##### **The following issues were discussed:**

Local Government; Working with NHTL; Chapter 12 of the Constitution of RSA of 1996; Leveraging on traditional leaders and monarchs; Geographical names; Social cohesion; village development plans and profiling and a tourism budget; tourism value chain; village tourist guides; and tour operators and investment in a rural campaign.

**Note:** The Department attended the meeting as an observer.

#### **7.1.13. Briefing by Brand South Africa on its Mandate, Activities and Programmes and Collaboration on Tourism Development on 10 March 2020**

##### **The following issues were discussed:**

Brand SA and communication; branding villages; brand disablers; duplication of mandates; macro- and micro-influencers; Impact of canned lion hunting on the country's brand; Heads of Missions; days of national significance; Brand SA International Offices; Quantitative outputs and the impact of COVID-19.

**Note:** Tourism and the Department attended the meeting as observers.

#### **7.1.14. Briefing by SA Tourism on the 2019/20 Quarterly Performance Reports (Second and Third Quarters), and briefing by Dr Ross Harvey (School of Economics - University of Cape Town) on Reputational Risks to Tourism Industry posed by the Captive Breeding of Lions and other Big Cats on 17 March 2020**

The committee deliberated on the presentation on the Captive Breeding Industry and felt that they needed to make an informed decision by listening to both sides. It is important to consider what damage the canned lion / captive lion hunting industry has done to the image of South

Africa. However, more research should be done on the medicinal value of lion bones, the number of hunters visiting South Africa, the impact of legislation to ban the hunting of captive lions.

The committee agreed to schedule a meeting with the pro-lion hunting group to get a balanced view on the matter.

**The following issues were discussed pertaining the Quarterly Reports of SA Tourism:**

COVID-19 Recovery Plan; target setting; incomplete information; cancelled events; tourism jobs; audit team; marketing plans, communication; graded establishments; lion hunting; targets not reported on especially regarding the budget spent; targets not met- even before the onset of COVID-19 performance was declining.

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

### **7.2.1 Briefing by the Department and SA Tourism on their Annual Performance Plans for 2019/20 on 27 August 2019**

**The following issues were discussed:**

- Cooperation with SALGA;
- Marketing SA through the Missions;
- Progress at Shangani Gate;
- Safety of tourists is a big concern;
- Signage - Braille at Kruger National Park and incentives for locals to visit the National Parks;
- Airlift, e.g. between Mpumalanga and Cape Town;
- Visitor Information Centres;
- Vredefort Dome does not look good even though it has a lot of potential;
- Rebates for green companies;
- The impact of the National Health Insurance (NHI) on Medical Tourism;
- Members were concerned that the Northern Cape Training Programme was discontinued due to a lack of interest by the youth;
- Members observed that the provision of programmes in rural areas has a bias towards towns and not villages;

- IGR and cooperation between spheres of government;
- The status of the Tourism Amendment Act and Legislation for Air B&B; and
- Government and Parliament should use smaller accommodation establishments in townships when they travel.

### **7.2.2 Oversight Visit to Howick and attendance of the World Tourism Day Celebrations at the Nelson Mandela Capture Site in KZN on 26-28 September 2019**

The committee attended the 2019 Tourism Month activities at Howick (KZN) together with the Portfolio Committee on Tourism on a joint oversight visit to the Howick Falls. This included engagements with KZN Destination Management Organisation, KZN EDTEA, local tourism SMMEs the Umgeni Local Municipality and the uMgungundlovu District Municipality, Members of the Provincial Tourism Portfolio Committee as well as other relevant stakeholders.

The Department has to nominate an official as member of the intergovernmental Task Team that was established by the MEC of Economic Development, Tourism and Environmental Affairs of KZN.

### **7.2.3 Oversight visit to the West Rand District Municipality and Ekurhuleni Metropolitan Municipality in Gauteng from 21-25 October 2019**

This was a joint oversight visit by the Select Committee on Trade & Industry, Economic Development, Small Business Development, Tourism and Employment & Labour and the Select Committee on Transport, Public Service & Administration and Public Works & Infrastructure.

### **7.2.4 Briefing by the Department on their Annual Performance Report for the 2018/19 Financial Year on 5 November 2019**

**The following issues were discussed:**

- The committee was concerned about the qualified audit opinion of the Auditor-General; particularly in terms of the capital projects that required additional money. This fruitless and wasteful expenditure is an indication that the Department's oversight mechanisms are not functional. What measures have the Department implemented to deal with wasteful and irregular expenditure?
- Stringent measures in place to vet implementing agents?

- The performance of the Department has regressed and the Department is not contributing to create jobs and not correcting issues that are affecting the decline in tourist numbers;
- Timelines for the Tourism Amendment Bill;
- An asset register for all immovable assets of the Department needs to be implemented;
- What is the status of all the criminal investigations in terms of the EPWP projects? How would the Department prevent this from recurring?
- Better oversight should be done over SA Tourism, e.g. irregular expenditure;
- What is done to improve the negative image of the country by the missions?
- The committee also expressed its concern about the impact of crime on tourist numbers and the need to focus on tourist safety.
- How can the Department assist to package routes? What is the Department doing to link all these interesting tourist sites? For example, the area of the Cradle of Humankind and Maropeng; and
- Licenses for tour operators. Is there close cooperation with the Department of Transport?

## 8. SCOPA RESOLUTIONS

None.

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Include a discussion on mechanisms put in place by the Accounting Officer to resolve the matters reported by the AGSA in the previous financial year. This should include all matters in the audit report and those noted as important in the management report.

The discussion should be limited to all matters that gave rise to a qualification, disclaimer, adverse opinion and matters of non-compliance only. The Department may include the information in a table as follows:

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter

## 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 Internal Audit Unit during the 2019/20 financial year:

- Supply Chain Management;
- Asset Management;
- ICT governance;
- Ethics and Integrity;
- Infrastructure; Asset Management (Forensic Investigation);
- Pre-determined objectives;
- Annual Report Review;
- Follow-up on AGSA Report;
- Performance Audit: Destination Development;
- Tourism Incentives Programme – Transfer Payments; and
- Critical Evaluation of ICT Assets.

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
<b>Prof. H de Jager</b>	DCom (Acc); CA (SA) RGA	External		1 August 2015 and re-appointed 4 April 2019		4
<b>Mr PR Mnisi</b>	LLB; Postgraduate Certificate in Compliance Management.	External		1 August 2015 and re-appointed 20 October 2018		3
<b>Ms HN Masedi</b>	B. Compt Hons; M Com (Computer Auditing); Higher Diploma in Computer Auditing and Postgraduate Diploma in Management	External		1 August 2015 and re-appointed 20 October 2018		3
<b>Ms C Le Grange</b>	CA (SA)	External		20 October 2018	06 September 2019	1
<b>Ms MP Ramutsheli</b>	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 2020.

### 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:

- Supply Chain Management;
- Asset Management;
- ICT governance;
- Ethics and Integrity;
- Infrastructure; Asset Management (Forensic Investigation);
- Pre-determined objectives;
- Annual Report Review;
- Follow-up on AGSA Report;
- Performance Audit: Destination Development;
- Tourism Incentives Programme – Transfer Payments; and
- Critical Evaluation of ICT Assets.

The Audit Committee advised the Department that strong steps must 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 risk 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.

## Auditor-General's Report

The Audit Committee concurs with the unqualified audit report of the Auditor-General.

The Department should be commended for their input during the year to manage to change from a disclaimer report of the Auditor-General for 2019 year, to an unqualified report in 2020.



**Chairperson of the Audit Committee**

Department of Tourism

Date: 30 June 2020





# **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.
- 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 2017-2020 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 annually commits to 100% implementation of the performance management development system (PMDS), as guided by the departmental PMDS Policy and relevant chapter of the Senior Management Service (SMS) Handbook.

Employees' performance assessments are conducted at the end of the financial year, and performance outcomes implemented. Employees who performed outstandingly were afforded performance rewards and pay progression according to policy guidelines. Steps are taken to address poor performance such as retraining and other interventions

### Employee wellness programmes

The unit played a significant role in the psychological preparation of employees in anticipation of the COVID-19 lockdown.

The traditional human resource management approach entailed either hiring people with the required skills or training employees to develop the skill sets required for the organisation. The challenge for human resources in the new order is to ensure an employee-employer fit. Management assisted by HR is expected to ensure an employee-organisation fit through the implementation of effective recruitment strategies.

During the period under review, 38 officials exited the Department. However, out of 38 exited officials, there were 18 officials who participated in the exit interview, which constituted 47% level of participation on exit interviews during the financial year 2019/2020. Out of 38 officials who participated in the exit interview n=23 (60%) exited due to contract expiry, n=12 (31%) exited due to resignation, n=1 (3%) from the retirement, n=1 (3%) from dismissal, and n=1 (3%) from death. Exit interviews are 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, as well as future human resource plans /goals**

The Department awarded 66 external and internal bursaries for the 2020 academic year in addition to 48 existing bursars from previous awards.

The Department exceeded Government's targets for persons with disabilities and currently stands at 4,4% representation for this group. Black representation achieved the target by 96%. The Department has not reached 50% representation of women at SMS level due to exit of women at that level.

Looking at future human resource plans/goals, the Department's existing human resource policies, procedures and systems (codes of practice) and the HR Plan 2017-2020 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 2017-2020 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, homeowner's allowances and medical aid.

**Table 3.1.1 Personnel expenditure by programme for the period 1 April 2019 and 31 March 2020**

Programme	Total expenditure	Personnel expenditure	Training expenditure	Professional and special services expenditure	Personnel expenditure as a % of total expenditure	Average personnel cost per employee
	R'000	R'000	R'000	R'000	%	R'000
Administration	287 323	152 952	1 434	9 175	53	569
Tourism research, policy & international relations	1 419 060	50 124	0	1 191	4	796
Destination development	430 011	54 205	494	5 466	13	786
Tourism sector support services	247 9983	72 109	122	5 364	29	759
<b>TOTAL</b>	<b>2 384 392</b>	<b>329 390</b>	<b>2 050</b>	<b>21 196</b>	<b>14</b>	<b>664</b>

**Table 3.1.2 Personnel costs by salary band for the period 1 April 2019 and 31 March 2020**

Salary band	Personnel expenditure	% of total personnel cost	No. of employees	Average personnel cost per employee
	R'000	%		R'000
Lower skilled (levels 1-2)	106	0	1	106 000
Skilled (levels 3-5)	8 792	3	37	237 622
Highly skilled production (levels 6-8)	52 251	16	153	341 510
Highly skilled supervision (levels 9-12)	178 324	53	234	762 068
Senior and Top management (levels 13-16)	95 442	31	71	1 344 254
<b>TOTAL</b>	<b>334 915</b>	<b>-</b>	<b>496</b>	<b>675 232</b>

**Table 3.1.3 Salaries, Overtime, Home Owners' Allowance and Medical Aid by programme for the period 1 April 2019 and 31 March 2020**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
	R'000	%	R'000	%	R'000	%	R'000	%
Administration	130 299	82	711	0	3 699	2	4 843	3
Tourism research, policy & international relations	43 206	84	0	0	1 434	3	1 128	2
Destination development	46 571	81	0	0	1 325	2	1 378	2
Tourism sector support services	61 927	84	0	0	1 598	2	1 995	3
<b>TOTAL</b>	<b>282 003</b>	<b>83</b>	<b>711</b>	<b>0</b>	<b>8 056</b>	<b>2</b>	<b>9 344</b>	<b>3</b>

**Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2019 and 31 March 2020**

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
	R'000	%	R'000	%	R'000	%	R'000	%
Skilled (levels 1-2)	93	88	0	0	0	0	2	2
Skilled (levels 3-5)	6 854	78	84	1	467	5	678	11
Highly skilled production (levels 6-8)	41 407	79	425	1	1 989	4	3 481	8
Highly skilled supervision (levels 9-12)	152 526	84	202	0	3 930	4	4 475	3
Senior management (levels 13-16)	81 122	83	0	0	1 669	2	708	1
<b>TOTAL</b>	<b>282 002</b>	<b>83</b>	<b>711</b>	<b>0</b>	<b>8 055</b>	<b>2</b>	<b>9 344</b>	<b>3</b>

### 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 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 2020**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Corporate Management	267	243	9%	10
Tourism Research, Policy and International Relations	75	64	14.7%	1
Destination Development	75	70	6.7%	4
Tourism Sector Support Services	103	95	7.8%	3
<b>TOTAL</b>	<b>520</b>	<b>472</b>	<b>9.2%</b>	<b>18 (INTERNS)</b>

**Table 3.2.2 Employment and vacancies by salary band as on 31 March 2020**

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)	3	-	100%	-
Skilled (levels 3-5)	34	27	20.6%	-
Highly skilled production (levels 6-8)	149	133	10.7%	-
Highly skilled supervision (levels 9-12)	259	225	13.1%	-
Senior management (levels 13-16)	75	60	20%	-
10 Contracts (levels 1-2)	-	1	-	-
11 Contract (levels 3-5), Permanent	-	5	-	-
12 Contract (levels 6-8), Permanent	-	22	-	18
13 Contract (levels 9-12), Permanent	-	6	-	-
14 Contract (Level 13), Permanent	-	11	-	-
<b>TOTAL</b>	<b>520</b>	<b>490</b>	<b>9.2%</b>	<b>18 (INTERNS)</b>

**Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2020**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Finance and economics related, permanent	7	4	42%	-
Financial and related professionals, permanent	6	5	16%	-
Financial clerks and credit controllers, permanent	11	10	9%	-
Information technology related, permanent	6	6	-	-
Other information technology personnel, permanent	10	7	30%	-
Senior managers, permanent	67	63	6%	-
Statisticians and related professionals, permanent	15	13	13%	-
Other Occupations	398	364	6%	18
<b>TOTAL</b>	<b>520</b>	<b>472</b>	<b>9.2%</b>	<b>18 (INTERNS)</b>

### 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 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 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
Minister/Deputy Minister	2	2	3%	-	-
Director-General/ Head of Department & Special Advisor(s) Salary (level 16)	3	3	4%	-	-
Salary level 15	5	5	7%	-	-
Salary level 14	15	14	20%	1	25%
Salary level 13	50	47	66%	3	75%
<b>TOTAL</b>	<b>75</b>	<b>71</b>	<b>95%</b>	<b>4</b>	<b>5%</b>

**Table 3.3.2 SMS post information as on 31 March 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
Minister/Deputy Minister	2	2	3%	-	-
Director-General/ Head of Department & Special Advisor(s) Salary (level 16)	3	3	4%	-	-
Salary level 15	5	5	7%	-	-
Salary level 14	15	13	18%	2	50%
Salary level 13	51	49	68%	2	50%
<b>TOTAL</b>	<b>76</b>	<b>72</b>	<b>95%</b>	<b>4</b>	<b>5%</b>



**Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2019 and 31 March 2020**

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Salary level 14	2	1	0
<b>TOTAL</b>	<b>2</b>	<b>1</b>	<b>0</b>

**Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2019 and 31 March 2020**

Reasons for vacancies not advertised within six months
D: Strategic Sector Partnerships - The Department embarked on a reprioritisation exercise due to financial constraints and new strategic priorities. Also exploring the possibility of housing all departmental stakeholder functions to this post.
D: Bilateral Relations – The Department embarked on a reprioritisation exercise due to financial constraints and new strategic priorities.
D: Tourism Integration - The Department embarked on a reprioritisation exercise due to financial constraints and new strategic priorities.
Reasons for vacancies not filled within 12 months
D: Bilateral Relations - The Department embarked on a reprioritisation exercise due to financial constraints and new strategic priorities.
CD: Tourism Sector HRD - The Department embarked on a reprioritisation exercise due to financial constraints and new strategic priorities.
D: Bilateral Relations - The Department embarked on a reprioritisation exercise due to financial constraints and new strategic priorities.

**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 2019 and 31 March 2020**

Reasons for vacancies not advertised within six months
Non-advertising of vacant posts within six months warranted given the reasons provided.
Reasons for vacancies not filled within six months
Non-filling of vacant posts within six months warranted given the reasons provided.

### 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 2019 and 31 March 2020**

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)	2	0	0	0	0	0	0
Skilled (levels 3-5)	30	0	0	0	0	<sup>16</sup> 1	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	1	0
Senior Management Service Band A	45	0	0	0	0	0	0
Senior Management Service Band B	14	0	0	0	0	0	0
Senior Management Service Band C	5	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
Contract (levels 1-2)	1	0	0	0	0	0	0
Contract (levels 3-5)	9	0	0	0	0	0	0
Contract (levels 6-8)	22	0	0	0	0	0	0
Contract (levels 9-12)	6	0	0	0	0	0	0
Contract Band A	5	0	0	0	0	0	0
Contract Band B	1	0	0	0	0	0	0
Contract Band D	3	0	0	0	0	0	0
<b>TOTAL</b>	<b>542</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>16</sup> It should be noted that no JD was done for 2019/20. However, the two employees terminated their service from the Department. The new appointees were appointed on the correct grading done in 2016/17 financial year.

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 also be vacant.

**Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2019 and 31 March 2020**

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Employees with a disability</b>	0	0	0	0	0

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 2019 and 31 March 2020**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
-	-	-	-	-
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				-
<b>Percentage of total employed</b>				-

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 2019 and 31 March 2020**

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Employees with a disability</b>	0	0	0	0	0
<b>TOTAL NUMBER OF EMPLOYEES WHOSE SALARIES EXCEEDED THE GRADES DETERMINE BY JOB EVALUATION</b>					<b>None</b>

### 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 2019 and 31 March 2020**

Salary band	Number of employees at beginning of period-1 April 2019	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled ( levels 1-2)	1	1	1	100
Skilled (levels3-5)	28	-	1	3.6
Highly skilled production (levels 6-8)	129	7	3	2.3
Highly skilled supervision (levels 9-12)	231	2	10	4.3
Senior Management Service Bands A	45	1	2	4.4
Senior Management Service Bands B	12	-	-	-
Senior Management Service Bands C	5	-	-	-
Senior Management Service Bands D	-	-	-	-
Contracts	13	56	24	184.6
<b>TOTAL</b>	<b>464</b>	<b>67</b>	<b>41</b>	<b>8.80</b>

**Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2019 and 31 March 2020**

Critical occupation	Number of employees at beginning of period - April 2019	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Finance and economics related, permanent	5	-	-	-
Financial and related professionals, permanent	5	-	1	20
Financial clerks and credit controllers, permanent	11	-	-	-
Information technology related, permanent	6	-	-	-
Other information technology personnel, permanent	7	-	1	14.3
Senior managers, permanent	59	10	6	10.2
Statisticians and related professionals, permanent	13	-	-	-
<b>TOTAL</b>	<b>106</b>	<b>10</b>	<b>8</b>	<b>8.80</b>

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 2019 and 31 March 2020**

Termination Type	Number	% of Total Resignations
Death	1	3%
Resignation	11	32%
Expiry of contract	20	59%
Dismissal – misconduct	1	3%
Retirement	1	3%
<b>TOTAL</b>	<b>34</b>	<b>100</b>
<b>Total number of employees who left as a % of total employment</b>	<b>7.3</b>	

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2019 and 31 March 2020**

Occupation	Employees 1 April 2019	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
Finance and economics related, permanent	5	-	8	2	40
Financial and related professionals, permanent	5	-	1	5	100
Financial clerks and credit controllers, permanent	11	-	2	9	81.8
Information technology related, permanent	6	-	1.2	8	133.3
Senior managers, permanent	59	1	13	45	76.30
Statisticians and related professionals, permanent	13	-	3	10	76.90
<b>TOTAL</b>	<b>99</b>	<b>1</b>	<b>0.90</b>	<b>79</b>	<b>85.80</b>

**Table 3.5.5 Promotions by salary band for the period 1 April 2019 and 31 March 2020**

Salary Band	Employees 1 April 2019	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	-	-	-	-
Skilled (levels3-5)	29	-	-	26	90%
Highly skilled production (levels 6-8)	133	3	2.3	115	87%
Highly skilled supervision (levels 9-12)	234	-	-	211	90%
Senior Management (levels 13-16)	67	1	1.5	46	69%
<b>TOTAL</b>	<b>464</b>	<b>4</b>	<b>0.9</b>	<b>398</b>	<b>86%</b>

### 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 2020**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally Qualified & Experienced Mid-Management	94	1	4	4	108	8	6	6	231
Semi-Skilled & Discretionary	16	-	-	-	16	-	-	-	32
Senior Management	29	1	2	1	21	1	3	3	61
Skilled Qualified & Junior Management	46	4	-	-	77	6	1	3	137
Top Management	4	-	-	1	3	-	1	1	10
Unskilled & defined decision	-	-	-	-	1	-	-	-	1
<b>TOTAL</b>	<b>189</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>226</b>	<b>15</b>	<b>11</b>	<b>13</b>	<b>472</b>
<b>Employees with disabilities</b>	12	-	-	1	7	-	-	1	21

**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2020**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	94	1	4	4	108	8	6	6	231
Senior Management	16	-	-	-	16	-	-	-	32
Professionally qualified and experienced specialists and mid-management	29	1	2	1	21	1	3	3	61
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	46	4	-	-	77	6	1	3	137
Semi-skilled and discretionary decision making	4	-	-	1	3	-	1	1	10
Unskilled and defined decision making	-	-	-	-	1	-	-	-	1
<b>TOTAL</b>	<b>189</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>226</b>	<b>15</b>	<b>11</b>	<b>13</b>	<b>472</b>

**Table 3.6.3 Recruitment for the period 1 April 2019 to 31 March 2020**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	1	-	-	-	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	-	-	-	4	-	-	-	6
Semi-skilled and discretionary decision making	2	-	-	-	3	-	-	-	5
<b>TOTAL</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-

[illegible][illegible]



**Table 3.6.6 Disciplinary action for the period 1 April 2019 to 31 March 2020**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Internal disciplinary action	-	-	1	-	1	-	-	-	2
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>

**Table 3.6.7 Skills development for the period 1 April 2019 to 31 March 2020**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	10	1	-	-	2	-	-	1	14
Professionals	12	-	-	-	8	2	-	2	24
Technicians and associate professionals	24	-	-	1	26	-	1	1	53
Clerks	15	2	-	-	32	-	-	-	49
Service and sales workers	8	-	-	-	11	-	-	-	19
<b>TOTAL</b>	<b>69</b>	<b>3</b>	<b>-</b>	<b>1</b>	<b>79</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>159</b>
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-

### 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 2020**

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	2	2	2	100%
Salary level 15	5	5	5	100%
Salary level 14	15	13	13	100%
Salary level 13	51	49	48	98%
<b>TOTAL</b>	<b>74</b>	<b>70</b>	<b>69</b>	<b>99%</b>

**Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2020**

Reasons
One SMS is on grace period

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2020**

Reasons
N/A

### 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.

**Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2019 to 31 March 2020**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost	Average cost per employee
			%	R'000	
African	92	415	22%	3 200 373.90	34 786.67
Male	48	189	25%	1 655 007.12	34 479.32
Female	44	226	19%	1 545 366.78	35 121.97
Asian	5	17	29%	214 522.23	42 904.45
Male	1	6	17%	47 357.28	47 357.28
Female	4	11	36%	167 164.95	41 791.24
Coloured	5	21	24%	200 056.50	40 011.30
Male	1	6	17%	25 355.70	25 355.70
Female	4	15	27%	174 700.80	43 675.20
White	2	19	11%	95 353.02	47 676.51
Male	1	6	17%	56 170.62	56 170.62
Female	1	13	8%	39 182.40	39 182.40
<b>TOTAL</b>	<b>104</b>	<b>472</b>	<b>22%</b>	<b>3710 335.65</b>	<b>35 676.30</b>

**Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2019 to 31 March 2020**

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	Average cost per employee	
			%	R'000		
02 Contract (levels 3-5)	28	28	100%	459	16 397	15%
03 Highly Skilled Production (levels 6-8)	20	131	15%	560	28 033	18%
04 Highly Skilled Supervision (levels 9-12)	48	226	21%	2 068	43 085	67%
10 Contract (levels 1-2)	-	1	-	-	-	-
11 Contract (levels 3-5)	-	9	-	-	-	-
12 Contract (levels 6-8)	-	22	-	-	-	-
13 Contract (levels 9-12)	-	6	-	-	-	-
<b>TOTAL</b>	<b>96</b>	<b>423</b>	<b>23%</b>	<b>3 087</b>	<b>32 165</b>	<b>100%</b>

**Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2019 to 31 March 2020**

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost	Average cost per employee
			%	R'000	
Finance and economics related	-	2	-	-	-
Financial and related professionals	2	8	25	85	42 902
Statisticians and related professionals	-	10	-	-	-
Senior managers	7	67	10	332	47 420
Other information technology personnel	-	5	-	-	-
Information technology related	-	8	-	-	-
<b>TOTAL</b>	<b>9</b>	<b>100</b>	<b>9</b>	<b>417</b>	<b>46 333</b>

**Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2019 to 31 March 2020**

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	5	47	11%	216	43 240	0.40
Band B	3	14	21%	157	52 385	0.90
Band C	-	5	-	-	-	-
Band D	-	5	-	-	-	-
<b>TOTAL</b>	<b>8</b>	<b>71</b>	<b>11%</b>	<b>373</b>	<b>46 670</b>	<b>0.40</b>

### 3.9 Foreign Workers

The tables below summarise 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 2019 and 31 March 2020**

Salary band	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	-	-	-	-	-	-
Highly skilled production (levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (levels 9-12)	-	-	-	-	-	-
Contract (levels 9-12)	-	-	-	-	-	-
Contract (levels 13-16)	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2019 and 31 March 2020**

Major occupation	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
N/A	-	-	-	-	-	-

### 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 2019 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 skilled (levels 1-2)	1	100	1	0.2	1	1
Skilled (levels 3-5)	246	2.4	29	7.1	8	215
Highly skilled production (levels 6-8)	1170	0.1	121	29.4	10	1 724
Highly skilled supervision (levels 9 -12)	1817	0.1	203	49.4	9	5 206
Top and Senior management (levels 13-16)	394	-	54	13.1	7	1 882
<b>TOTAL</b>	<b>3628</b>	<b>70.1</b>	<b>408</b>	<b>100</b>	<b>9</b>	<b>9 028</b>

**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2019 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
Highly skilled production (levels 6-8)	63	100	3	1.2	21	740
Highly skilled supervision (levels 9-12)	150	100	3	1.2	50	514
Senior management (levels 13-16)	30	100	1	0.4	30	139
<b>TOTAL</b>	<b>243</b>	<b>0.4</b>	<b>7</b>	<b>2.88</b>	<b>100</b>	<b>727</b>

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Co-ordinating Bargaining Council 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 2019 to 31 December 2019**

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (levels 1-2)	20	1	20.0
Skilled (levels 3-5)	720	37	19.4
Highly skilled production (levels 6-8)	3 237	136	23.8
Highly skilled supervision (levels 9-12)	6 023	249	24.1
Senior management (levels 13-16)	1 742	71	24.5
<b>TOTAL</b>	<b>11 742</b>	<b>494</b>	<b>23.7</b>

**Table 3.10.4 Capped leave for the period 1 January 2019 to 31 December 2020**

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 2020
Lower skilled (levels 1-2)	-	-	-	-
Skilled (levels 3-5)	-	-	-	-
Highly skilled production (levels 6-8)	-	-	-	-
Highly skilled supervision (levels 9-12)	-	-	-	-
Senior management (levels 13-16)	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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 2019 and 31 March 2020**

Reason	Total amount	Number of employees	Average per employee
	R'000		R'000
Leave payout for 2019/20 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave payouts on termination of service for 2019/20	348	1	348
Current leave payout on termination of service for 2019/20	360 406	21	18 020
<b>TOTAL</b>	<b>360 406</b>	<b>21</b>	<b>18 020</b>

### 3.11 HIV/AIDS & 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
N/A	N/A

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

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		SMS Member: 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		There are two officials serving in the dedicated Unit: Mr S V Nkosi: Deputy Director – Employee Health and Wellness and Ms M Sibande: Assistant Director – Employee Health and Wellness. These officials are professionally trained as Social Workers and they are registered with the South African Social Service Council. The allocated budget for this unit was R224 433,60 for the financial year 2020/2021.



Question	Yes	No	Details, if yes
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		Introduction of the programme: Yes, the Department has introduced this programme to its entire staff and the Director General of the Department championed it. Key services/elements: Counselling Services; Health Screening Services in last 4 quarters; Conducted HIV & AIDS Information Session during the World AIDS Day; and Employee Assistance Programme Services. Moreover, this unit operates within the scope of four 4 Employee Health and Wellness (EHW) Pillars, which are: HIV & AIDS and TB Management Programmes, Wellness Management Programmes including Sports and Recreation Programmes as well as Bereavement Matters, Health and Productivity Management, and Occupational Health Management Programmes.
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	Committee: The Department has established Transformation and HR Consultative Forum where issues of Employee Health and Wellness including HIV & AIDS are discussed in line with the Public Service Regulations, 2001.
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		Yes, the Department has reviewed its employment policies and practices including EHW policies. Moreover, the unit is in a process of reviewing its EHW policies and such review will take place during the course of 2020/2021 financial year. The unit has HIV Counselling and Testing (HCT) statistics reports and awareness campaigns on the implementation of the HIV & AIDS and TB Management 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		Measures in place: There is a dedicated unit that specialises on Employee Health & Wellness including HIV & AIDS and TB in the workplace. The EHW unit has measures in place to prevent discrimination of HIV-positive employees at work through HIV & AIDS and TB Management Policy, it further provides HIV counselling and wellness interventions on all 4 quarters of the financial year.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		HIV Counselling and Testing (HCT) Services: The Department had 4 interventions during the financial year 2019/2020, where staff members were encouraged to go HIV Test and this was done in collaboration with the Health Screening Programme conducted in the Department through Government Employee Medical Scheme. The average percentage of employees reached was 4% in the first quarter, 6% in the second quarter, 4% in the third quarter and 3% in the fourth quarter based on the total establishment.
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		Monitoring and evaluation: The unit compiled 4 reports on EHW quarterly intervention to assess the impact of health promotion programme per intervention and submit the report to the Department of Public Service and Administration (DPSA). The unit further compile and submit the EHW annual report, which includes the HIV & AIDS and TB annual interventions, and such reports tends to evaluate the level of the HIV & AIDS and TB impact within the Department.

### 3.12 Labour Relations

**Table 3.12.1 Collective agreements for the period 1 April 2019 and 31 March 2020**

Subject matter	Date
N/A	N/A
N/A	N/A

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

<b>TOTAL NUMBER OF COLLECTIVE AGREEMENTS</b>	<b>NONE</b>
----------------------------------------------	-------------

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 2019 and 31 March 2020**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	N/A	N/A
Written warning	N/A	N/A
Final written warning	1	100
Suspended without pay	N/A	N/A
Fine	N/A	N/A
Demotion	N/A	N/A
Dismissal	N/A	N/A
Not guilty	N/A	N/A
Case withdrawn	N/A	N/A
<b>TOTAL</b>	<b>1</b>	<b>100</b>

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

<b>TOTAL NUMBER OF DISCIPLINARY HEARINGS FINALISED</b>	<b>1</b>
--------------------------------------------------------	----------

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2019 and 31 March 2020**

Type of misconduct	Number	% of total
Putting the name of the Department in to disrepute	1	100
Improper conduct and fraud	N/A	N/A
<b>TOTAL</b>	<b>1</b>	<b>100</b>

**Table 3.12.4 Grievances logged for the period 1 April 2019 and 31 March 2020**

Grievances	Number	% of Total
Number of grievances resolved	5	100
Number of grievances not resolved	3	100
<b>TOTAL NUMBER OF GRIEVANCES LODGED</b>	<b>8</b>	<b>100</b>

**Table 3.12.5 Disputes logged with Councils for the period 1 April 2019 and 31 March 2020**

Disputes	Number	% of Total
Number of disputes upheld	1	100
Number of disputes dismissed	N/A	N/A
<b>TOTAL NUMBER OF DISPUTES LODGED</b>	<b>1</b>	<b>100</b>

**Table 3.12.6 Strike actions for the period 1 April 2019 and 31 March 2020**

<b>Total number of persons working days lost</b>	<b>N/A</b>
<b>Total costs working days lost</b>	<b>N/A</b>
<b>Amount recovered as a result of no work no pay (R'000)</b>	<b>N/A</b>

**Table 3.12.7 Precautionary suspensions for the period 1 April 2019 and 31 March 2020**

<b>Number of people suspended</b>	<b>4</b>
<b>Number of people whose suspension exceeded 30 days</b>	<b>4</b>

Average number of days suspended	107
Cost of suspension (R'000)	R1 471 664 37

### 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 2019 and 31 March 2020**

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learnerships / Internships & External Bursaries	Skills Programmes & other short courses	Other forms of training (Internal Bursaries & CIP)	Total
Senior officials and managers	Female	34	-	3	-	3
	Male	33	-	6	-	6
Professionals	Female	129	-	46	-	46
	Male	105	-	49	-	49
Technicians and associate professionals	Female	85	-	24	-	24
	Male	48	-	29	-	29
Clerks	Female	13	-	3	-	3
	Male	16	-	3	-	3
Service and sales workers	Female	0	-	-	-	-
	Male	1	-	-	-	-
Sub Total	Female	261	-	76	-	76
	Male	203	-	87	-	87
<b>TOTAL</b>		<b>464</b>	<b>-</b>	<b>163</b>	<b>-</b>	<b>163</b>

**Table 3.13.2 Training provided for the period 1 April 2019 and 31 March 2020**

Occupational category	Gender	Number of employees as at 1 April 2019	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Senior officials and managers	Female	34	-	-	11	4
	Male	33	-	-	3	4
Professionals	Female	129	-	-	12	6
	Male	105	-	-	12	6
Technicians and associate professionals	Female	85	-	-	35	10
	Male	48	-	-	28	10
Clerks	Female	13	-	-	19	15
	Male	16	-	-	30	6
Service and sales workers	Female	0	-	-	8	-
	Male	1	-	-	11	-
Non-employees	Female	-	-	19	-	-
	Male	-	-	10	-	-
Sub Total	Female	261	-	19	75	35
	Male	203	-	10	84	26
<b>TOTAL</b>		<b>464</b>	<b>-</b>	<b>29</b>	<b>159</b>	<b>61</b>

### 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 2019 and 31 March 2020**

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	0.42
Temporary Total Disablement	-	-
Permanent Disablement	-	-
Fatal	-	-
<b>TOTAL</b>	<b>2</b>	<b>0.42</b>

### 3.15 Utilisation of Consultants

The following tables relate 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 2019 and 31 March 2020**

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Destination planning manual facilitation <b>OR-007679 –Place Matters</b>	1	12 Months	833 033.25
Review of the Department of Tourism Social Responsibility (SRI) projects <b>OR-005940-GTAC</b>	Not indicated	24 Months	14 451 280.00
Development of a concept and implementation modalities for a State-driven budget resort network <b>OR-008465-BDO Advisory Services</b>	5	24 Months	3 767 994.10
Technical Resources for the Electronic Document Management System (EDMS) <b>OR-006674-Datacentrix</b>	2	36 Months	11 327 767.32
Sharepoint maintenance and support <b>OR-006909-Nambithi Technologies</b>	6	36 Months	11 713 575.00
Development of Tourism precinct plan-Galeshewe <b>OR-008228-Kayamandi</b>	4	Once-off	399 913.00
SMME incubator support-Phalaborwa <b>OR-008441-Sigma International</b>	1	Once-off	889 837.05
Development of a modular web-based system to manage the tender processes-built environment professionals <b>OR-007840- South African Built Environment Exchange</b>	Not indicated	Once-off	288 850.00
Panel of professionally built environment providers for planning and delivery of tourism infrastructure projects <b>OR-007578-Infrastructure Options</b>	Not indicated	4 Months	467 417.50

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
SMME incubator support-Manyeleti <b>OR-008441-Sigma International</b>	1	Once-off	889 837.05
Quantity surveyors EPWP projects <b>OR-008719-Ithembaethu Consulting</b>	1	Once-off	499 965.80
Evaluation of the state of readiness of the Department to implement Protection of Personal Information (POPI) <b>OR-008535-Mose Consulting</b>	1	Once-off	447 120.00
Technical assessment of EPWP construction bids <b>OR-008348-Wisemen Construction</b>	1	Once-off	89 999.00
Panel of professionally built environment providers for planning and delivery of tourism infrastructure projects <b>OR-008450-Jacques Renee Stoltz</b>	Not indicated	5 months	622 966.50
Conduct a feasibility study and develop related business plan and support of community-based enterprises <b>OR-008576-3T Business Fusion</b>	Not indicated	12 months	415 000.00
Conduct a feasibility study and develop related business plan and support of community-based enterprises <b>OR-008578- The Transformation Leg</b>	Not indicated	12 months	362 181.00
Conduct a feasibility study and develop related business plan and support of community-based enterprises <b>OR-008579-3T Business Fusion</b>	Not indicated	12 months	410 000.00
Conduct a feasibility study and develop related business plan and support of community-based enterprises <b>OR-008601-Indalo Inclusive South</b>	Not indicated	3 months	285 153.00
Conduct a feasibility study and develop related business plan and support of community-based enterprises <b>OR-008605-Africa Ignite</b>	Not indicated	3 months	140 500.00
Technical Resources for the Electronic Document Management System (EDMS) <b>OR-008612-Datacentrix</b>	2	12 months	4 047 218.03
<b>TOTAL</b>	<b>21</b>		<b>38 248 889.82</b>

Total number of projects	Total individual consultants	Total duration(work days)	Total contract value in Rand
21	22	179 Months	38 248 889.82

**Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 and 31 March 2020**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Destination planning manual facilitation <b>OR-007679 -Place Matters</b>	0%	0%	1.00
Review of the Department of Tourism Social Responsibility (SRI) projects <b>OR-005940-GTAC</b>	Public entity	Public entity	Not indicated
Development of a concept and implementation modalities for a State-driven budget resort network <b>OR-008465-BDO Advisory Services</b>	25%	25%	Not indicated
Technical Resources for the Electronic Document Management System (EDMS) <b>OR-006674-Datacentrix</b>	50%	40%	2.00
SharePoint maintenance and support <b>OR-006909-Nambithi Technologies</b>	51%	23%	6.00
Development of Tourism precinct In Galeshewe <b>OR-008228-Kayamandi</b>	55%	55%	1.00
SMME incubator support-Phalaborwa <b>OR-008441-Sigma International</b>	100%	100%	Not indicated
Development of a modular web-based system to manage the tender processes-built environment professionals <b>OR-007840- South African Built Environment Exchange</b>	0%	0%	Not indicated
Panel of professionally built environment providers for planning and delivery of tourism infrastructure projects <b>OR-007578-Infrastructure Options</b>	0%	0%	Not indicated
SMME incubator support-Manyeleti <b>OR-008441-Sigma International</b>	100%	100%	Not indicated
Quantity surveyors EPWP projects <b>OR-008719-Ithembaletu Consulting</b>	100%	100%	1.00
Evaluation of the state of readiness of the Department to implement POPI <b>OR-008535-Mose Consulting</b>	100%	100%	1.00
Technical assessment of EPWP construction bids <b>OR-008348-Wisemen Construction</b>	100%	100%	1.00



Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Panel of professionally built environment providers for planning and delivery of tourism infrastructure projects <b>OR-008450-Jacques Renee Stoltz</b>	0%	0%	Not indicated
Conduct a feasibility study and develop related business plan and support of community-based enterprises <b>OR-008576-3T Business Fusion</b>	100%	100%	Not indicated
Conduct a feasibility study and develop related business plan and support of community-based enterprises <b>OR-008578- The Transformation Leg</b>	100%	100%	Not indicated
Conduct a feasibility study and develop related business plan and support of community-based enterprises <b>OR-008579-3T Business Fusion</b>	100%	100%	Not indicated
Conduct a feasibility study and develop related business plan and support of community-based enterprises <b>OR-008601-Indalo Inclusive South</b>	65%	65%	Not indicated
Conduct a feasibility study and develop related business plan and support of community-based enterprises <b>OR-008605-Africa Ignite</b>	100%	100%	Not indicated
Technical Resources for the Electronic Document Management System (EDMS) <b>OR-008612-Datacentrix</b>	50%	40%	1.00

**Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2019 and 31 March 2020**

Project title	Total Number of consultants that worked on project	Duration (work days)	Donor and contract value in Rand
-	-	-	-
Total number of projects	Total individual consultants	Total duration (work days)	Total contract value in Rand
-	-	-	-

**Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 and 31 March 2020**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
XXX	XXX	XXX	

### 3.16 Severance Packages

**Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2019 and 31 March 2020**

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by Department
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0
Senior management (levels 13-16)	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# PART E

## FINANCIAL INFORMATION

# REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2020

## REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 33: 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 126 to 229, which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the 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 2020, and financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2019 (Act No. 16 of 2019) (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 this auditor's report.
4. I am independent of the Department in accordance with sections 290 and 291 of the *Code of ethics for professional accountants* and parts 1 and 3 of the *International Code*

*of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA) codes as well as the 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 codes.

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 2019 have been restated as a result of errors in the financial statements of the Department at, and for the year ended, 31 March 2020.

#### 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 230 to 240 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.

# REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2020

## 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 and 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.

## Auditor-General's responsibilities 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.
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 of South Africa, 2004 (Act No. 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 approved performance planning documents of the Department. I have not evaluated the completeness and appropriateness of the performance indicators / measures included in the planning documents. My procedures do not examine whether the actions taken by the Department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to 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 annual performance report of the Department for the year ended 31 March 2020:

Programme	Pages in the annual performance report
<b>Programme 4:</b>	56 - 71
Tourism sector support services	

# REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2020

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 36 to 71 for information on the achievement of planned targets for the year and explanations provided for the under- and overachievement of a significant number of targets.

## Report on the audit of compliance with legislation

### Introduction and scope

21. 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.

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

### Procurement and contract management

23. 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).

24. One commodity designated for local content and production, was procured from suppliers who did not meet the prescribed minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(5).

25. Sufficient appropriate audit evidence could not be obtained that one commodity designated for local content and production, were procured from suppliers who met the prescribed minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(5).

### Expenditure management

26. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R8.4 million as disclosed in note 22, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure disclosed in the financial statements was caused by the preference point system not being applied by implementing agents on behalf of the Department.

### Other information

27. 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

# REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2020

presented in the annual performance report that have been specifically reported in this auditor's report.

28. 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 thereon.
29. 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 programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. 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

31. 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.
32. The Department compiled an action plan based on the audit report findings; however, it did not adequately monitor the implementation of the plan. This resulted in material non-compliance recurring in the current financial year.

## Other reports

33. 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.
34. The Director-General 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 Director-General had initiated the recommendations as per the investigation report.

*Auditor General.*

**Auditor-General**

**Pretoria**

**30 September 2020**



**AUDITOR-GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*

# ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

for the year ended 31 March 2020

124

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 National 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.
  - 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 confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



# ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## Table of contents

Appropriation Statement	126
Notes to the Appropriation Statement	161
Statement of Financial Performance	165
Statement of Financial Position	166
Statement of Changes in Net Assets	167
Cash Flow Statement	168
Notes to the Annual Financial Statements (including Accounting policies)	169
Annexures	230

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

126

## Appropriation per programme

Voted funds and Direct charges	2019/20							2018/19	
	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
<b>Programme</b>									
1. Administration	295 874	-	(7 600)	288 274	287 323	951	99.7%	266 458	260 730
2. Tourism Research, Policy and International Relations	1 331 053	-	88 089	1 419 142	1 419 060	82	100.0%	1 288 130	1 283 908
3. Destination Development	463 297	-	(32 959)	430 338	430 011	327	99.9%	406 847	398 447
4. Tourism Sector Support Services	302 446	-	(47 530)	254 916	247 998	6 918	97.3%	300 382	291 717
<b>TOTAL</b>	<b>2 392 670</b>	<b>-</b>	<b>-</b>	<b>2 392 670</b>	<b>2 384 392</b>	<b>8 278</b>	<b>99.7%</b>	<b>2 261 817</b>	<b>2 234 802</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				4 250	-			2 482	-
Aid assistance				89 213	-			22 799	-
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>2 486 133</b>				<b>2 287 098</b>	
<b>Add:</b>									
Aid assistance					88 109				22 799
<b>Actual amounts per Statement of Financial Performance (Expenditure)</b>					<b>2 472 501</b>				<b>2 257 601</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

## Appropriation per economic classification

Economic Classification	2019/20							2018/19	
	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
<b>Current payments</b>	<b>936 851</b>	<b>182</b>	<b>(66 511)</b>	<b>870 522</b>	<b>864 723</b>	<b>5 799</b>	<b>99.3%</b>	<b>732 431</b>	<b>707 138</b>
Compensation of employees	334 372	-	-	334 372	329 395	4 977	98.5%	320 353	313 452
Salaries and wages	294 558	739	(472)	294 825	290 673	4 152	98.6%	282 405	276 728
Social contributions	39 814	(739)	472	39 547	38 722	825	97.9%	37 948	36 724
Goods and services	602 479	182	(66 511)	536 150	535 328	822	99.8%	412 078	393 686
Administrative fees	528	59	(14)	573	573	-	100.0%	644	644
Advertising	1 678	3 218	-	4 896	4 896	-	100.0%	2 542	2 542
Minor assets	2 507	(1 345)	(4)	1 158	1 158	-	100.0%	870	870
Audit costs: External	8 518	1 317	-	9 835	9 835	-	100.0%	6 551	6 551
Bursaries: Employees	1 689	(217)	-	1 472	1 472	-	100.0%	845	845
Catering: Departmental activities	6 280	(1 972)	42	4 350	4 350	-	100.0%	5 411	5 411
Communication (G&S)	10 370	(2 348)	(116)	7 906	7 906	-	100.0%	5 721	5 721
Computer services	20 296	(1 525)	(6 636)	12 135	12 135	-	100.0%	10 272	10 272
Consultants: Business and advisory services	8 135	13 155	(94)	21 196	21 196	-	100.0%	37 297	23 621
Legal services	-	690	199	889	889	-	100.0%	827	827
Contractors	6 913	(3 534)	64	3 443	3 443	-	100.0%	114 545	114 545
Agency and support / outsourced services	120 736	45 396	5 332	171 464	171 464	-	100.0%	434	434

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

128

## Appropriation per economic classification - *continued*

Economic Classification	2019/20							2018/19	
	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
Entertainment	275	(41)	-	234	234	-	100.0%	79	79
Fleet services (including government motor transport)	1 698	61	-	1 759	1 759	-	100.0%	1 668	1 668
Consumable supplies	3 457	707	(19)	4 145	4 145	-	100.0%	1 688	1 688
Consumable: Stationery, printing and office supplies	4 671	(1 515)	(76)	3 080	3 080	-	100.0%	2 325	2 325
Operating leases	37 758	-	58	37 816	37 816	-	100.0%	43 260	43 260
Property payments	4 674	6 380	(2 032)	9 022	9 021	1	100.0%	4 106	4 106
Travel and subsistence	84 307	8 873	(40 241)	52 939	52 118	821	98.4%	58 234	53 518
Training and development	251 325	(49 300)	(25 310)	176 715	176 715	-	100.0%	95 273	95 273
Operating payments	8 004	(5 419)	(81)	2 504	2 504	-	100.0%	5 721	5 721
Venues and facilities	14 192	(9 754)	2 417	6 855	6 855	-	100.0%	9 536	9 536
Rental and hiring	4 468	(2 704)	-	1 764	1 764	-	100.0%	4 229	4 229
<b>Transfers and subsidies</b>	<b>1 434 512</b>	<b>(566)</b>	<b>66 376</b>	<b>1 500 322</b>	<b>1 499 202</b>	<b>1 120</b>	<b>99.9%</b>	<b>1 422 886</b>	<b>1 421 713</b>
Departmental agencies and accounts	1 258 033	-	100 000	1 358 033	1 358 033	-	100.0%	1 274 023	1 274 023
Departmental agencies	1 258 033	-	100 000	1 358 033	1 358 033	-	100.0%	1 274 023	1 274 023
Foreign governments and international organisations	2 774	-	-	2 774	2 772	2	99.9%	2 508	2 348

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

## Appropriation per economic classification - continued

Economic Classification	2019/20							2018/19	
	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
Public corporations and private enterprises	165 432	(2 376)	(30 201)	132 855	131 736	1 119	99.2%	76 954	75 939
Private enterprises	165 432	(2 376)	(30 201)	132 855	131 736	1 119	99.2%	76 954	75 939
Other transfers to private enterprises	165 432	(2 376)	(30 201)	132 855	131 736	1 119	99.2%	76 954	75 939
Non-profit institutions	413	-	-	413	413	-	100.0%	472	472
Households	7 860	1 810	(3 423)	6 247	6 248	(1)	100.0%	68 929	68 931
Social benefits	4 380	876	57	5 313	5 314	(1)	100.0%	755	757
Other transfers to households	3 480	934	(3 480)	934	934	-	100.0%	68 174	68 174
<b>Payments for capital assets</b>	<b>21 307</b>	<b>86</b>	<b>-</b>	<b>21 393</b>	<b>20 035</b>	<b>1 358</b>	<b>93.7%</b>	<b>106 104</b>	<b>105 554</b>
Buildings and other fixed structures	10 000	40	390	10 430	10 102	328	96.9%	94 739	94 187
Buildings	10 000	40	390	10 430	10 102	328	96.9%	94 739	94 187
Machinery and equipment	10 633	(550)	(390)	9 693	8 663	1 030	89.4%	8 547	8 549
Transport equipment	6 000	(3 564)	(986)	1 450	1 422	28	98.1%	861	863
Other machinery and equipment	4 633	3 014	596	8 243	7 241	1 002	87.8%	7 686	7 686
Software and other intangible assets	674	596	-	1 270	1 270	-	100.0%	2 818	2 818
<b>Payment for financial assets</b>	<b>-</b>	<b>298</b>	<b>135</b>	<b>433</b>	<b>432</b>	<b>1</b>	<b>99.8%</b>	<b>396</b>	<b>397</b>
<b>TOTAL</b>	<b>2 392 670</b>	<b>-</b>	<b>-</b>	<b>2 392 670</b>	<b>2 384 392</b>	<b>8 278</b>	<b>99.7%</b>	<b>2 261 817</b>	<b>2 234 802</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

130

## Detail per Programme 1: ADMINISTRATION

	2019/20							2018/19	
Sub-programme	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
1.1 Ministry	30 786	7 294	694	38 774	38 774	-	100.0%	23 516	23 444
1.2 Management	3 342	(72)	-	3 270	3 270	-	100.0%	2 987	2 930
1.3 Corporate Management	180 675	(17 429)	(7 644)	155 602	154 653	949	99.4%	158 807	153 747
1.4 Financial Management	40 089	10 207	1 247	51 543	51 542	1	100.0%	36 153	35 614
1.5 Office Accommodation	40 982	-	(1 897)	39 085	39 084	1	100.0%	44 995	44 995
TOTAL	295 874	-	(7 600)	288 274	287 323	951	99.7%	266 458	260 730
Economic classification									
Current payments	280 948	(1 946)	(6 592)	272 410	272 407	3	100.0%	255 996	250 815
Compensation of employees	151 010	-	1 941	152 951	152 951	-	100.0%	142 979	138 175
Salaries and wages	133 018	405	1 372	134 795	134 795	-	100.0%	125 778	121 509
Social contributions	17 992	(405)	569	18 156	18 156	-	100.0%	17 201	16 666
Goods and services	129 938	(1 946)	(8 533)	119 459	119 456	3	100.0%	113 017	112 640
Administrative fees	203	(95)	42	150	150	-	100.0%	136	136
Advertising	1 160	2 713	-	3 873	3 873	-	100.0%	1 441	1 441
Minor assets	1 980	(906)	-	1 074	1 074	-	100.0%	752	752
Audit costs: External	7 955	1 596	-	9 551	9 551	-	100.0%	5 585	5 585
Bursaries: Employees	1 689	(217)	-	1 472	1 472	-	100.0%	845	845
Catering: Departmental activities	2 500	(633)	-	1 867	1 867	-	100.0%	1 740	1 740

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

## Detail per Programme 1: ADMINISTRATION - continued

Sub-programme	2019/20							2018/19	
	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
Communication (G&S)	6 851	90	-	6 941	6 941	-	100.0%	4 621	4 621
Computer services	19 700	(2 806)	(6 636)	10 258	10 258	-	100.0%	9 669	9 669
Consultants: Business and advisory services	855	8 321	-	9 176	9 175	1	100.0%	8 533	8 533
Legal services	-	431	-	431	431	-	100.0%	104	104
Contractors	6 518	(3 282)	35	3 271	3 270	1	100.0%	3 901	3 901
Agency and support / outsourced services	299	(80)	-	219	219	-	100.0%	296	296
Entertainment	40	42	-	82	82	-	100.0%	26	26
Fleet services (including government motor transport)	1 698	60	-	1 758	1 758	-	100.0%	1 668	1 668
Consumable supplies	1 930	654	-	2 584	2 584	-	100.0%	1 173	1 173
Consumable: Stationery, printing and office supplies	2 333	(136)	-	2 197	2 197	-	100.0%	1 620	1 620
Operating leases	37 758	-	58	37 816	37 816	-	100.0%	43 260	43 260
Property payments	4 674	(1 165)	(2 032)	1 477	1 476	1	99.9%	4 106	4 106
Travel and subsistence	19 467	(429)	-	19 038	19 038	-	100.0%	15 655	15 278
Training and development	3 491	(2 057)	-	1 434	1 434	-	100.0%	1 795	1 795
Operating payments	3 414	(1 693)	-	1 721	1 721	-	100.0%	2 333	2 333
Venues and facilities	1 538	24	-	1 562	1 562	-	100.0%	1 304	1 304
Rental and hiring	3 885	(2 378)	-	1 507	1 507	-	100.0%	2 454	2 454

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

132

## Detail per Programme 1: ADMINISTRATION - *continued*

Sub-programme	2019/20							2018/19	
	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
<b>Transfers and subsidies</b>	<b>4 537</b>	<b>1 730</b>	<b>-</b>	<b>6 267</b>	<b>6 268</b>	<b>(1)</b>	<b>100.0%</b>	<b>1 032</b>	<b>1 034</b>
Departmental agencies and accounts	157	-	-	157	157	-	100.0%	179	179
Departmental agencies	157	-	-	157	157	-	100.0%	179	179
Households	4 380	1 730	-	6 110	6 111	(1)	100.0%	853	855
Social benefits	4 380	796	-	5 176	5 177	(1)	100.0%	193	195
Other transfers to households	-	934	-	934	934	-	100.0%	660	660
<b>Payments for capital assets</b>	<b>10 389</b>	<b>-</b>	<b>(1 008)</b>	<b>9 381</b>	<b>8 432</b>	<b>949</b>	<b>89.9%</b>	<b>9 311</b>	<b>8 761</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	552	-
Buildings	-	-	-	-	-	-	-	552	-
Machinery and equipment	9 715	(596)	(1 008)	8 111	7 162	949	88.3%	5 941	5 943
Transport equipment	6 000	(3 564)	(1 008)	1 428	1 400	28	98.0%	861	863
Other machinery and equipment	3 715	2 968	-	6 683	5 762	921	86.2%	5 080	5 080
Software and other intangible assets	674	596	-	1 270	1 270	-	100.0%	2 818	2 818
<b>Payment for financial assets</b>	<b>-</b>	<b>216</b>	<b>-</b>	<b>216</b>	<b>216</b>	<b>-</b>	<b>100.0%</b>	<b>119</b>	<b>120</b>
<b>TOTAL</b>	<b>295 874</b>	<b>-</b>	<b>(7 600)</b>	<b>288 274</b>	<b>287 323</b>	<b>951</b>	<b>99.7%</b>	<b>266 458</b>	<b>260 730</b>



# APPROPRIATION STATEMENT

for the year ended 31 March 2020

## Appropriation per Economic Classification - Programme 1: ADMINISTRATION

Sub-programme	2019/20							2018/19	
1.1: Ministry	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
<b>Current payments</b>	<b>26 184</b>	<b>6 834</b>	<b>694</b>	<b>33 712</b>	<b>33 712</b>	<b>-</b>	<b>100.0%</b>	<b>23 082</b>	<b>23 010</b>
Compensation of employees	13 305	6 681	694	20 680	20 680	-	100.0%	13 239	13 166
Goods and services	12 879	153	-	13 032	13 032	-	100.0%	9 843	9 844
<b>Transfers and subsidies</b>	<b>4 380</b>	<b>277</b>	<b>-</b>	<b>4 657</b>	<b>4 657</b>	<b>-</b>	<b>100.0%</b>	<b>48</b>	<b>48</b>
Households	4 380	277	-	4 657	4 657	-	100.0%	48	48
<b>Payments for capital assets</b>	<b>222</b>	<b>83</b>	<b>-</b>	<b>305</b>	<b>305</b>	<b>-</b>	<b>100.0%</b>	<b>336</b>	<b>336</b>
Machinery and equipment	222	83	-	305	305	-	100.0%	336	336
<b>Payment for financial assets</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>100.0%</b>	<b>50</b>	<b>50</b>
<b>TOTAL</b>	<b>30 786</b>	<b>7 294</b>	<b>694</b>	<b>38 774</b>	<b>38 774</b>	<b>-</b>	<b>100.0%</b>	<b>23 516</b>	<b>23 444</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

134

## Appropriation per Economic Classification - Programme 1: ADMINISTRATION - *continued*

Sub-programme	2019/20							2018/19	
1.2: Management	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
<b>Current payments</b>	<b>3 290</b>	<b>(20)</b>	<b>-</b>	<b>3 270</b>	<b>3 270</b>	<b>-</b>	<b>100.0%</b>	<b>2 987</b>	<b>2 930</b>
Compensation of employees	2 517	(275)	-	2 242	2 242	-	100.0%	2 189	2 131
Goods and services	773	255	-	1 028	1 028	-	100.0%	798	799
<b>Payments for capital assets</b>	<b>52</b>	<b>(52)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	52	(52)	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>3 342</b>	<b>(72)</b>	<b>-</b>	<b>3 270</b>	<b>3 270</b>	<b>-</b>	<b>100.0%</b>	<b>2 987</b>	<b>2 930</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

## Appropriation per Economic Classification - Programme 1: ADMINISTRATION - *continued*

Sub-programme	2019/20							2018/19	
	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
<b>1.3: Corporate Management</b>									
<b>Current payments</b>	<b>170 505</b>	<b>(14 152)</b>	<b>(6 636)</b>	<b>149 717</b>	<b>149 715</b>	<b>2</b>	<b>100.0%</b>	<b>150 580</b>	<b>146 067</b>
Compensation of employees	109 384	(6 406)	-	102 978	102 978	-	100.0%	102 729	98 595
Goods and services	61 121	(7 746)	(6 636)	46 739	46 737	2	100.0%	47 851	47 472
<b>Transfers and subsidies</b>	<b>157</b>	<b>1 002</b>	<b>-</b>	<b>1 159</b>	<b>1 160</b>	<b>(1)</b>	<b>100.1%</b>	<b>984</b>	<b>986</b>
Departmental agencies and accounts	157	-	-	157	157	-	100.0%	179	179
Households	-	1 002	-	1 002	1 003	(1)	100.1%	805	807
<b>Payments for capital assets</b>	<b>10 013</b>	<b>(4 368)</b>	<b>(1 008)</b>	<b>4 637</b>	<b>3 689</b>	<b>948</b>	<b>79.6%</b>	<b>7 174</b>	<b>6 624</b>
Machinery and equipment	9 339	(4 964)	(1 008)	3 367	2 419	948	71.8%	3 804	3 806
Software and other intangible assets	674	596	-	1 270	1 270	-	100.0%	2 818	2 818
<b>Payment for financial assets</b>	<b>-</b>	<b>89</b>	<b>-</b>	<b>89</b>	<b>89</b>	<b>-</b>	<b>100.0%</b>	<b>69</b>	<b>70</b>
<b>TOTAL</b>	<b>180 675</b>	<b>(17 429)</b>	<b>(7 644)</b>	<b>155 602</b>	<b>154 653</b>	<b>949</b>	<b>99.4%</b>	<b>158 807</b>	<b>153 747</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

136

## Appropriation per Economic Classification - Programme 1: ADMINISTRATION - *continued*

Sub-programme	2019/20							2018/19	
1.4: Financial Management	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
<b>Current payments</b>	<b>39 987</b>	<b>5 392</b>	<b>1 247</b>	<b>46 626</b>	<b>46 626</b>	<b>-</b>	<b>100.0%</b>	<b>34 352</b>	<b>33 813</b>
Compensation of employees	25 804	-	1 247	27 051	27 051	-	100.0%	24 822	24 283
Goods and services	14 183	5 392	-	19 575	19 575	-	100.0%	9 530	9 530
<b>Transfers and subsidies</b>	<b>-</b>	<b>451</b>	<b>-</b>	<b>451</b>	<b>451</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Households	-	451	-	451	451	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>102</b>	<b>4 337</b>	<b>-</b>	<b>4 439</b>	<b>4 438</b>	<b>1</b>	<b>100.0%</b>	<b>1 801</b>	<b>1 801</b>
Machinery and equipment	102	4 337	-	4 439	4 438	1	100.0%	1 801	1 801
<b>Payment for financial assets</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>27</b>	<b>27</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>40 089</b>	<b>10 207</b>	<b>1 247</b>	<b>51 543</b>	<b>51 542</b>	<b>1</b>	<b>100.0%</b>	<b>36 153</b>	<b>35 614</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

## Appropriation per Economic Classification - Programme 1: ADMINISTRATION - *continued*

Sub-programme	2019/20							2018/19	
	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
<b>1.5: Office Accomodation</b>									
<b>Current payments</b>	<b>40 982</b>	<b>-</b>	<b>(1 897)</b>	<b>39 085</b>	<b>39 084</b>	<b>1</b>	<b>100.0%</b>	<b>44 995</b>	<b>44 995</b>
Goods and services	40 982	-	(1 897)	39 085	39 084	1	100.0%	44 995	44 995
<b>TOTAL</b>	<b>40 982</b>	<b>-</b>	<b>(1 897)</b>	<b>39 085</b>	<b>39 084</b>	<b>1</b>	<b>100.0%</b>	<b>44 995</b>	<b>44 995</b>

Department of Tourism - Vote 33

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

## Detail per Programme 2: TOURISM RESEARCH, POLICY AND INTERNATIONAL RELATIONS

	2019/20							2018/19	
Sub-programme	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
2.1 Tourism Research, Policy and International Relations Management	10 639	(130)	(2 072)	8 437	8 357	80	99.1%	7 987	7 450
2.2 Research and Knowledge Management	28 101	107	(4 964)	23 244	23 244	-	100.0%	33 488	33 488
2.3 Policy Planning and Strategy	12 868	86	(980)	11 974	11 974	-	100.0%	11 761	11 758
2.4 South African Tourism	1 254 161	-	100 000	1 354 161	1 354 161	-	100.0%	1 208 048	1 208 048
2.5 International Relations and Cooperation	25 284	(63)	(3 895)	21 326	21 324	2	100.0%	26 846	23 164
TOTAL	1 331 053	-	88 089	1 419 142	1 419 060	82	100.0%	1 288 130	1 283 908
Economic classification									
Current payments	70 157	(66)	(8 431)	61 660	61 660	-	100.0%	72 682	68 620
Compensation of employees	46 925	-	3 202	50 127	50 127	-	100.0%	51 590	51 066
Salaries and wages	41 340	-	3 122	44 462	44 462	-	100.0%	45 605	45 283
Social contributions	5 585	-	80	5 665	5 665	-	100.0%	5 985	5 783
Goods and services	23 232	(66)	(11 633)	11 533	11 533	-	100.0%	21 092	17 554
Administrative fees	58	-	(56)	2	2	-	100.0%	40	40
Advertising	25	311		336	336	-	100.0%	142	142

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

## Detail per Programme 2: TOURISM RESEARCH, POLICY AND INTERNATIONAL RELATIONS - continued

Sub-programme	2019/20							2018/19	
	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
Minor assets	287	(263)	(4)	20	20	-	100.0%	32	32
Catering: Departmental activities	1 411	(1 191)	42	262	262	-	100.0%	536	536
Communication (G&S)	1 267	(846)	(116)	305	305	-	100.0%	333	333
Computer services	466	1 269	-	1 735	1 735	-	100.0%	447	447
Consultants: Business and advisory services	19	1 172	-	1 191	1 191	-	100.0%	62	62
Legal services	-	61	-	61	61	-	100.0%	-	-
Contractors	18	(18)	29	29	29	-	100.0%	294	294
Agency and support / outsourced services	-	-	-	-	-	-	-	129	129
Entertainment	53	(52)	-	1	1	-	100.0%	37	37
Consumable supplies	441	(379)	(19)	43	43	-	100.0%	94	94
Consumable: Stationery, printing and office supplies	816	(404)	(234)	178	178	-	100.0%	222	222
Travel and subsistence	14 532	1 947	(10 601)	5 878	5 878	-	100.0%	12 633	9 095
Training and development	1 217	(385)	(711)	121	121	-	100.0%	503	503
Operating payments	772	(236)	(81)	455	455	-	100.0%	2 156	2 156
Venues and facilities	1 843	(1 045)	118	916	916	-	100.0%	3 342	3 342
Rental and hiring	7	(7)	-	-	-	-	0.0%	90	90

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

140

## Detail per Programme 2: TOURISM RESEARCH, POLICY AND INTERNATIONAL RELATIONS - *continued*

Sub-programme	2019/20							2018/19	
	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
<b>Transfers and subsidies</b>	<b>1 260 415</b>	<b>43</b>	<b>96 520</b>	<b>1 356 978</b>	<b>1 356 976</b>	<b>2</b>	<b>100.0%</b>	<b>1 214 535</b>	<b>1 214 375</b>
Departmental agencies and accounts	1 254 161	-	100 000	1 354 161	1 354 161	-	100.0%	1 208 048	1 208 048
Departmental agencies	1 254 161	-	100 000	1 354 161	1 354 161	-	100.0%	1 208 048	1 208 048
Foreign governments and international organisations	2 774	-	-	2 774	2 772	2	99.9%	2 508	2 348
Households	3 480	43	(3 480)	43	43	-	100.0%	3 979	3 979
Social benefits	-	43	-	43	43	-	100.0%	-	-
Other transfers to households	3 480	-	(3 480)	-	-	-	-	3 979	3 979
<b>Payments for capital assets</b>	<b>481</b>	<b>-</b>	<b>-</b>	<b>481</b>	<b>401</b>	<b>80</b>	<b>83.4%</b>	<b>906</b>	<b>906</b>
Machinery and equipment	481	-	-	481	401	80	83.4%	906	906
Other machinery and equipment	481	-	-	481	401	80	83.4%	906	906
<b>Payment for financial assets</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>23</b>	<b>23</b>	<b>-</b>	<b>100.0%</b>	<b>7</b>	<b>7</b>
<b>TOTAL</b>	<b>1 331 053</b>	<b>-</b>	<b>88 089</b>	<b>1 419 142</b>	<b>1 419 060</b>	<b>82</b>	<b>100.0%</b>	<b>1 288 130</b>	<b>1 283 908</b>



# APPROPRIATION STATEMENT

for the year ended 31 March 2020

## Appropriation per Economic Classification - Programme 2: TOURISM RESEARCH POLICY AND INTERNATIONAL RELATIONS

Sub-programme	2019/20							2018/19	
2.1: Tourism Research, Policy and International Relations Management	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
<b>Current payments</b>	<b>10 459</b>	<b>(108)</b>	<b>(2 072)</b>	<b>8 279</b>	<b>8 279</b>	<b>-</b>	<b>100.0%</b>	<b>7 856</b>	<b>7 319</b>
Compensation of employees	6 116	-	31	6 147	6 147	-	100.0%	6 072	6 072
Goods and services	4 343	(108)	(2 103)	2 132	2 132	-	100.0%	1 784	1 247
<b>Payments for capital assets</b>	<b>180</b>	<b>(22)</b>	<b>-</b>	<b>158</b>	<b>78</b>	<b>80</b>	<b>49.4%</b>	<b>130</b>	<b>130</b>
Machinery and equipment	180	(22)	-	158	78	80	49.4%	130	130
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>TOTAL</b>	<b>10 639</b>	<b>(130)</b>	<b>(2 072)</b>	<b>8 437</b>	<b>8 357</b>	<b>80</b>	<b>99.1%</b>	<b>7 987</b>	<b>7 450</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

142

## Appropriation per Economic Classification - Programme 2: TOURISM RESEARCH POLICY AND INTERNATIONAL RELATIONS - *continued*

Sub-programme	2019/20							2018/19	
2.2: Research and Knowledge Management	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
<b>Current payments</b>	<b>24 485</b>	<b>81</b>	<b>(1 484)</b>	<b>23 082</b>	<b>23 082</b>	<b>-</b>	<b>100.0%</b>	<b>29 236</b>	<b>29 236</b>
Compensation of employees	17 271	-	1 016	18 287	18 287	-	100.0%	18 856	18 856
Goods and services	7 214	81	(2 500)	4 795	4 795	-	100.0%	10 380	10 380
<b>Transfers and subsidies</b>	<b>3 480</b>	<b>-</b>	<b>(3 480)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 979</b>	<b>3 979</b>
Households	3 480	-	(3 480)	-	-	-	-	3 979	3 979
<b>Payments for capital assets</b>	<b>136</b>	<b>24</b>	<b>-</b>	<b>160</b>	<b>160</b>	<b>-</b>	<b>100.0%</b>	<b>273</b>	<b>273</b>
Machinery and equipment	136	24	-	160	160	-	100.0%	273	273
<b>Payment for financial assets</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>28 101</b>	<b>107</b>	<b>(4 964)</b>	<b>23 244</b>	<b>23 244</b>	<b>-</b>	<b>100.0%</b>	<b>33 488</b>	<b>33 488</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

## Appropriation per Economic Classification - Programme 2: TOURISM RESEARCH POLICY AND INTERNATIONAL RELATIONS - *continued*

Sub-programme	2019/20							2018/19	
	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
<b>2.3: Policy Planning and Strategy</b>									
<b>Current payments</b>	<b>12 868</b>	-	<b>(980)</b>	<b>11 888</b>	<b>11 888</b>	-	<b>100.0%</b>	<b>11 607</b>	<b>11 604</b>
Compensation of employees	9 238	-	407	9 645	9 645	-	100.0%	9 845	9 842
Goods and services	3 630	-	(1 387)	2 243	2 243	-	100.0%	1 762	1 762
<b>Payments for capital assets</b>	-	<b>81</b>	-	<b>81</b>	<b>81</b>	-	<b>100.0%</b>	<b>154</b>	<b>154</b>
Machinery and equipment	-	81	-	81	81	-	100.0%	154	154
<b>Payment for financial assets</b>	-	<b>5</b>	-	<b>5</b>	<b>5</b>	-	<b>100.0%</b>	-	-
<b>TOTAL</b>	<b>12 868</b>	<b>86</b>	<b>(980)</b>	<b>11 974</b>	<b>11 974</b>	-	<b>100.0%</b>	<b>11 761</b>	<b>11 758</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

144

## Appropriation per Economic Classification - Programme 2: TOURISM RESEARCH POLICY AND INTERNATIONAL RELATIONS - *continued*

Sub-programme	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
2.4: South African Tourism	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	<b>1 254 161</b>	<b>-</b>	<b>100 000</b>	<b>1 354 161</b>	<b>1 354 161</b>	<b>-</b>	<b>100.0%</b>	<b>1 208 048</b>	<b>1 208 048</b>
Departmental agencies and accounts	1 254 161	-	100 000	1 354 161	1 354 161	-	100.0%	1 208 048	1 208 048
<b>TOTAL</b>	<b>1 254 161</b>	<b>-</b>	<b>100 000</b>	<b>1 354 161</b>	<b>1 354 161</b>	<b>-</b>	<b>100.0%</b>	<b>1 208 048</b>	<b>1 208 048</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

## Appropriation per Economic Classification - Programme 2: TOURISM RESEARCH POLICY AND INTERNATIONAL RELATIONS - *continued*

Sub-programme	2019/20							2018/19	
2.5: International Relations and Cooperation	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
<b>Current payments</b>	<b>22 345</b>	<b>(39)</b>	<b>(3 895)</b>	<b>18 411</b>	<b>18 411</b>	<b>-</b>	<b>100.0%</b>	<b>23 983</b>	<b>20 461</b>
Compensation of employees	14 300	-	1 748	16 048	16 048	-	100.0%	16 817	16 296
Goods and services	8 045	(39)	(5 643)	2 363	2 363	-	100.0%	7 166	4 165
<b>Transfers and subsidies</b>	<b>2 774</b>	<b>43</b>	<b>-</b>	<b>2 817</b>	<b>2 815</b>	<b>2</b>	<b>99.9%</b>	<b>2 508</b>	<b>2 348</b>
Foreign governments and international organisations	2 774	-	-	2 774	2 772	2	99.9%	2 508	2 348
Households	-	43	-	43	43	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>165</b>	<b>(83)</b>	<b>-</b>	<b>82</b>	<b>82</b>	<b>-</b>	<b>100.0%</b>	<b>349</b>	<b>349</b>
Machinery and equipment	165	(83)	-	82	82	-	100.0%	349	349
<b>Payment for financial assets</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>16</b>	<b>16</b>	<b>-</b>	<b>100.0%</b>	<b>6</b>	<b>6</b>
<b>TOTAL</b>	<b>25 284</b>	<b>(63)</b>	<b>(3 895)</b>	<b>21 326</b>	<b>21 324</b>	<b>2</b>	<b>100.0%</b>	<b>26 846</b>	<b>23 164</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

146

## Detail per Programme 3: DESTINATION DEVELOPMENT

	2019/20							2018/19	
Sub-programme	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
3.1 Destination Development Management	38 965	(1 201)	(25 819)	11 945	11 944	1	100.0%	19 806	19 667
3.2 Tourism Enhancement	23 333	(1 171)	(3 891)	18 271	18 271	-	100.0%	18 253	17 590
3.3 Destination Planning and Investment Coordination	29 655	252	(6 296)	23 611	23 611	-	100.0%	29 781	22 183
3.4 Working for Tourism	371 344	2 120	3 047	376 511	376 185	326	99.9%	339 007	339 007
TOTAL	463 297	-	(32 959)	430 338	430 011	327	99.9%	406 847	398 447
Economic classification									
Current payments	453 056	(91)	(33 674)	419 291	419 293	(2)	100.0%	277 500	269 100
Compensation of employees	55 831	-	(1 625)	54 206	54 206	-	100.0%	53 427	53 426
Salaries and wages	49 182	334	(1 625)	47 891	47 891	-	100.0%	47 364	47 363
Social contributions	6 649	(334)		6 315	6 315	-	100.0%	6 063	6 063
Goods and services	397 225	(91)	(32 049)	365 085	365 087	(2)	100.0%	224 073	215 674
Administrative fees	-	40	-	40	40	-	100.0%	-	-
Advertising	25	47	-	72	72	-	100.0%	16	16
Minor assets	192	(171)	-	21	21	-	100.0%	52	52
Audit costs: External	563	(279)	-	284	284	-	100.0%	558	558

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

## Detail per Programme 3: DESTINATION DEVELOPMENT - *continued*

Sub-programme	2019/20							2018/19	
	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
Catering: Departmental activities	109	188	-	297	297	-	100.0%	366	366
Communication (G&S)	1 734	(1 419)	-	315	315	-	100.0%	390	390
Computer services	130	12	-	142	142	-	100.0%	156	156
Consultants: Business and advisory services	3 255	2 210	-	5 465	5 466	(1)	100.0%	14 988	7 390
Legal services	-	111	-	111	111	-	100.0%	364	364
Contractors	-	72	-	72	72	-	100.0%	110 001	110 001
Agency and support / outsourced services	120 423	43 525	2 951	166 899	166 899	-	100.0%	-	-
Fleet services (including government motor transport)	-	1	-	1	1	-	100.0%	-	-
Consumable supplies	981	233	-	1 214	1 214	-	100.0%	190	190
Consumable: Stationery, printing and office supplies	1 275	(1 019)	-	256	256	-	100.0%	358	358
Property payments	-	7 545	-	7 545	7 545	-	100.0%	-	-
Travel and subsistence	29 523	5 715	(22 000)	13 238	13 239	(1)	100.0%	10 996	10 195
Training and development	228 304	(47 040)	(13 000)	168 264	168 264	-	100.0%	83 896	83 896
Operating payments	3 066	(2 839)	-	227	227	-	100.0%	485	485
Venues and facilities	7 645	(7 040)	-	605	605	-	100.0%	823	823
Rental and hiring	-	17	-	17	17	-	100.0%	434	434

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

148

## Detail per Programme 3: DESTINATION DEVELOPMENT - *continued*

Sub-programme	2019/20							2018/19	
	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
<b>Transfers and subsidies</b>	-	37	-	37	37	-	100.0%	63 560	63 560
Households	-	37	-	37	37	-	100.0%	63 560	63 560
Social benefits	-	37	-	37	37	-	100.0%	25	25
Other transfers to households	-	-	-	-	-	-	0.0%	63 535	63 535
<b>Payments for capital assets</b>	10 241		590	10 831	10 502	329	97.0%	65 609	65 609
Buildings and other fixed structures	10 000	40	390	10 430	10 102	328	96.9%	64 856	64 856
Buildings	10 000	40	390	10 430	10 102	328	96.9%	64 856	64 856
Machinery and equipment	241	(40)	200	401	400	1	99.8%	753	753
Transport equipment	-	-	22	22	22	-	100.0%	-	-
Other machinery and equipment	241	(40)	178	379	378	1	99.7%	753	753
<b>Payment for financial assets</b>	-	54	125	179	179	-	100.0%	178	178
<b>TOTAL</b>	<b>463 297</b>	<b>-</b>	<b>(32 959)</b>	<b>430 338</b>	<b>430 011</b>	<b>327</b>	<b>99.9%</b>	<b>406 847</b>	<b>398 447</b>



# APPROPRIATION STATEMENT

for the year ended 31 March 2020

## Appropriation per Economic Classification - Programme 3: DESTINATION DEVELOPMENT

Sub-programme	2019/20							2018/19	
3.1: Destination Development Management	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
<b>Current payments</b>	<b>38 949</b>	<b>(1 278)</b>	<b>(26 234)</b>	<b>11 437</b>	<b>11 437</b>	<b>-</b>	<b>100.0%</b>	<b>6 957</b>	<b>6 818</b>
Compensation of employees	3 656	(565)	(1 234)	1 857	1 857	-	100.0%	2 709	2 709
Goods and services	35 293	(713)	(25 000)	9 580	9 580	-	100.0%	4 248	4 109
<b>Transfers and subsidies</b>	<b>-</b>	<b>37</b>	<b>-</b>	<b>37</b>	<b>37</b>	<b>-</b>	<b>100.0%</b>	<b>10</b>	<b>10</b>
Households	-	37	-	37	37	-	100.0%	10	10
<b>Payments for capital assets</b>	<b>16</b>	<b>40</b>	<b>415</b>	<b>471</b>	<b>470</b>	<b>1</b>	<b>99.8%</b>	<b>12 839</b>	<b>12 839</b>
Buildings and other fixed structures	-	40	390	430	430	-	100.0%	12 770	12 770
Machinery and equipment	16	-	25	41	40	1	97.6%	69	69
<b>TOTAL</b>	<b>38 965</b>	<b>(1 201)</b>	<b>(25 819)</b>	<b>11 945</b>	<b>11 944</b>	<b>1</b>	<b>100.0%</b>	<b>19 806</b>	<b>19 667</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

150

## Appropriation per Economic Classification - Programme 3: DESTINATION DEVELOPMENT - *continued*

Sub-programme	2019/20							2018/19	
3.2: Tourism Enhancement	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
<b>Current payments</b>	<b>23 278</b>	<b>(1 151)</b>	<b>(3 891)</b>	<b>18 236</b>	<b>18 236</b>	-	<b>100.0%</b>	<b>18 106</b>	<b>17 443</b>
Compensation of employees	14 006	(622)	(391)	12 993	12 993	-	100.0%	13 611	13 611
Goods and services	9 272	(529)	(3 500)	5 243	5 243	-	100.0%	4 495	3 832
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>15</b>	<b>15</b>
Households	-	-	-	-	-	-	-	15	15
<b>Payments for capital assets</b>	<b>55</b>	<b>(40)</b>	-	<b>15</b>	<b>15</b>	-	<b>100.0%</b>	<b>129</b>	<b>129</b>
Machinery and equipment	55	(40)	-	15	15	-	100.0%	129	129
<b>Payment for financial assets</b>	-	<b>20</b>	-	<b>20</b>	<b>20</b>	-	<b>100.0%</b>	<b>3</b>	<b>3</b>
<b>TOTAL</b>	<b>23 333</b>	<b>(1 171)</b>	<b>(3 891)</b>	<b>18 271</b>	<b>18 271</b>	-	<b>100.0%</b>	<b>18 253</b>	<b>17 590</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

## Appropriation per Economic Classification - Programme 3: DESTINATION DEVELOPMENT - *continued*

Sub-programme	2019/20							2018/19	
3.3: Destination Planning and Investment Coordination	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
<b>Current payments</b>	<b>29 565</b>	<b>218</b>	<b>(6 500)</b>	<b>23 283</b>	<b>23 283</b>	<b>-</b>	<b>100.0%</b>	<b>29 303</b>	<b>21 705</b>
Compensation of employees	17 505	565	-	18 070	18 070	-	100.0%	16 948	16 948
Goods and services	12 060	(347)	(6 500)	5 213	5 213	-	100.0%	12 355	4 757
<b>Payments for capital assets</b>	<b>90</b>	<b>-</b>	<b>83</b>	<b>173</b>	<b>173</b>	<b>-</b>	<b>100.0%</b>	<b>313</b>	<b>313</b>
Machinery and equipment	90	-	83	173	173	-	100.0%	313	313
<b>Payment for financial assets</b>	<b>-</b>	<b>34</b>	<b>121</b>	<b>155</b>	<b>155</b>	<b>-</b>	<b>100.0%</b>	<b>165</b>	<b>165</b>
<b>TOTAL</b>	<b>29 655</b>	<b>252</b>	<b>(6 296)</b>	<b>23 611</b>	<b>23 611</b>	<b>-</b>	<b>100.0%</b>	<b>29 781</b>	<b>22 183</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

152

## Appropriation per Economic Classification - Programme 3: DESTINATION DEVELOPMENT - *continued*

Sub-programme	2019/20							2018/19	
3.5: Working for Tourism	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
<b>Current payments</b>	<b>361 264</b>	<b>2 120</b>	<b>2 951</b>	<b>366 335</b>	<b>366 337</b>	<b>(2)</b>	<b>100.0%</b>	<b>223 134</b>	<b>223 134</b>
Compensation of employees	20 664	622	-	21 286	21 286	-	100.0%	20 159	20 158
Goods and services	340 600	1 498	2 951	345 049	345 051	(2)	100.0%	202 975	202 976
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63 535</b>	<b>63 535</b>
Households	-	-	-	-	-	-	-	63 535	63 535
<b>Payments for capital assets</b>	<b>10 080</b>	<b>-</b>	<b>92</b>	<b>10 172</b>	<b>9 844</b>	<b>328</b>	<b>96.8%</b>	<b>52 328</b>	<b>52 328</b>
Buildings and other fixed structures	10 000	-	-	10 000	9 672	328	96.7%	52 086	52 086
Machinery and equipment	80	-	92	172	172	-	100.0%	242	242
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>100.0%</b>	<b>10</b>	<b>10</b>
<b>TOTAL</b>	<b>371 344</b>	<b>2 120</b>	<b>3 047</b>	<b>376 511</b>	<b>376 185</b>	<b>326</b>	<b>99.9%</b>	<b>339 007</b>	<b>339 007</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

## Detail per Programme 4: TOURISM SECTOR SUPPORT SERVICES

Sub-programme	2019/20							2018/19	
	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
4.1 Tourism Sector Support Services Management	11 893	867	(929)	11 831	11 831	-	100.0%	8 950	8 950
4.2 Tourism Human Resource Development	27 890	30	1 120	29 040	29 040	-	100.0%	30 401	30 401
4.3 Enterprise Development and Transformation	52 655	(927)	(14 840)	36 888	34 701	2 187	94.1%	46 741	44 684
4.4 Tourism Visitor Services	24 875	35	1 733	26 643	24 119	2 524	90.5%	24 697	24 213
4.5 Tourism Incentive Programme	185 133	(5)	(34 614)	150 514	148 307	2 207	98.5%	189 593	183 469
<b>TOTAL</b>	<b>302 446</b>	<b>-</b>	<b>(47 530)</b>	<b>254 916</b>	<b>247 998</b>	<b>6 918</b>	<b>97.3%</b>	<b>300 382</b>	<b>291 717</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>132 690</b>	<b>2 285</b>	<b>(17 814)</b>	<b>117 161</b>	<b>111 363</b>	<b>5 798</b>	<b>95.1%</b>	<b>126 253</b>	<b>118 603</b>
Compensation of employees	80 606	-	(3 518)	77 088	72 111	4 977	93.5%	72 357	70 785
Salaries and wages	71 018	-	(3 341)	67 677	63 525	4 152	93.9%	63 658	62 573
Social contributions	9 588	-	(177)	9 411	8 586	825	91.2%	8 699	8 212
Goods and services	52 084	2 285	(14 296)	40 073	39 252	821	98.0%	53 896	47 818
Administrative fees	267	114	-	381	381	-	100.0%	468	468
Advertising	468	147	-	615	615	-	100.0%	943	943
Minor assets	48	(5)	-	43	43	-	100.0%	34	34

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

154

## Detail per Programme 3: TOURISM SECTOR SUPPORT SERVICES - *continued*

Sub-programme	2019/20							2018/19	
	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
Audit costs: External	-	-	-	-	-	-	-	408	408
Catering: Departmental activities	2 260	(336)	-	1 924	1 924	-	100.0%	2 769	2 769
Communication (G&S)	518	(173)	-	345	345	-	100.0%	377	377
Consultants: Business and advisory services	4 006	1 452	(94)	5 364	5 364	-	100.0%	13 714	7 636
Legal services	-	87	199	286	286	-	100.0%	359	359
Contractors	377	(306)	-	71	72	(1)	101.4%	349	349
Agency and support / outsourced services	14	1 951	2 381	4 346	4 346	-	100.0%	9	9
Entertainment	182	(31)	-	151	151	-	100.0%	16	16
Consumable supplies	105	199	-	304	304	-	100.0%	231	231
Consumable: Stationery, printing and office supplies	247	44	158	449	449	-	100.0%	125	125
Travel and subsistence	20 785	1 640	(7 640)	14 785	13 963	822	94.4%	18 950	18 950
Training and development	18 313	182	(11 599)	6 896	6 896	-	100.0%	9 079	9 079
Operating payments	752	(651)	-	101	101	-	100.0%	747	747
Venues and facilities	3 166	(1 693)	2 299	3 772	3 772	-	100.0%	4 067	4 067
Rental and hiring	576	(336)	-	240	240	-	100.0%	1 251	1 251

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

## Detail per Programme 3: TOURISM SECTOR SUPPORT SERVICES - *continued*

Sub-programme	2019/20							2018/19	
	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
<b>Transfers and subsidies</b>	<b>169 560</b>	<b>(2 376)</b>	<b>(30 144)</b>	<b>137 040</b>	<b>135 921</b>	<b>1 119</b>	<b>99.2%</b>	<b>143 759</b>	<b>142 744</b>
Departmental agencies and accounts	3 715	-	-	3 715	3 715	-	100.0%	65 796	65 796
Departmental agencies	3 715	-	-	3 715	3 715	-	100.0%	65 796	65 796
Public corporations and private enterprises	165 432	(2 376)	(30 201)	132 855	131 736	1 119	99.2%	76 954	75 939
Private enterprises	165 432	(2 376)	(30 201)	132 855	131 736	1 119	99.2%	76 954	75 939
Other transfers to private enterprises	165 432	(2 376)	(30 201)	132 855	131 736	1 119	99.2%	76 954	75 939
Non-profit institutions	413	-	-	413	413	-	100.0%	472	472
Households	-	-	57	57	57	-	100.0%	537	537
Social benefits	-	-	57	57	57	-	100.0%	537	537
<b>Payments for capital assets</b>	<b>196</b>	<b>86</b>	<b>418</b>	<b>700</b>	<b>700</b>	<b>-</b>	<b>100.0%</b>	<b>30 278</b>	<b>30 278</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	29 331	29 331
Buildings	-	-	-	-	-	-	-	29 331	29 331
Machinery and equipment	196	86	418	700	700	-	100.0%	947	947
Other machinery and equipment	196	86	418	700	700	-	100.0%	947	947
<b>Payment for financial assets</b>	<b>-</b>	<b>5</b>	<b>10</b>	<b>15</b>	<b>14</b>	<b>1</b>	<b>93.3%</b>	<b>92</b>	<b>92</b>
<b>TOTAL</b>	<b>302 446</b>	<b>-</b>	<b>(47 530)</b>	<b>254 916</b>	<b>247 998</b>	<b>6 918</b>	<b>97.3%</b>	<b>300 382</b>	<b>291 717</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

156

## Appropriation per Economic Classification - Programme 4: TOURISM SECTOR SUPPORT SERVICES

Sub-programme	2019/20							2018/19	
4.1: Tourism Sector Support Services Management	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
<b>Current payments</b>	<b>11 480</b>	<b>867</b>	<b>(1 086)</b>	<b>11 261</b>	<b>11 261</b>	<b>-</b>	<b>100.0%</b>	<b>8 359</b>	<b>8 359</b>
Compensation of employees	4 500	-	(1 467)	3 033	3 033	-	100.0%	3 477	3 477
Goods and services	6 980	867	381	8 228	8 228	-	100.0%	4 882	4 882
<b>Transfers and subsidies</b>	<b>413</b>	<b>-</b>	<b>21</b>	<b>434</b>	<b>434</b>	<b>-</b>	<b>100.0%</b>	<b>472</b>	<b>472</b>
Non-profit institutions	413	-	-	413	413	-	100.0%	472	472
Households	-	-	21	21	21	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>132</b>	<b>132</b>	<b>132</b>	<b>-</b>	<b>100.0%</b>	<b>113</b>	<b>113</b>
Machinery and equipment	-	-	132	132	132	-	100.0%	113	113
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>100.0%</b>	<b>6</b>	<b>6</b>
<b>TOTAL</b>	<b>11 893</b>	<b>867</b>	<b>(929)</b>	<b>11 831</b>	<b>11 831</b>	<b>-</b>	<b>100.0%</b>	<b>8 950</b>	<b>8 950</b>



# APPROPRIATION STATEMENT

for the year ended 31 March 2020

## Appropriation per Economic Classification - Programme 4: TOURISM SECTOR SUPPORT SERVICES - *continued*

Sub-programme	2019/20							2018/19	
4.2: Tourism Human Resource Development	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
<b>Current payments</b>	<b>24 175</b>	<b>16</b>	<b>940</b>	<b>25 131</b>	<b>25 131</b>	<b>-</b>	<b>100.0%</b>	<b>25 497</b>	<b>25 497</b>
Compensation of employees	19 178	-	(1 175)	18 003	18 003	-	100.0%	17 639	17 639
Goods and services	4 997	16	2 115	7 128	7 128	-	100.0%	7 858	7 858
<b>Transfers and subsidies</b>	<b>3 715</b>	<b>-</b>	<b>-</b>	<b>3 715</b>	<b>3 715</b>	<b>-</b>	<b>100.0%</b>	<b>4 785</b>	<b>4 785</b>
Departmental agencies and accounts	3 715	-	-	3 715	3 715	-	100.0%	4 248	4 248
Households	-	-	-	-	-	-	-	537	537
<b>Payments for capital assets</b>	<b>-</b>	<b>14</b>	<b>177</b>	<b>191</b>	<b>191</b>	<b>-</b>	<b>100.0%</b>	<b>119</b>	<b>119</b>
Machinery and equipment	-	14	177	191	191	-	100.0%	119	119
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>27 890</b>	<b>30</b>	<b>1 120</b>	<b>29 040</b>	<b>29 040</b>	<b>-</b>	<b>100.0%</b>	<b>30 401</b>	<b>30 401</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

158

## Appropriation per Economic Classification - Programme 4: TOURISM SECTOR SUPPORT SERVICES - *continued*

Sub-programme	2019/20							2018/19	
4.3: Enterprise Development and Transformation	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
<b>Current payments</b>	<b>52 517</b>	<b>(916)</b>	<b>(14 876)</b>	<b>36 725</b>	<b>34 538</b>	<b>2 187</b>	<b>94.0%</b>	<b>46 489</b>	<b>44 432</b>
Compensation of employees	23 642	-	(876)	22 766	20 579	2 187	90.4%	21 056	20 181
Goods and services	28 875	(916)	(14 000)	13 959	13 959	-	100.0%	25 433	24 251
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Households	-	-	36	36	36	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>138</b>	<b>(14)</b>	<b>-</b>	<b>124</b>	<b>124</b>	<b>-</b>	<b>100.0%</b>	<b>234</b>	<b>234</b>
Machinery and equipment	138	(14)	-	124	124	-	100.0%	234	234
<b>Payment for financial assets</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>100.0%</b>	<b>18</b>	<b>18</b>
<b>TOTAL</b>	<b>52 655</b>	<b>(927)</b>	<b>(14 840)</b>	<b>36 888</b>	<b>34 701</b>	<b>2 187</b>	<b>94.1%</b>	<b>46 741</b>	<b>44 684</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

## Appropriation per Economic Classification - Programme 4: TOURISM SECTOR SUPPORT SERVICES - *continued*

Sub-programme	2019/20							2018/19	
	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
<b>4.4: Tourism Visitor Services</b>									
<b>Current payments</b>	<b>24 875</b>	<b>33</b>	<b>1 621</b>	<b>26 529</b>	<b>24 006</b>	<b>2 523</b>	<b>90.5%</b>	<b>24 347</b>	<b>23 863</b>
Compensation of employees	21 269	-	-	21 269	18 745	2 524	88.1%	18 899	18 415
Goods and services	3 606	33	1 621	5 260	5 261	(1)	100.0%	5 448	5 448
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>109</b>	<b>109</b>	<b>109</b>	<b>-</b>	<b>100.0%</b>	<b>282</b>	<b>282</b>
Machinery and equipment	-	-	109	109	109	-	100.0%	282	282
<b>Payment for financial assets</b>	<b>-</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>80.0%</b>	<b>68</b>	<b>68</b>
<b>TOTAL</b>	<b>24 875</b>	<b>35</b>	<b>1 733</b>	<b>26 643</b>	<b>24 119</b>	<b>2 524</b>	<b>90.5%</b>	<b>24 697</b>	<b>24 213</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2020

160

## Appropriation per Economic Classification - Programme 4: TOURISM SECTOR SUPPORT SERVICES - *continued*

Sub-programme	2019/20							2018/19	
4.5: Tourism Incentive Programme	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
<b>Current payments</b>	<b>19 643</b>	<b>2 285</b>	<b>(4 413)</b>	<b>17 515</b>	<b>16 427</b>	<b>1 088</b>	<b>93.8%</b>	<b>21 561</b>	<b>16 452</b>
Compensation of employees	12 017	-	-	12 017	11 751	266	97.8%	11 286	11 073
Goods and services	7 626	2 285	(4 413)	5 498	4 676	822	85.0%	10 275	5 379
<b>Transfers and subsidies</b>	<b>165 432</b>	<b>(2 376)</b>	<b>(30 201)</b>	<b>132 855</b>	<b>131 736</b>	<b>1 119</b>	<b>99.2%</b>	<b>138 502</b>	<b>137 487</b>
Departmental agencies and accounts	-	-	-	-	-	-	-	61 548	61 548
Public corporations and private enterprises	165 432	(2 376)	(30 201)	132 855	131 736	1 119	99.2%	76 954	75 939
<b>Payments for capital assets</b>	<b>58</b>	<b>86</b>	<b>-</b>	<b>144</b>	<b>144</b>	<b>-</b>	<b>100.0%</b>	<b>29 530</b>	<b>29 530</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	29 331	29 331
Machinery and equipment	58	86	-	144	144	-	100.0%	199	199
<b>TOTAL</b>	<b>185 133</b>	<b>(5)</b>	<b>(34 614)</b>	<b>150 514</b>	<b>148 307</b>	<b>2 207</b>	<b>98.5%</b>	<b>189 593</b>	<b>183 469</b>

# NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2020

## 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
<b>Programme1: Administration</b>				
Compensation of employees	152 951	152 951	-	0%
Goods and services	119 459	119 456	3	0%
Transfers and subsidies	6 267	6 268	(1)	0%
Payment for capital assets	9 381	8 432	949	10%
Payment for financial assets	216	216	-	0%
<b>TOTAL</b>	<b>288 274</b>	<b>287 323</b>	<b>951</b>	<b>0%</b>

### Explanation of variance

This underspending lies under Purchases of Capital Assets which is mainly due to planned replacements of IT servers and mainframes which did not materialise during the financial year.

# NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2020

162

	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	R'000
<b>Programme 2: Tourism Research, Policy and International Relations</b>				
Compensation of employees	50 127	50 127	-	0%
Goods and services	11 533	11 533	-	0%
Transfers and subsidies	1 356 978	1 356 976	2	0%
Payment for capital assets	481	401	80	17%
Payment for financial assets	23	23	-	0%
<b>TOTAL</b>	<b>1 419 142</b>	<b>1 419 060</b>	<b>82</b>	<b>0%</b>

**Explanation of variance**

This minor underspending is due to cost containment measures implemented by the Department during the financial year.

	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	R'000
<b>Programme 3: Destination Development</b>				
Compensation of employees	54 206	54 206	-	0%
Goods and services	365 085	365 087	(2)	0%
Transfers and subsidies	37	37	-	0%
Payment for capital assets	10 831	10 502	329	3%
Payment for financial assets	179	179	-	0%
<b>TOTAL</b>	<b>430 338</b>	<b>430 011</b>	<b>327</b>	<b>0%</b>

**Explanation of variance**

This minor underspending lies within the Expanded Public Works Programme (EPWP) due to a slight saving on capital projects funded by the programme.

# NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2020

	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	R'000
<b>Programme 4: Tourism Sector Support Services</b>				
Compensation of employees	77 088	72 111	4 977	6%
Goods and services	40 073	39 252	821	2%
Transfers and subsidies	137 040	135 921	1 119	1%
Payment for capital assets	700	700	-	0%
Payment for financial assets	15	14	1	7%
<b>TOTAL</b>	<b>254 916</b>	<b>247 998</b>	<b>6 918</b>	<b>3%</b>

## 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.

# NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2020

164

4.2 Per economic classification	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	R'000
<b>Current expenditure</b>				
Compensation of employees	334 372	329 395	4 977	1%
Good and services	536 150	535 328	822	0%
<b>Transfers and subsidies</b>				
Departmental agencies and accounts	1 358 033	1 358 033	-	0%
Public corporations and private enterprises	132 855	131 736	1 119	1%
Foreign governments and international organisations	2 774	2 772	2	0%
Non-profit institutions	413	413	-	0%
Households	6 247	6 248	(1)	0%
<b>Payments for capital assets</b>				
Buildings and other fixed structures	10 430	10 102	328	3%
Machinery and equipment	9 693	8 663	1 030	11%
Software and other intangible assets	1 270	1 270	-	0%
<b>Payment for financial assets</b>	<b>433</b>	<b>432</b>	<b>1</b>	<b>0%</b>
<b>TOTAL</b>	<b>2 392 670</b>	<b>2 384 392</b>	<b>8 278</b>	<b>0%</b>



## STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>REVENUE</b>			
Annual appropriation	1	2 392 670	2 261 817
Departmental revenue	2	4 250	2 482
Aid Assistance	3	89 213	22 799
<b>TOTAL REVENUE</b>		<b>2 486 133</b>	<b>2 287 098</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	329 395	313 452
Goods and services	5	535 328	393 686
<b>Total current expenditure</b>		<b>864 723</b>	<b>707 138</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	1 499 202	1 421 713
Aid Assistance	3	88 109	22 799
<b>Total transfers and subsidies</b>		<b>1 587 311</b>	<b>1 444 512</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	18 765	102 736
Intangible assets	8	1 270	2 818
<b>Total expenditure for capital assets</b>		<b>20 035</b>	<b>105 554</b>
<b>Payments for financial assets</b>	6	<b>432</b>	<b>397</b>
<b>TOTAL EXPENDITURE</b>		<b>2 472 501</b>	<b>2 257 601</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>13 632</b>	<b>29 497</b>
<b>Reconciliation of net surplus/(deficit) for the year</b>			
Voted funds		8 278	27 015
Annual appropriation		8 278	27 015
Departmental revenue	13	4 250	2 482
Aid assistance	3	1 104	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>13 632</b>	<b>29 497</b>

Department of Tourism - Vote 33

## STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2020

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>9 373</b>	<b>26 878</b>
Cash and cash equivalents	9	8 208	25 496
Prepayments and advances	10	201	742
Receivables	11	964	640
<b>Non-current assets</b>		<b>439</b>	<b>849</b>
Receivables	11	439	849
<b>TOTAL ASSETS</b>		<b>9 812</b>	<b>27 727</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>9 510</b>	<b>27 212</b>
Voted funds to be surrendered to the revenue fund	12	8 278	27 015
Departmental revenue to be surrendered to the revenue fund	13	2	170
Payables	14	126	27
Aid assistance repayable	3	1 104	-
<b>TOTAL LIABILITIES</b>		<b>9 510</b>	<b>27 212</b>
<b>NET ASSETS</b>		<b>302</b>	<b>515</b>
<b>Represented by:</b>			
Recoverable revenue		302	515
<b>TOTAL</b>		<b>302</b>	<b>515</b>

# STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2020

	Note	2019/20	2018/19
		R'000	R'000
<b>Recoverable revenue</b>			
Opening balance		515	216
<b>Transfers:</b>		<b>(213)</b>	<b>299</b>
Debts recovered (included in departmental receipts)		(225)	(108)
Debts raised		12	407
Closing balance		302	515
<b>TOTAL</b>		<b>302</b>	<b>515</b>

## Department of Tourism - Vote 33

## CASH FLOW STATEMENT

for the year ended 31 March 2020

**CASH FLOW FROM OPERATING ACTIVITIES****Receipts**

Annual appropriated funds received  
 Departmental revenue received  
 Interest received  
 Aid assistance received

Net (increase)/decrease in working capital

Surrendered to revenue fund

Current payments

Payments for financial assets

Transfers and subsidies paid

**Net cash flow available from operating activities****CASH FLOW FROM INVESTING ACTIVITIES**

Payments for capital assets

Proceeds from sale of capital assets

(Increase)/decrease in non-current receivables

**Net cash flow from investing activities****CASH FLOW FROM FINANCING ACTIVITIES**

Increase/(decrease) in net assets

**Net cash flow from financing activities**

Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of period

**Cash and cash equivalents at end of period**

<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
	<b>R'000</b>	<b>R'000</b>
	<b>2 485 879</b>	<b>2 287 054</b>
1	2 392 670	2 261 817
2	3 817	2 311
2	179	127
3	89 213	22 799
	316	(632)
	(31 433)	(8 498)
	(864 723)	(707 138)
	(432)	(397)
	(1 587 311)	(1 444 512)
15	<b>2 296</b>	<b>125 877</b>
8	(20 035)	(105 554)
2	254	44
	410	-
	<b>(19 371)</b>	<b>(105 510)</b>
	(213)	299
	<b>(213)</b>	<b>299</b>
	(17 288)	20 666
	25 496	4 830
16	<b>8 208</b>	<b>25 496</b>

# ACCOUNTING POLICIES

for the year ended 31 March 2020

## 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 consist of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

# ACCOUNTING POLICIES

for the year ended 31 March 2020

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.

## 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.

Accruals and payables not recognised are recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the Department or in the case of transfers and subsidies when they are due and payable.

Accruals and payables not recognised are measured at cost.

# ACCOUNTING POLICIES

for the year ended 31 March 2020

## 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.

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.

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.

### 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. Prepayments and advances

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

Prepayments and advances are initially and subsequently measured at cost.

Prepayments and advances are expensed when there is a contractual obligation between the Department and the service providers. Details for such prepayments and advances are recorded in the notes to the financial statements.

# ACCOUNTING POLICIES

for the year ended 31 March 2020

## 12. Loans and receivables

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

## 13. Investments

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

## 14. Financial assets

### 14.1 Financial assets (not covered elsewhere)

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

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

### 14.2 Impairment of financial assets

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

## 15. Payables

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

## 16. Capital Assets

### 16.1 Immovable capital assets

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

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

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

### 16.2 Movable capital assets

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

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

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

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



# ACCOUNTING POLICIES

for the year ended 31 March 2020

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

## 16.3 Intangible assets

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

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

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

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

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

## 16.4 Project Costs: Work-in-progress

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

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

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

## 17. Provisions and Contingents

### 17.1 Provisions

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

### 17.2 Contingent liabilities

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

### 17.3 Contingent assets

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

### 17.4 Capital Commitments

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

# ACCOUNTING POLICIES

for the year ended 31 March 2020

## 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 written off or transferred to receivables for recovery.

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. 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 removed 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.

# ACCOUNTING POLICIES

for the year ended 31 March 2020

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 Public-Private Partnerships 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.

# ACCOUNTING POLICIES

for the year ended 31 March 2020

## 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 Executing 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 department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 1. Annual appropriation

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

	2019/20			2018/19		
	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	288 274	288 274	-	266 607	266 607	-
Tourism Research, Policy and International Relations	1 419 142	1 419 142	-	1 288 130	1 288 130	-
Destination Development	430 338	430 338	-	406 698	406 698	-
Tourism Sector Support Services	254 916	254 916	-	300 382	300 382	-
<b>TOTAL</b>	<b>2 392 670</b>	<b>2 392 670</b>	<b>-</b>	<b>2 261 817</b>	<b>2 261 817</b>	<b>-</b>

## 2. Departmental revenue

	Note	2019/20	2018/19
		R'000	R'000
Sales of goods and services other than capital assets	2.1	166	164
Interest, dividends and rent on land	2.2	179	127
Sales of capital assets	2.3	254	44
Transactions in financial assets and liabilities	2.4	3 651	2 147
<b>TOTAL DEPARTMENTAL REVENUE COLLECTED</b>		<b>4 250</b>	<b>2 482</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

178

## 2.1 Sales of goods and services other than capital assets

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
Sales of goods and services produced by the Department	2	166	164
Sales by market establishment		69	70
Other sales		97	94
<b>TOTAL</b>		<b>166</b>	<b>164</b>

## 2.2 Interest, dividends and rent on land

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
Interest	2	179	127
<b>TOTAL</b>		<b>179</b>	<b>127</b>

## 2.3 Sale of capital assets

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
<b>Tangible assets</b>		<b>254</b>	<b>44</b>
Machinery and equipment	27.2	254	44
<b>TOTAL</b>		<b>254</b>	<b>44</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 2.4 Transactions in financial assets and liabilities

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
Other receipts, including recoverable revenue (including project refunds)	2	3 651	2 147
<b>TOTAL</b>		<b>3 651</b>	<b>2 147</b>

## 3. Aid assistance

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		-	-
Prior period error		-	-
As restated		-	-
Transferred from statement of financial performance		1 104	-
Paid during the year		-	-
<b>CLOSING BALANCE</b>		<b>1 104</b>	<b>-</b>

Department of Tourism - Vote 33

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 3.1 Analysis of balance by source

	Note	2019/20	2018/19
		R'000	R'000
Aid assistance from RDP	3	1 104	-
<b>CLOSING BALANCE</b>		<b>1 104</b>	<b>-</b>

## 3.2 Analysis of balance

	Note	2019/20	2018/19
		R'000	R'000
Aid assistance repayable	3	1 104	-
<b>CLOSING BALANCE</b>		<b>1 104</b>	<b>-</b>

## 3.3 Aid assistance expenditure per economic classification

	Note	2019/20	2018/19
		R'000	R'000
Transfers and subsidies		88 109	22 799
<b>TOTAL AID ASSISTANCE EXPENDITURE</b>		<b>88 109</b>	<b>22 799</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 4. Compensation of employees

### 4.1 Salaries and wages

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
Basic salary	4	228 457	217 684
Performance award		3 461	3 773
Service-based		78	113
Compensative/circumstantial		4 017	2 449
Periodic payments		350	1 181
Other non-pensionable allowances		54 310	51 527
<b>TOTAL</b>		<b>290 673</b>	<b>276 727</b>

### 4.2 Social contributions

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
<b>Employer contributions</b>	4		
Pension		29 336	28 114
Medical		9 340	8 568
Bargaining council		46	43
<b>TOTAL</b>		<b>38 722</b>	<b>36 725</b>

<b>TOTAL COMPENSATION OF EMPLOYEES</b>	<b>329 395</b>	<b>313 452</b>
----------------------------------------	----------------	----------------

<b>Average number of employees</b>	<b>493</b>	<b>470</b>
------------------------------------	------------	------------

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

182

## 5. Goods and services

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
Administrative fees		573	645
Advertising		4 896	2 542
Minor assets	5.1	1 158	870
Bursaries (employees)		1 472	845
Catering		4 350	5 411
Communication		7 906	5 720
Computer services	5.2	12 135	10 273
Consultants: Business and advisory services		21 196	23 621
Legal services		889	827
Contractors		3 443	114 542
Agency and support/outsourced services		171 464	434
Entertainment		234	80
Audit cost – external	5.3	9 835	6 551
Fleet services		1 759	1 667
Consumables	5.4	7 225	4 012
Operating leases		37 816	43 260
Rental and hiring		1 764	4 228
Property payments	5.5	9 021	4 106
Travel and subsistence	5.6	52 118	53 524
Venues and facilities		6 855	9 535
Training and development		176 715	95 273
Other operating expenditure	5.7	2 504	5 720
<b>TOTAL</b>		<b>535 328</b>	<b>393 686</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

**Note:**

- *Training and development* expenditure increased by R81,442 million. This increase is due to an increase in the number of EPWP training projects funded by the Department.
- Expenditure on *Agency and support/outsourced services* increased by R171,464 million. From April 2019 the Department was instructed by National Treasury to allocate stipends paid to workers in the Expanded Public Works (EPWP) projects to this item. Previously this expenditure was classified as transfer payments to households.
- Expenditure on *Contractors* decreased by R111,099 million. This is attributable to a once off payment of R110 million for an EPWP maintenance project funded by the Department in 2018/19 that resulted in the expenditure for 2018/19 being significantly higher.
- Increase in *Advertising* expenditure is due to an increase in the adverts related to marketing activities.
- The Department was advised by Treasury to allocate maintenance expenditure on EPWP projects to *Property payments*. This resulted in a significant increase in this item in 2019/20.

**5.1 Minor assets**

	<b>Note</b>	<b>2019/20</b>	<b>2018/19</b>
	5	R'000	R'000
<b>Tangible assets</b>		<b>1 158</b>	<b>870</b>
Machinery and equipment		1 158	866
Transport Assets		-	4
<b>TOTAL</b>		<b>1 158</b>	<b>870</b>

**5.2 Computer services**

	<b>Note</b>	<b>2019/20</b>	<b>2018/19</b>
	5	R'000	R'000
State Information Technology Agency (SITA) computer services		6 067	7 137
External computer service providers		6 068	3 136
<b>TOTAL</b>		<b>12 135</b>	<b>10 273</b>

Department of Tourism - Vote 33

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 5.3 Audit cost – external

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
Regularity audits	5	9 835	6 551
<b>TOTAL</b>		<b>9 835</b>	<b>6 551</b>

## 5.4 Consumables

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
Consumable supplies	5	4 151	1 688
Uniform and clothing		681	330
Household supplies		842	672
Building material and supplies		1 016	183
Communication accessories		659	3
IT consumables		427	292
Other consumables		526	208
Stationery, printing and office supplies		3 074	2 324
<b>TOTAL</b>		<b>7 225</b>	<b>4 012</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 5.5 Property payments

	Note	2019/20	2018/19
		R'000	R'000
Municipal services	5	1 210	2 366
Property management fees		18	114
Property maintenance and repairs		7 546	1 495
Other (cleaning and fumigation services)		247	131
<b>TOTAL</b>		<b>9 021</b>	<b>4 106</b>

## 5.6 Travel and subsistence

	Note	2019/20	2018/19
		R'000	R'000
Local	5	44 326	46 757
Foreign		7 792	6 767
<b>TOTAL</b>		<b>52 118</b>	<b>53 524</b>

## 5.7 Other operating expenditure

	Note	2019/20	2018/19
		R'000	R'000
Professional bodies, membership and subscription fees	5	657	1 796
Resettlement costs		-	568
Other (printing and publications and courier services)		1 847	3 356
<b>TOTAL</b>		<b>2 504</b>	<b>5 720</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

186

## 6. Payments for financial assets

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Other material losses written off	6.1	384	344
Debts written off	6.2	48	53
<b>TOTAL</b>		<b>432</b>	<b>397</b>

### 6.1 Other material losses written off

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
<b>Nature of losses</b>	6		
Losses (damage to vehicles due to accidents)		384	344
<b>TOTAL</b>		<b>384</b>	<b>344</b>

### 6.2 Debts written off

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
<b>Nature of debts written off</b>	6		
Other debt written off (departmental debt)		48	53
<b>TOTAL</b>		<b>48</b>	<b>53</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 7. Transfers and subsidies

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Departmental agencies and accounts	<i>Annex 1A</i>	1 358 033	1 274 023
Public corporations and private enterprises	<i>Annex 1B</i>	131 736	75 939
Foreign governments and international organisations	<i>Annex 1C</i>	2 772	2 348
Non-profit institutions	<i>Annex 1D</i>	413	472
Households	<i>Annex 1E</i>	6 248	68 931
<b>TOTAL</b>		<b>1 499 202</b>	<b>1 421 713</b>

**Note:**

R100 million was transferred to South African Tourism as the Department's contribution to the Tourism Relief Fund to support SMMEs in the tourism industry affected by COVID-19. The Department received and evaluated applications and South African Tourism administered the payments.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

188

## 8. Expenditure for capital assets

	Note	2019/20 R'000	2018/19 R'000
<b>Tangible assets</b>		<b>18 765</b>	<b>102 736</b>
Building and other fixed structures	29.1	10 102	94 187
Machinery and equipment	27.1	8 663	8 549
<b>Intangible assets</b>		<b>1 270</b>	<b>2 818</b>
Software	28.1	1 270	2 818
<b>TOTAL</b>		<b>20 035</b>	<b>105 554</b>

**Note:**

Expenditure of R10,102 million under *Buildings and other fixed structures* are for the Expanded Public Works Programme projects.

### 8.1 Analysis of voted funds utilised to acquire capital assets

	2019/20 R'000	2018/19 R'000
<b>Tangible assets</b>	<b>18 765</b>	<b>102 736</b>
Building and other fixed structures	10 102	94 187
Machinery and equipment	8 663	8 549
<b>Intangible assets</b>	<b>1 270</b>	<b>2 818</b>
Software	1 270	2 818
<b>TOTAL</b>	<b>20 035</b>	<b>105 554</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 8.2 Finance lease expenditure included in expenditure for capital assets

	2019/20	2018/19
	R'000	R'000
<b>Tangible assets</b>		
Machinery and equipment	3 387	2 201
<b>TOTAL</b>	<b>3 387</b>	<b>2 201</b>

## 9. Cash and cash equivalents

	2019/20	2018/19
	R'000	R'000
Consolidated Paymaster general account	10 559	42 098
Cash receipts	-	-
Disbursements	(2 426)	(16 667)
Cash on hand	75	65
<b>TOTAL</b>	<b>8 208</b>	<b>25 496</b>

### Note:

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 10. Prepayments and advances

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Travel and subsistence		37	83
Advances paid (Not expensed)	10.1	164	659
<b>TOTAL</b>		<b>201</b>	<b>742</b>

### 10.1 Advances paid (Not expensed)

	<i>Note</i>	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
	10	R'000	R'000	R'000	R'000	R'000
National departments		659	(1 195)	-	700	164
<b>TOTAL</b>		<b>659</b>	<b>(1 195)</b>	<b>-</b>	<b>700</b>	<b>164</b>

### Advances paid (Not expensed)

	<i>Note</i>	Balance as at 1 April 2018	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advance payments	Balance as at 31 March 2019
	10	R'000	R'000	R'000	R'000	R'000
National departments		623	(1 764)	-	1 800	659
<b>TOTAL</b>		<b>623</b>	<b>(1 764)</b>	<b>-</b>	<b>1 800</b>	<b>659</b>

**Note:**

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 10.2 Prepayments (Expensed)

	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	-	-	-	-	-
<b>TOTAL</b>	<b>4 878</b>	<b>(54 241)</b>	<b>-</b>	<b>53 374</b>	<b>4 011</b>

### Prepayments (Expensed)

	Balance as at 1 April 2018	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2019
	R'000	R'000	R'000	R'000	R'000
Goods and services	12 254	(32 825)	-	25 449	4 878
Capital assets	-	-	-	-	-
<b>TOTAL</b>	<b>12 254</b>	<b>(32 825)</b>	<b>-</b>	<b>25 449</b>	<b>4 878</b>

#### Note:

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

192

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

	Balance as at 1 April 2019	Less: Received in the current year	Add: Current year prepayments	Balance as at 31 March 2020
Project Name	R'000	R'000	R'000	R'000
<b>Goods and Services:</b>				
Tourism Green Coast Project	1 702	(1 702)	-	-
EC-Data Collectors Project Cluster 1	1 372	(1 372)	-	-
FS & NC-Data Collectors Project Cluster 5	1 804	(1 804)	-	-
EC-Mthonsi Lodge Security Project-Phase 3	-	(138)	138	-
EC-Qatywa Security Project-Phase 3	-	(149)	149	-
EC-Qatywa Security Project-Phase 5	-	(44)	212	168
EC-Six Day Hiking Trail Security-Phase 3	-	(273)	278	5
EC-Western Tembuland Security-Phase 2	-	(137)	137	-
EC-Western Tembuland Security-Phase 3	-	(42)	42	-
FS-Barolong Boo Seleka Security	-	(170)	170	-
FS-Qwaqwa Guesthouse Security Project-Phase 2	-	(135)	135	-
FS-Qwaqwa Guesthouse Security Project-Phase 3	-	(171)	188	17
GP-Komjekejeke Security Project-Phase 4	-	(190)	190	-
GP-Komjekejeke Security Project-Phase 5	-	(244)	244	-
KZN-Lilani Security Project Phase 4	-	(113)	113	-
LP-Mahlathi Village Security-Phase 3	-	(291)	291	-
LP-Mukumbani Waterfalls Security-Phase 4	-	(213)	213	-
LP-MUKumbani Waterfalls Security-Phase 5	-	(266)	266	-
LP-Ngove Cultural Centre Security-Phase 4	-	(213)	213	-
LP-Ngove Cultural Centre Security-Phase 5	-	(269)	269	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

	Balance as at 1 April 2019	Less: Received in the current year	Add: Current year prepayments	Balance as at 31 March 2020
Project Name	R'000	R'000	R'000	R'000
LP-Tisane Security Project-Phase 5	-	(305)	305	-
LP-Tisane Security Project-Phase 6	-	(185)	190	5
LP-VhaTsonga Security-Phase 5	-	(212)	212	-
LP-VhaTsonga Security-Phase 6	-	(305)	305	-
NW-Manyane Lodge Security-Phase 4	-	(230)	230	-
NW-Manyane Lodge Security-Phase 5	-	-	295	295
NW-Manyane Lodge Cleaning Services-Phase 2	-	(180)	180	-
NW-Manyane Lodge Cleaning Services-Phase 3	-	(215)	220	5
KZN-Muzi Pan Cleaning Project	-	(131)	172	41
LP-Ngovhe Cleaning Service Project-Phase 3	-	(180)	180	-
LP-Ngovhe Cleaning Service Project-Phase 4	-	(178)	178	-
Tourism Blue Flag Programme-Phase 2	-	(400)	400	-
FS-Hospitality Youth Training (Fast Food)	-	(2 396)	4 366	1 970
LP-Hospitality Youth Training (Fast Food)	-	(5 944)	5 944	-
NW-Hospitality Youth Training (Fast Food)	-	(4 208)	4 208	-
NC-Hospitality Youth Training (Fast Food)	-	(2 004)	2 004	-
WC-Hospitality Youth Training (Cluster 1)	-	(4 208)	4 208	-
WC-Hospitality Youth Training (Cluster 2)	-	(4 408)	4 408	-
FS-Tourism Monitors Programme	-	(2 078)	2 078	-
KZN-Tourism Monitors Programme	-	(7 927)	7 927	-
LP-Tourism Monitors Programme	-	(3 619)	3 619	-
NW-Tourism Monitors Programme	-	(1 965)	1 965	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

	Balance as at 1 April 2019	Less: Received in the current year	Add: Current year prepayments	Balance as at 31 March 2020
Project Name	R'000	R'000	R'000	R'000
NC-Tourism Monitors Programme	-	(1 231)	1 231	-
WC-Tourism Monitors Programme	-	(2 067)	2 067	-
SANBI-Tourism Monitors Programme	-	(1 729)	3 234	1 505
<b>TOTAL</b>	<b>4 878</b>	<b>(54 241)</b>	<b>53 374</b>	<b>4 011</b>

## 10.3 Advances paid (Expensed)

	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
<b>TOTAL</b>	<b>314 125</b>	<b>(65 686)</b>	<b>-</b>	<b>9 850</b>	<b>258 289</b>

## Advances paid (Expensed)

	Amount as at 1 April 2018	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2019
	R'000	R'000	R'000	R'000	R'000
Public entities	161 820	(21 798)	-	174 103	314 125
<b>TOTAL</b>	<b>161 820</b>	<b>(21 798)</b>	<b>-</b>	<b>174 103</b>	<b>314 125</b>

### Note:

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

	Balance as at 1 April 2019	Less: Received in the current year	Add: Current year advances	Balance as at 31 March 2020
Entity / Project Name	R'000	R'000	R'000	R'000
Ezemvelo KZN Wildlife – KZN-Wildlife Roofing of 5 resorts	3 174	(559)	-	2 615
Ezemvelo KZN Wildlife – KZN Ezemvelo Midmar Resort upgrade project	14 485	(320)	-	14 165
Trade and Investment KwaZulu-Natal (TIKZN)	19 606	(740)	-	18 866
South African National Biodiversity Institute (SANBI)	35 000	-	-	35 000
Eastern Cape Parks & Tourism Agency (ECPTA)	9 019	-	-	9 019
Constitutional Hill (CONHILL)	11 519	-	-	11 519
South African National Parks (SANParks)	24 212	(1 220)	-	22 992
CapeNature	16 000	(160)	-	15 840
Eastern Cape Parks & Tourism Agency (ECPTA) – EC-Tourism Safety Monitors	2 202	(2 202)	-	-
Mpumalanga Tourism Authority (MPTA) – MP-Tourism Safety Monitors	12 000	(12 000)	-	-
Ezemvelo KZN Wildlife	8 090	(2)	-	8 088
Coega	12 870	(12 870)	-	-
Maropeng a'Afrika	4 372	(4 372)	-	-
Tourism KwaZulu-Natal (TKZN)	10 450	(922)	-	9 528
SANPARKS – Dinosaur Interpretation Centre – EPWP Beneficiaries	4 554	(1 685)	-	2 869
SANPARKS – Pilot Infrastructure Maintenance	110 000	(17 913)	-	92 087
SANPARKS – Tsitsikamma Big Tree Project – EPWP Beneficiaries	766	(100)	-	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	1 979	(163)	-	1 816
SANPARKS – Business Incubation of Emerging Maintenance Contractors	4 661	(608)	-	4 053
MP-Hospitality Youth & New Venture Project	-	(4 950)	4 950	-
SANPARKS- Tourism Monitors Programme	-	(4 900)	4 900	-
<b>SUB TOTAL</b>	<b>314 125</b>	<b>(65 686)</b>	<b>9 850</b>	<b>258 289</b>

Department of Tourism - Vote 33

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 11. Receivables

	<i>Note</i>	2019/20			2018/19	
		Current	Non- Current	Total	Current	Non- Current
		R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1 Annex 3	-	-	-	-	-
Recoverable expenditure	11.2	790	-	790	430	485
Staff debt	11.3	174	439	613	210	364
<b>TOTAL</b>		<b>964</b>	<b>439</b>	<b>1 403</b>	<b>640</b>	<b>849</b>

### 11.1 Claims recoverable

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
National departments	11	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>

### 11.2 Recoverable expenditure (disallowance accounts)

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Departmental suspense accounts (Damaged Vehicles and Disallowance account)	11	790	915
<b>TOTAL</b>		<b>790</b>	<b>915</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 11.3 Staff debt

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
Departmental debt account	11	613	574
<b>TOTAL</b>		<b>613</b>	<b>574</b>

## 11.4 Fruitless and wasteful expenditure

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance	11	-	-
Less amounts recovered		(14)	-
Transfers from note 32 Fruitless and Wasteful Expenditure		14	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>

## 12. Voted funds to be surrendered to the revenue fund

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		27 015	6 180
Prior period error		-	-
As restated		27 015	6 180
Transfer from statement of financial performance (as restated)		8 278	27 015
Paid during the year		(27 015)	(6 180)
<b>CLOSING BALANCE</b>		<b>8 278</b>	<b>27 015</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 13. Departmental revenue to be surrendered to the revenue fund

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Opening balance		170	6
Prior period error		-	-
As restated		170	6
Transfer from statement of financial performance		4 250	2 482
Paid during the year		(4 418)	(2 318)
<b>CLOSING BALANCE</b>		<b>2</b>	<b>170</b>

## 14. Payables – current

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Other payables	14.1	126	27
<b>TOTAL</b>		<b>126</b>	<b>27</b>

### 14.1 Other payables

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Salary-related payables	14	126	27
<b>TOTAL</b>		<b>126</b>	<b>27</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 15. Net cash flow available from operating activities

Note	2019/20	2018/19
	R'000	R'000
Net surplus/(deficit) as per statement of financial performance	13 632	29 497
Add back non-cash/cash movements not deemed operating activities	(11 336)	96 380
(Increase)/decrease in receivables – current	(324)	(521)
(Increase)/decrease in prepayments and advances	541	(92)
Increase/(decrease) in payables – current	99	(19)
Proceeds from sale of capital assets	(254)	(44)
Expenditure on capital assets	20 035	105 554
Surrendered to revenue fund	(31 433)	(8 498)
<b>NET CASH FLOW GENERATED BY OPERATING ACTIVITIES</b>	<b>2 296</b>	<b>125 877</b>

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

Note	2019/20	2018/19
	R'000	R'000
Consolidated Paymaster general account	10 559	42 098
Cash receipts	-	-
Disbursements	(2 426)	(16 667)
Cash on hand	75	65
<b>TOTAL</b>	<b>8 208</b>	<b>25 496</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 17. Contingent liabilities and contingent assets

### 17.1 Contingent liabilities

		<i>Note</i>	2019/20	2018/19
			R'000	R'000
<b>Liable to</b>	<b>Nature</b>			
Housing loan guarantees	Employees	Annex 2A	26	26
Claims against the Department		Annex 2B	774	4 389
Intergovernmental payables (unconfirmed balances)		Annex 4	-	-
<b>TOTAL</b>			<b>800</b>	<b>4 415</b>

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

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
<b>Nature of contingent asset</b>			
Been Around GP Advert Consulting CC – non-performance/breach of contract		2 805	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 and the refund of all money paid to Corporate Skills Development Services		8 884	-
<b>TOTAL</b>		<b>21 619</b>	<b>12 735</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 18. Capital Commitments

	Note	2019/20	2018/19
		R'000	R'000
<b>Tangible Capital Assets</b>		<b>223 055</b>	<b>239 590</b>
Machinery and Equipment		2 095	311
Buildings and other fixed structures		220 960	239 279
<b>Intangible Capital Assets</b>		<b>1 469</b>	<b>690</b>
Software		1 469	690
<b>TOTAL CAPITAL COMMITMENTS</b>		<b>224 524</b>	<b>240 280</b>

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.

## 19. Accruals and payables not recognised

## 19.1 Accruals

			2019/20	2018/19
			R'000	R'000
Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	26 562	9	26 571	5 371
Transfers and subsidies	859	285	1 144	692
Capital assets	899	19	918	260
Other (assets and liabilities)	-	-	-	-
<b>TOTAL</b>	<b>28 320</b>	<b>313</b>	<b>28 633</b>	<b>6 323</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

202

	2019/20	2018/19
	R'000	R'000
<b>Listed by programme level</b>		
Administration	6 063	2 123
Tourism Research, Policy and International Relations	337	1 229
Destination Development	11 016	743
Tourism Sector Support Services	3 640	1 996
Other (assets and liabilities)	7 577	232
<b>TOTAL</b>	<b>28 633</b>	<b>6 323</b>

## 19.2 Payables not recognised

			2019/20	2018/19
			R'000	R'000
<b>Listed by economic classification</b>	<b>30 days</b>	<b>30+ days</b>	<b>Total</b>	<b>Total</b>
Goods and services	110	-	110	1 231
Capital	303	-	303	-
Other (compensation of employees)	-	-	-	-
<b>TOTAL</b>	<b>413</b>	<b>-</b>	<b>413</b>	<b>1 231</b>

	2019/20	2018/19
	R'000	R'000
<b>Listed by programme level</b>		
Administration	399	500
Tourism Research, Policy and International Relations	-	161
Destination Development	14	206
Tourism Sector Support Services	-	364
<b>TOTAL</b>	<b>413</b>	<b>1 231</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
Confirmed balances with other departments	<i>Annex 4</i>	-	244
<b>TOTAL</b>		<b>-</b>	<b>244</b>

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

Advertising R384 534,57; Audio Visual Equipment R246 556,37; External Audit Cost R1 546 405,26; Catering: Departmental Activities R169 823,15; Consultants Business and Advisory Services R2 156 476,22; Computer Equipment R323 817,00; Consumable Supplies R1 014 910,21; Fleet Services R145 027,46; Finance Leases and Other Machinery and Equipment R110 385,91; Operating Payments: Printing and Publication Services R111 476,65; Property Payments: Contracts and Maintenance R7 000 200,00; Security Equipment R136 198,10; Sita Computer Services R139 432,55; Software Operating systems R326 500,00; Domestic Travel R1 253 971,00; Training and Development R162 223,00; Venues and Facilities R111 076,42; TIP Market Access Projects R1 143 844,06

## 20. Employee benefits

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
Leave entitlement		15 909	12 181
Service bonus (13th cheque)		8 444	8 033
Performance awards		2 508	4 805
Capped leave commitments		3 653	4 221
Provision for long service awards		116	42
<b>TOTAL</b>		<b>30 630</b>	<b>29 282</b>

**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 R276 334,42.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

204

## 21. Finance lease expenditure

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
<b>TOTAL LEASE COMMITMENTS</b>	<b>594</b>	<b>594</b>

2018/19	Machinery and equipment	Total
Not later than 1 year	817	817
Later than 1 year but not later than 5 years	268	268
<b>TOTAL LEASE COMMITMENTS</b>	<b>1 085</b>	<b>1 085</b>

### **General description of the material leasing arrangements:**

Finance lease commitments include photocopy machines. The lease periods for photocopiers is usually 36 months. No vehicles are leased.

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.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 22. Irregular expenditure

### 21.1 Reconciliation of irregular expenditure

	Note	2019/20 R'000	2018/19 R'000
Opening balance		26 522	271
Prior period error		-	-
As restated		26 522	271
Add: Irregular expenditure – relating to prior year		-	13 426
Add: Irregular expenditure – relating to current year	22.2	8 410	13 096
Less: Prior year amounts condoned		-	(271)
<b>CLOSING BALANCE</b>		<b>34 932</b>	<b>26 522</b>
Analysis of closing balance			
Current year		8 410	13 096
Prior years		26 522	13 426
<b>TOTAL</b>		<b>34 932</b>	<b>26 522</b>

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

		2019/20 R'000
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	
Procurement process non-compliance by implementing agents	Under determination	8 410
<b>TOTAL</b>		<b>8 410</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

206

## 22.3 Details of irregular expenditure condoned

		2019/20
		R'000
Incident	Condoned by (relevant authority)	-
<b>TOTAL</b>		-

## 23. Fruitless and wasteful expenditure

### 23.1 Reconciliation of fruitless and wasteful expenditure

	Note	2019/20	2018/19
		R'000	R'000
Opening balance		194 771	104 200
Prior-period error		-	74 405
As restated		194 771	178 605
Fruitless and wasteful expenditure – relating to prior year		-	16 157
Fruitless and wasteful expenditure – relating to current year	23.2	14	712
Less: Amounts resolved		-	(703)
Less: Amounts recoverable	11.4	(14)	-
Less: Amounts written off		-	-
<b>FRUITLESS AND WASTEFUL EXPENDITURE AWAITING RESOLUTION</b>		<b>194 771</b>	<b>194 771</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

		2019/20
		R'000
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	
Flight amendments and no show for shuttle and accommodation with regards to travel bookings.	No disciplinary steps required – investigation conducted and expenditure recovered.	14
<b>TOTAL</b>		<b>14</b>

## 23.3 Details of fruitless and wasteful expenditure recoverable

		2019/20
		R'000
<b>Incident</b>		
Late cancellation/no-show/flight amendments with regard to travel bookings		14
<b>TOTAL</b>		<b>14</b>

## 23.4 Details of fruitless and wasteful expenditure written-off

		2019/20
		R'000
<b>Incident</b>		
Late cancellation/no-show/flight amendments with regard to travel bookings		-
<b>TOTAL</b>		<b>-</b>

Department of Tourism - Vote 33

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 23.5 Prior period error

Note	2018/19
	R'000

### Relating to 2017/2018

The 2017/18 amount of fruitless and wasteful expenditure was understated.  
Opening balance of fruitless expenditure for 2018/19 had to be adjusted.

74 405

### Relating to 2018/2019

The 2018/19 F&W expenditure was understated

526

<b>TOTAL</b>	<b>74 931</b>
--------------	---------------

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

2019/20
R'000

Late cancellation/no-show/flight amendments with regard to travel bookings

101

<b>TOTAL</b>	<b>101</b>
--------------	------------

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 24. Related-party transactions

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
<b>Payments made to South African Tourism</b>			
Tourism Market Access and Grading		16 521	25 707
<b>TOTAL</b>		<b>16 521</b>	<b>25 707</b>

**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; subprogramme 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

	<i>No. of individuals</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
Political office-bearers	2	8 559	4 379
Officials:			
Level 15 to 16	5	8 646	8 280
Level 14	15	19 491	19 620
<b>TOTAL</b>		<b>36 696</b>	<b>32 279</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 26. Provisions

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Expanded Public Works Programme – Final completion report not submitted or signed off. Retention fees outstanding.		EPWP Programme	EPWP Programme
		7 660	7 033
<b>TOTAL</b>		<b>7 660</b>	<b>7 033</b>

### 26.1 Reconciliation of movement in provisions

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Opening balance		7 033	6 517
Increase in provision		627	-
Change in provision due to change in estimation of inputs		-	516
<b>CLOSING BALANCE</b>		<b>7 660</b>	<b>7 033</b>

**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.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 27. Movable tangible capital assets

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>61 746</b>	<b>-</b>	<b>4 157</b>	<b>(1 720)</b>	<b>64 183</b>
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
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>61 746</b>	<b>-</b>	<b>4 157</b>	<b>(1 720)</b>	<b>64 183</b>

### 27.1 Additions

#### ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	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
<b>MACHINERY AND EQUIPMENT</b>	<b>8 663</b>	<b>-</b>	<b>(4 520)</b>	<b>14</b>	<b>4 157</b>
Transport assets	1 422	-	-	-	1 422
Computer equipment	3 441	-	(1 133)	-	2 308
Furniture and office equipment	330	-	-	-	330
Other machinery and equipment	3 470	-	(3 387)	14	97
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>8 663</b>	<b>-</b>	<b>(4 520)</b>	<b>14</b>	<b>4 157</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

212

## 27.2 Disposals

### DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash	Non-cash disposals	Total disposals	Cash received (actual)
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>1 598</b>	<b>122</b>	<b>1 720</b>	<b>254</b>
Transport assets	451	-	451	223
Computer equipment	1 147	99	1 246	31
Furniture and office equipment	-	23	23	-
Other machinery and equipment	-	-	-	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>1 598</b>	<b>122</b>	<b>1 720</b>	<b>254</b>

## 27.3 Movement for 2018/19

### MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior-period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>57 493</b>		<b>6 350</b>	<b>(2 097)</b>	<b>61 746</b>
Transport assets	8 744	-	861	-	9 605
Computer equipment	27 550	-	4 323	(1 967)	29 906
Furniture and office equipment	12 670	-	306	(123)	12 853
Other machinery and equipment	8 529	-	860	(7)	9 382
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>57 493</b>	<b>-</b>	<b>6 350</b>	<b>(2 097)</b>	<b>61 746</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 27.4 Minor assets

### 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)
<b>TOTAL MINOR ASSETS</b>	<b>2 485</b>	<b>8 488</b>	<b>10 973</b>

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of R1 minor assets	-	424	424
Number of minor assets at cost	622	6 363	6 985
<b>TOTAL NUMBER MINOR ASSETS</b>	<b>622</b>	<b>6 787</b>	<b>7 409</b>

### MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	1 374	7 037	8 411
Additions	1 109	831	1 940
Disposals	-	(257)	(257)
<b>TOTAL MINOR ASSETS</b>	<b>2 483</b>	<b>7 611</b>	<b>10 094</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

214

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of R1 minor assets	-	461	461
Number of minor assets at cost	2 594	5 949	8 543
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>2 594</b>	<b>6 410</b>	<b>9 004</b>

## 28. Intangible capital assets

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Software	7 459	-	1 270	-	8 729
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>7 459</b>	<b>-</b>	<b>1 270</b>	<b>-</b>	<b>8 729</b>

### 28.1 Additions

#### ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash	Non-cash	Received current year, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000
Software	1 270	-	-	1 270
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>1 270</b>	<b>-</b>	<b>-</b>	<b>1 270</b>

### 28.2 Disposals

#### DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

215

	Sold for cash	Non-cash disposals	Total disposals	Cash received (actual)
	R'000	R'000	R'000	R'000
Software	-	-	-	-
<b>TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 28.3 Movement for 2018/19

### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior-period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Software	5 636	-	1 823	-	7 459
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>5 636</b>	<b>-</b>	<b>1 823</b>	<b>-</b>	<b>7 459</b>

## 29. Immovable tangible capital assets

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

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>				
Other fixed structures	264 002	-	(45 849)	218 153
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>264 002</b>	<b>-</b>	<b>(45 849)</b>	<b>218 153</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## Expanded Public Works Programme infrastructure projects completed and handed over

	2019/20
	R'000
AP1 - NW - N12 Treasure Route	2 767
EC - St Matthews & Bholotwa Tourism Project	19 174
EC - Aliwal Spa Project	7 509
EC - Biko Heritage Trail Phase 2	10 791
MP - Middelburg Tourism Information Centre Project	5 608
<b>TOTAL</b>	<b>45 849</b>

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

	2019/20
	R'000
EC - Cradock 4 Garden of Remembrance – Phase 2	12 639
EC - Bulhoek Massacre Heritage Site-Phase 2	10 384
EC - Wonkumuntu Tourism Project-Phase 3	9 434
EC - Ubuntu Craft Market - Phase 2	7 585
EC - Hamburg Arts Colony	18 764
EC - Vusubuntu Cultral Village & Tour Info Phase 2	5 651
EC - AbaThembu Cultural Calabash	11 326
EC - Bumbane	4 717
EC - Manqondo	4 725
EC - Beach Public Facilities & Boat Launching Site	4 962

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## Expanded Public Works Programme infrastructure projects completed and not handed over - *continued*

	2019/20
	R'000
EC - Maluti Hiking Trail	4 508
FS - Community Tourism and Crafts	1 442
FS - Masilonyana Visitor Information Centre	3 746
FS - Information and Business Centre	5 638
FS - Witsieshoek Mountain Hotel	25 444
GP - Alexandra Mandela Yard Project	6 158
KZN - Tourism Ntuzuma Attractions Phase 1	3 280
KZN - Tourism Ntuzuma Attractions-Phase 2	1 686
KZN - Isibhubhu Project	14 400
KZN - Muzi Pan Canoeing	974
LP - Ngove Cultural Centre & Theatre	9 434
MP - Huntington Village Tourism Project (Phase 2)	3 170
MP - Barberton	24 784
NW - The Pampierstad Recreational Park	1 135
NW - Lehurutshe Bird & 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
WC - Agulhas Project	8 230
<b>TOTAL</b>	<b>218 153</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

218

## 29.1 Additions

### ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash	Non-cash	(Capital work-in-progress current cost)	Total
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	-	-	-
Other fixed structures	-	-	-	-
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	-	-	-

## 29.2 Disposals

### DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Non-cash disposals	Total disposals	Cash received (actual)
	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>45 849</b>	<b>45 849</b>	-
Other fixed structures	45 849	45 849	-
<b>TOTAL DISPOSAL OF IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>45 849</b>	<b>45 849</b>	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 29.3 Movement for 2018/19

### MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Other fixed structures	263 139	7 771	96 255	(103 163)	264 002
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>263 139</b>	<b>7 771</b>	<b>96 255</b>	<b>(103 163)</b>	<b>264 002</b>

### 29.3.1 Prior period error

	2018/19
	R'000
<b>Nature of prior period error</b>	
<b>Relating to 2017/18 Immovable Capital Assets</b>	<b>7 771</b>
Additions increased from R496,343 million to R504,114 million	7 771
<b>TOTAL PRIOR PERIOD ERRORS</b>	<b>7 771</b>

**Note:**

The increase in additions is due to corrections of the values of completed assets.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

220

## 29.4 Capital Work-in-progress

### CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2020

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

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

	2019/20
	R'000
Maropeng A Afrika Leisure PTY (LTD) (Reconceptualised as a maintenance project)	3 172
<b>Sub total</b>	<b>3 172</b>
Plus: Non cash (note 29.1)	-
<b>TOTAL</b>	<b>3 172</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## Age analysis on ongoing projects

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

### Note:

Included in Capital Work-In-Progress (CWIP) are 21 projects that are over 5 years. These projects had stalled. Having no internal technical capacity, the Department had to procure technical consultants to conduct technical assessment of the selected EPWP infrastructure projects, scope and cost the outstanding works and appoint built environment professionals to complete the projects. The latter is in the process of being appointed.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## Accruals and payables not recognised relating to Capital WIP

	Note	2019/20	2018/19
		R'000	R'000
Expanded Public Works Programme Infrastructure projects		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>

## CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019

	Note	Opening balance 1 April 2018	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated)	Closing balance 31 March 2019
		R'000	R'000	R'000	R'000	R'000
Buildings and other fixed structures	Annex 5	295 235	(28 341)	66 285	(125 174)	208 005
<b>TOTAL</b>		<b>295 235</b>	<b>(28 341)</b>	<b>66 285</b>	<b>(125 174)</b>	<b>208 005</b>

### Note:

Errors to the opening balance of Work in progress in 2018/19 were corrected. Adjustments were made in 2018/19 arising from revaluations of projects done by quantity surveyors. Some of these adjustments had to be reversed.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## Age analysis on ongoing projects

	Number of projects		2018/19
	Planned, construction not started	Planned, construction started	Total
			R'000
0 to 1 year	5	-	3 173
1 to 3 years	16	3	46 802
3 to 5 years	1	6	55 586
Longer than 5 years	-	18	102 444
<b>TOTAL</b>	<b>22</b>	<b>27</b>	<b>208 005</b>

## 29.5 S42 Immovable assets

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

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

	2019/20
	R'000
EC - Cradock 4 Garden of Remembrance Phase 2	12 639
EC - Bulhoek Massacre Heritage Site Phase 2	10 384
EC - Wonkumuntu Tourism Project Phase 3	9 434
EC - Ubuntu Craft Market - Phase 2	7 585
EC - Hamburg Arts Colony	18 764
EC - Vusubuntu Cultral Village & Tour Info Phase 2	5 651
EC - AbaThembu Cultural Calabash	11 326
EC - Bumbane	4 717
EC - Manqondo	4 725
EC - Beach Public Facilities & Boat Launching Site	4 962
EC - Maluti Hiking Trail	4 508
GP - Alexandra Mandela Yard Project	6 158
FS - Community Tourism and Crafts	1 442
FS - Masilonyana Visitor Information Centre	3 746
FS - Information and Business Centre	5 638
FS - Witsieshoek Mountain Hotel	25 444
KZN - Tourism Ntuzuma Attractions Phase 1	3 280
KZN - Tourism Ntuzuma Attractions Phase 2	1 686
KZN - Isibhubhu Project	14 400
KZN - Muzi Pan Canoeing	974
LP - Ngove Cultural Centre & Theatre	9 434

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## Expanded Public Works Programme infrastructure projects where the transfer has been initiated but not completed at year end - *continued*

	2019/20
	R'000
MP - Huntington Village Tourism Project Phase 2	3 170
MP - Barberton	24 784
NW - The Pampierstad Recreational Park	1 135
NW - Lehurutshe Bird & 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
WC - Agulhas Project	8 230
<b>TOTAL</b>	<b>218 153</b>

## Assets subjected to transfer in terms of S42 of the PFMA – 2018/2019

	Number of assets	Value of assets
		R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>		
Other fixed structures	33	264 002
<b>TOTAL</b>	<b>33</b>	<b>264 002</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 30. Principal-agent arrangements

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

PROJECTS	AGENT	2019/20	2018/19
		R'000	R'000
PROJECTS	AGENT	FEES PAID	FEES PAID
Wine Service Programme	Tourism World (Pty) Ltd.	840	400
National Youth Chef Training Programme Phase 5	South African Chef Association	2 498	425
Tourism Green Coast Project	WESSA	845	166
EC - Tourism Monitors Training Programme	Eastern Cape Parks & Tourism Board	283	-
KZN - Hospitality Youth Training Programme Phase 2	Tourism World	812	150
EC - Hospitality Youth Training Programme Phase 2	Corporate Skills Development Services	-	561
GP - Hospitality Youth Training Programme Phase 2	Clean Heat Academy	631	264
MP - Hospitality Youth Training Programme Phase 2	Bella Fe Consulting	208	359
KZN - Tourism Monitors Programme	AGB Mathe Business Services	751	-
LP - Tourism Monitors Programme	The Tourism and Business Institute Of S.A.	1 035	-
NC - Tourism Monitors Programme	Machabelele Associates	270	-
EC - Data Collectors Project Cluster 1	Amathemba Skills	98	-
NC & 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 S.A.	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	188	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

PROJECTS	AGENT	2019/20	2018/19
		R'000	R'000
PROJECTS	AGENT	FEES PAID	FEES PAID
FS - Tourism Monitors Programme	AGB Mathe Business Services	71	-
NW - Tourism Monitors Programme	VPK Business Venture	83	-
SANBI Tourism Monitors Programme	Networx for Career Development	1	-
WC - Tourism Monitors Programme	The Tourism & Business Institution of SA	333	-
EC - Qatywa Security Project Phase 2	Butsolo Business Solutions (Pty) Ltd	32	-
EC - Six Day Hiking Trail Security Phase 2	African Heroes Security Services (Pty) Ltd.	53	-
GP - Komjekejeke Security Project Phase 3	Mawika Trading and Projects 18	120	-
KZN - Lilani Security Project Phase 3	MNB Group Holding (Pty) Ltd.	77	-
KZN - Muzi Pan Security Project Phase 2	Thembalaboy (Pty) Ltd.	10	-
LP - Tisane Security Project Phase 4	Arekgone Trading (Pty) Ltd.	115	-
LP - VhaTsonga Security Phase 4	Dash B (Pty) Ltd.	101	-
NW - Manyane Lodge Security Phase 3	Glocops Security cc.	102	-
LP - VhaTsonga Security Phase 5	Makhanwe Projects (Pty) Ltd.	20	-
EC - Western Tembuland Security Phase 2	QINI Security and Cleaning (Pty) Ltd	34	-
EC - Qatywa Security Project Phase 3	Roughage Trading CC	80	-
NW - Manyane Lodge Security Phase 4	Josali Business Property Solution (Pty) Ltd	94	-
LP - Mukumbani Waterfalls Security Phase 4	Mutwanamba Security Services (Pty) LTD	75	-
GP - Komjekejeke Security Project Phase 4	Nongana Trading (Pty) Ltd	96	-
LP - Ngove Cultural Centre Security Phase 4	Ntsovelo Legacy ( Pty ) Ltd	96	-
LP - Tisane Security Project Phase 5	984 Infinite Enterprise (Pty) Ltd	95	-
LP - Mahlathi Village Security Phase 3	Mashmathi Trading (Pty) Ltd	66	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

PROJECTS	AGENT	2019/20	2018/19
		R'000	R'000
PROJECTS	AGENT	FEES PAID	FEES PAID
EC - Mthonsi Security Phase 3	Akholekile (Pty) Ltd	89	-
FS - Barolong Boo Selekla Security	Ke Nale Modisa Construction and Projects cc	93	-
GP - Komjekejeke Security Project Phase 5	Kayamandi Development Services (Pty) Ltd	78	-
LP - Mukumbani Waterfalls Security Phase 5	Tshidzoko Consulting	93	-
LP - Ngove Cultural Centre Security Phase 5	Three Towers Travel agency (Pty) Ltd	96	-
LP - Vhatsonga Security Phase 6	Phemalemo (Pty) Ltd	118	-
LP - Tisane Security Project - Phase 6	Sepobetopedi (Pty) Ltd	100	-
EC - Six Day Hiking Trail Security Phase 3	Cingwane Enterprises (PTY) Ltd	88	-
FS - Qwaqwa Guesthouse Security Phase 3	Mayeza Cleaning and Security (Pty) Ltd	39	-
EC - Qatywa Security Project Phase 5	Veza Human Development Consulting	20	-
KZN - Lilani Hotsprings Security Phase 4	Sthenjwa Production (Pty) Ltd	12	-
FS - Qwaqwa Guesthouse Security Project Phase 2	EBS Group (Pty) Ltd	33	-
LP - Ngovhe Cleaning Services Project Phase 2	Khanikhani Trading Enterprise (Pty) Ltd	93	-
NW - Manyane Lodge Cleaning Services	Enviro-Fix (Pty) Ltd	96	-
NW - Manyane Lodge Cleaning Services Phase 2	SIR Marco (Pty) Ltd.	30	-
LP - Ngovhe Cleaning Services Phase 4	Rhulani Trading and Projects (Pty) Ltd	75	-
KZN - Muzi Pan Cleaning Services	Nkalavasi Enterprise (Pty) Ltd	16	-
Tourism Transformation Fund	National Empowerment Fund (NEF)	2 000	2 000
Green Tourism Incentive Programme	Industrial Development Corporation of SA	5 215	4 760
<b>TOTAL</b>		<b>22 501</b>	<b>9 085</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 31. Prior period errors

### 31.1 Correction of prior period errors

	<i>Note</i>	Amount before error correction	Prior period error 2018/19	Restated Amount
		R'000	R'000	R'000
<b>Assets:</b>				
Immovable assets Additions 2017/18 increased from R496,343 million to R501,914 million	29.3	496 343	7 771	504 114
Opening balance of Immovable assets - Work In progress for 2018/19 decreases by R28,341 million	29.4	295 235	(28 341)	266 894
<b>NET EFFECT</b>		<b>791 578</b>	<b>(20 570)</b>	<b>771 008</b>
<b>Liabilities:</b>				
		-	-	-
<b>NET EFFECT</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Other: (e.g. Irregular expenditure, fruitless and wasteful expenditure, etc.)</b>				
The 2017/18 amount of fruitless and wasteful expenditure was understated. Opening balance of fruitless expenditure for 2018/19 had to be adjusted.	23	104 200	74 405	178 605
The 2018/19 fruitless and wasteful expenditure was understated	23	15 631	526	16 157
<b>NET EFFECT</b>		<b>119 831</b>	<b>74 931</b>	<b>194 762</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

230

## ANNEXURE 1A

## STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2018/19
	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	1 254 161	-	100 000	1 354 161	1 354 161	100%	1 208 048
National Tourism Careers Expo	3 715	-	-	3 715	3 715	100%	4 248
Culture Art Tourism Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	157	-	-	157	157	100%	179
<b>Tourism Incentive Programme:</b>	-	-	-	-	-	-	-
National Empowerment Fund	-	-	-	-	-	-	40 000
South African Tourism	-	-	-	-	-	-	21 548
<b>TOTAL</b>	<b>1 258 033</b>	<b>-</b>	<b>100 000</b>	<b>1 358 033</b>	<b>1 358 033</b>		<b>1 274 023</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## ANNEXURE 1B

## STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2018/19	
	Adjusted appropriation	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
<b>Private enterprises</b>									
<b>Transfers</b>									
<i><b>Tourism Incentive Programme:</b></i>									
Tourism Grading Support	13 700	-	-	13 700	13 700	100.0%	-	13 700	-
Market Access Support	44 232	-	(32 577)	11 655	10 536	90.4%	-	10 536	8 939
Tourism Transformation Fund	40 000	-	-	40 000	40 000	100.0%	-	40 000	-
<i><b>Green Tourism Incentive:</b></i>									
Industrial Development Corporation	67 500	-	-	67 500	67 500	100.0%	-	67 500	67 000
<b>SUBTOTAL: PRIVATE ENTERPRISES</b>	<b>165 432</b>	<b>-</b>	<b>(32 577)</b>	<b>132 855</b>	<b>131 736</b>	<b>99.2%</b>	<b>-</b>	<b>131 736</b>	<b>75 939</b>
<b>TOTAL</b>	<b>165 432</b>	<b>-</b>	<b>(32 577)</b>	<b>132 855</b>	<b>131 736</b>	<b>99.2%</b>	<b>-</b>	<b>131 736</b>	<b>75 939</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

232

## ANNEXURE 1C

### STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	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
<b>Transfers</b>							
United Nations World Tourism Organisation (UNWTO)	2 774	-	-	2 774	2 772	100%	2 348
<b>TOTAL</b>	<b>2 774</b>	<b>-</b>	<b>-</b>	<b>2 774</b>	<b>2 772</b>		<b>2 348</b>

## ANNEXURE 1D

### STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	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
<b>Transfers</b>							
Federated Hospitality Association of Southern Africa (Fedhasa)	413	-	-	413	413	100%	472
<b>TOTAL</b>	<b>413</b>	<b>-</b>	<b>-</b>	<b>413</b>	<b>413</b>		<b>472</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## ANNEXURE 1E

### STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted appropriation	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final Appropriation
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Expanded Public Works Programme	-	-	-	-	-		40 630
Expanded Public Works Programme - Incentive	-	-	-	-	-		22 905
<b>SUBTOTAL</b>							<b>63 535</b>
Bursaries (Non-Employee)	-	-	631	631	631	100%	660
Employee Social Benefits	4 380	-	933	5 313	5 314	100%	757
Claim Against the State (Cash)	-	-	293	293	293	100%	-
Donations (Gifts)	-	-	10	10	10	100%	-
National Tourism Framework	3 480	-	(3 480)	-	-	-	3 979
<b>TOTAL</b>	<b>7 860</b>	<b>-</b>	<b>(1 613)</b>	<b>6 247</b>	<b>6 248</b>		<b>68 931</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## ANNEXURE 1F

### STATEMENT OF AID ASSISTANCE RECEIVED

		Opening balance	Revenue	Expenditure	Paid back on/by 31 March 2020	Closing balance
NAME OF DONOR	PURPOSE	R'000	R'000	R'000	R'000	R'000
Received in cash						
European Union	Dinosaur Project-Golden Gate Highlands National Park	-	89 213	88 109	-	1 104
TOTAL		-	89 213	88 109	-	1 104

## ANNEXURE 1G

### STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20	2018/19
	R'000	R'000
<b>Made in kind</b>		
Donation of 5 Apple iPads to former Deputy Minister and support staff	56	-
Donation of Laptop and screen to Ms. D Wessels upon retirement	39	-
<b>TOTAL</b>	<b>95</b>	<b>-</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## ANNEXURE 2A

### STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2020 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2019 R'000	Guarantee draw-downs during the year R'000	Guarantee repayments/ cancelled/ reduced/ released during the year R'000	Revaluations R'000	Closing balance 31 March 2020 R'000
	<b>Housing</b>						
Nedbank Limited		130	26	-	-	-	26
<b>TOTAL</b>		<b>130</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

236

## ANNEXURE 2B

## STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

Nature of liability	Opening Balance 1 April 2019	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (provide details hereunder)	Closing balance 31 March 2020
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the Department</b>					
<b>Gordon Darrol du Preez t/a Gordon Builders</b> – Claim against the Department for damages suffered as a result of a tender not being awarded by MBB, an implementing agent.	4 110	-	(4 110)	-	-
<b>Lefa la Tshepo Projects (Pty) Ltd</b> – Claim against the Department for goods delivered and not paid.	188	4	(192)	-	-
<b>Jean-Pierrie Klein t/a SA Online and Entertainment</b> – Claim against the Department for damages suffered as a result of breach of contract.	41	-	-	-	41
<b>Mr L Nkuna</b> – Claim against the Department for defamation of character by an official of the Department.	50	-	(50)	-	-
<b>Second Generation Consulting t/a Rivers</b> – Claim against the Department for damages he has suffered as a result of breach of contract.		733	-	-	733
<b>TOTAL</b>	<b>4 389</b>	<b>737</b>	<b>(4 352)</b>	<b>-</b>	<b>774</b>



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## ANNEXURE 3

### CLAIMS RECOVERABLE

	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year-end 2019/20	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	Payment date up to six (6) working days before year-end	Amount
GOVERNMENT ENTITY	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENT	-	-	-	-	-	-		-
TOTAL	-	-	-	-	-	-		-

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

238

## ANNEXURE 4

## INTERGOVERNMENTAL PAYABLES

	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year-end 2019/20	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	Payment date up to six (6) working days before year-end	Amount
GOVERNMENT ENTITY	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENT</b>								
<b>Current</b>								
** Department of Government Printing Works	-	5	-	-	-	5	-	-
** Department of Justice and Constitutional Development	-	239	-	-	-	239	25/03/2020	140
<b>SUB TOTAL</b>	-	<b>244</b>	-	-	-	<b>244</b>	-	-
<b>Non-current</b>								
<b>SUB TOTAL</b>	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	<b>244</b>	-	-	<b>244</b>	<b>244</b>		<b>140</b>

\*\*Goods and services

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

## ANNEXURE 5

### Movement of Capital Work-in-Progress

#### 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
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>				
Other fixed structures	208 005	33 423	(3 172)	238 256
<b>TOTAL</b>	<b>208 005</b>	<b>33 423</b>	<b>(3 172)</b>	<b>238 256</b>

#### MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Current Year Capital WIP	Ready for use (Asset register)/ Contract Terminated	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>				
Other fixed structures	266 894	66 285	(125 174)	208 005
<b>TOTAL</b>	<b>266 894</b>	<b>66 285</b>	<b>(125 174)</b>	<b>208 005</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

240

## ANNEXURE 6A

### INTER-ENTITY ADVANCES PAID (note 10)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
Department of International Relations and Cooperation	-	-	164	659	164	659
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>164</b>	<b>659</b>	<b>164</b>	<b>659</b>

### PHYSICAL ADDRESS

Tourism House, 17 Trevenna Street, Sunnyside, Pretoria, 0002

### POSTAL ADDRESS

Private Bag X424, Pretoria 0001

### CONTACT INFORMATION

Call centre: +27 (0) 860 86 8747

Call centre e-mail: [callcentre@tourism.gov.za](mailto:callcentre@tourism.gov.za)

Switchboard number: +27 (0) 12 444 6000

Switchboard fax: +27 (0) 12 444 7000

[www.tourism.gov.za](http://www.tourism.gov.za)

RP221/2020

ISBN: 978-0-621-48491-5



Department of Tourism



@Tourism\_gov\_za



departmentoftourism\_

