

TWENTY  
22/23

# ANNUAL REPORT



**tourism**

Department:  
Tourism  
REPUBLIC OF SOUTH AFRICA



SOUTH AFRICAN TOURISM

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The background of the page is a vibrant orange color. Overlaid on this are several large, organic, wavy shapes in shades of white, light beige, and golden yellow. These shapes resemble topographical contour lines or liquid splashes, creating a dynamic and layered visual effect. The shapes are irregular and flow across the page, with some overlapping each other.

# PART A

## GENERAL INFORMATION

# 1. LIST OF ACRONYMS AND ABBREVIATIONS

<b>ACSA</b>	Airports Company South Africa
<b>AGSA</b>	Auditor-General of South Africa
<b>APP</b>	Annual Performance Plan
<b>AU</b>	African Union
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>BEC</b>	Bid Evaluation Committee
<b>BRICS</b>	Brazil, Russia, India, China and South Africa
<b>CATHSSETA</b>	Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority
<b>CGT</b>	Core Group on Tourism
<b>COVID-19</b>	Coronavirus disease 2019
<b>CTIA</b>	Cape Town International Airport
<b>DBAC</b>	Departmental Bid Adjudication Committee
<b>DBSA</b>	Development Bank of Southern Africa
<b>DG</b>	Director-General
<b>DDG</b>	Deputy Director-General
<b>DDM</b>	District Development Model
<b>DMF</b>	Disability Management Forum
<b>DPSA</b>	Department of Public Service and Administration
<b>DRC</b>	Democratic Republic of Congo
<b>EC</b>	Eastern Cape
<b>EE</b>	Employment Equity
<b>EDTP</b>	Enterprise Development and Transformation Programme
<b>EHW</b>	Employee Health and Wellness
<b>EPWP</b>	Expanded Public Works Programme
<b>ERRP</b>	Economic Reconstruction and Recovery Plan

<b>FEDHASA</b>	Federated Hospitality Association of South Africa
<b>FET</b>	Further Education and Training
<b>FS</b>	Free State
<b>FTE</b>	Full-Time Equivalent
<b>G20</b>	Group of 20: Intergovernmental Forum comprising 19 countries and the European Union
<b>GDP</b>	Gross Domestic Product
<b>GP</b>	Gauteng Province
<b>GTIP</b>	Green Tourism Incentive Programme
<b>HRD</b>	Human Resource Development
<b>ICC</b>	International Convention Centre
<b>ICT</b>	Information and Communication Technology
<b>IDC</b>	Industrial Development Corporation
<b>IORA</b>	Indian Ocean Rim Association
<b>IPIP</b>	Infrastructure Programme Implementation Plan
<b>KSIA</b>	King Shaka International Airport
<b>KZN</b>	KwaZulu-Natal
<b>LP</b>	Limpopo
<b>MANCO</b>	Management Committee
<b>MoA</b>	Memorandum of Agreement
<b>MoU</b>	Memorandum of Understanding
<b>MP</b>	Mpumalanga Province
<b>MPSA</b>	Minister of Public Service and Administration
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTSF</b>	Medium Term Strategic Framework
<b>NC</b>	Northern Cape

<b>NDP</b>	National Development Plan
<b>NEF</b>	National Empowerment Fund
<b>NPTR</b>	National Public Transport Regulator
<b>NQF</b>	National Qualifications Framework
<b>NT</b>	National Treasury
<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
<b>OCFO</b>	Office of the Chief Financial Officer
<b>OD&amp;SDI</b>	Organisational Design and Service Delivery Improvement
<b>OHS</b>	Occupational Health and Safety
<b>ORTIA</b>	OR Tambo International Airport
<b>PES</b>	Presidential Employment Stimulus
<b>PFMA</b>	Public Finance Management Act
<b>PPPFA</b>	Preferential Procurement Policy Framework Act
<b>PSR</b>	Public Service Regulations
<b>PTCE</b>	Provincial Tourism Careers Expo
<b>PWDs</b>	Persons with Disabilities
<b>QCTO</b>	Quality Council on Trades Occupations
<b>R&amp;IM</b>	Risk and Integrity Management
<b>RMC</b>	Risk Management Committee
<b>RPL</b>	Recognition of Prior Learning
<b>RSA</b>	Republic of South Africa
<b>SAA</b>	South African Airways
<b>SADC</b>	Southern African Development Community
<b>SANBI</b>	South African National Biodiversity Institute
<b>SANParks</b>	South African National Parks
<b>SAPS</b>	South African Police Service

<b>SAQA</b>	South African Qualifications Authority
<b>SA Tourism</b>	South African Tourism
<b>SCM</b>	Supply Chain Management
<b>SDIP</b>	Service Delivery Improvement Plan
<b>sefa</b>	Small Enterprise Finance Agency
<b>SEIAS</b>	Socio Economic Impact Assessment System
<b>SHERQ</b>	Safety Health Environment Risk & Quality
<b>SITA</b>	State Information Technology Association
<b>SMME</b>	Small, Medium and Micro Enterprise
<b>SMS</b>	Senior Management Service
<b>SOEs</b>	State-Owned Enterprises
<b>Stats SA</b>	Statistics South Africa
<b>STR</b>	State of Tourism Report
<b>TBCSA</b>	Tourism Business Council of South Africa
<b>TEF</b>	Tourism Equity Fund
<b>TGCSA</b>	Tourism Grading Council of South Africa
<b>TGSP</b>	Tourism Grading Support Programme
<b>TID</b>	Technical Indicator Description
<b>TIP</b>	Tourism Incentive Programme
<b>TRF</b>	Tourism Relief Fund
<b>TSRP</b>	Tourism Sector Recovery Plan
<b>TTCSA</b>	Tourism Transformation Council of South Africa
<b>TTF</b>	Tourism Transformation Fund
<b>UNWTO</b>	United Nations World Tourism Organisation
<b>WC</b>	Western Cape
<b>WfT</b>	Working for Tourism
<b>WiT</b>	Women in Tourism
<b>WSP</b>	Workplace Skills Plan
<b>WTTC</b>	World Travel and Tourism Council

## 2. FOREWORD BY THE MINISTER



**Ms Patricia De Lille, MP:** Minister of Tourism

The tourism sector is an ever-changing landscape.

Over the years we have seen several economic sectors transformed through innovations, which have brought forth the development of new technologies that influence how we work, where we work and, even more relevant to us as Government, what we work on.

Similarly, we have seen a change in the way tourists engage, consume and share their experiences of tourism products.

As Government we must recognise these developments and spearhead the changes required to ensure that the sector is not only sustainable, but also thrives.

The tourism sector continues to show resilience as we continue to work towards the full recovery to pre-Coronavirus disease 2019, or COVID-19, figures.

In my brief time in this portfolio I have been encouraged to see this resilience manifest itself in the multiple areas of tourism.

In my engagements with the sector, both public and private, the message is the same - we can do more. I echo these sentiments but add that we can do more, together!

As the National Department of Tourism, we continue to work to stimulate domestic tourism through programmes aimed at supporting tourism business recovery after the hard-hitting impact of the pandemic.

Implementation of the various programmes within the Department will continue to be amplified over the coming financial year, as we strive to ensure positive visitor experiences.

As a Department, we will continue with the implementation of the Economic Reconstruction and Recovery Plan (ERRP) as well as the National Tourism Recovery Plan, while working together with the private sector to ensure our visitors to return to South Africa.

Lastly, I must take this opportunity to recognise the leadership provided by the Deputy Minister, Mr Fish Mahlalela, during this period, the oversight provided by the Portfolio and Select Committees of Parliament, the commitment of the Director-General Victor Tharage as well as the staff members of the Department.

*P. de Lille*

**Ms Patricia De Lille, MP**  
**Minister of Tourism**

### 3. DEPUTY MINISTER STATEMENT



**Mr Fish Mahlalela:** Deputy Minister of Tourism

During this period under review, we witnessed a strong and remarkable milestone of the tourism sector recovery that gradually imbued in us a sense of hope that the dream of a resilient tourism and travel sector capable of massively contributing to the economic growth and well-being of our people is in the offing.

The Tourism Grading Support Programme (TGSP) was introduced in 2015/16 and offers discounts of 80% or 90% on grading assessment fees for accommodation and meeting venues that apply for star grading by the Tourism Grading Council of South Africa (TGCSA). The application process is integrated into, and forms part of the online grading application process of the TGCSA. The Programme enables establishments to receive feedback on areas that require attention prior to full grading application, thereby minimising the numbers of those that do not make it, or increasing the uptake, especially for emerging small enterprises. In 2022/23, the TGSP which is implemented through the TGCSA, supported a total of 3 738 TGSP applications, representing a combined value of R15 874 587,50 in discounts on grading assessment fees. The Department is currently renegotiating its contract with the TGCSA for the continued

implementation of the TGSP, which will assist in reducing the cost burden on small enterprises and encourage more enterprises to participate in the star grading system.

South Africa has won 10 of the 30 bids submitted by the South African National Convention Bureau (SANCB) team for the 2022/23 financial year. These secured bids will contribute R81,9 million to South Africa's economy between 2022 - 2025 and attract 3 325 international and regional delegates from an investment of R4,7 million in bid submissions through the Bid Support Programme to attract business events linked with the National Government's development priorities.

In the 2022/23 financial year, the SANCB sourced and submitted 95 bids for international business events hosted in South Africa between 2022 and 2029. The Bureau had a target of 93 bid submissions for the 2022/23 financial year. The 95 bids submitted have a combined estimated economic value of R1,2 billion and can potentially attract 49 232 international and regional delegates to South Africa between 2022 and 2029.

Thus far, South Africa has won 40 of the bids submitted for the 2022/23 financial year. These secured business pieces will contribute R338 million to South Africa's economy between 2022 and 2025, and attract 16 505 international and regional delegates. In addition, the SANCB invested R19,2 million in bid submissions through its Bid Support Programme to attract business events linked with the National Government's development priorities.

The secured conferences will also contribute to the regional spread of business events as they will be hosted in Johannesburg, Tshwane, Hammanskraal, Cape Town, Bloemfontein, Durban, Mokgopong, Muldersdrift and Pietermaritzburg.

Responsible tourism is of paramount importance to the tourism sector. In 1996, South Africa was the first country to include "Responsible Tourism" in its National Tourism Policy. The 1996 White Paper on the Development and Promotion of Tourism in South Africa guides the sustainable development of tourism in the country.

As a sector, driving excellence must be a habit. Tourists buy experiences. The safety of destinations and public health measures put in place to combat the spread of COVID-19 and associated pandemics is a consideration. The National Tourism Sector Strategy (NTSS) highlights the importance of delivering memorable experiences for



all tourists, and sustainable benefits for all South Africans. With the need to make a concerted effort to continually increase the levels of hospitality and friendliness, as well as the general standards of service, the recovery of the sector requires a combined effort from all role players.

The Department is well positioned to achieve these objectives through the implementation of the Tourism Service Excellence South African National Standards (SANS: 1197) with a focus on Small Towns and Tourism Product support, the Tourism Norms and Standards for the Safe Operations of Tourism Sector, Responsible Tourism (SANS: 1162) and capacity-building programmes to increase the skills level in the sector as a way to directly and significantly enhance the experience of visitors. The Service Excellence Initiatives were integrated with the Norms and Standards for the Safe Tourism Operations.

The implementation of the Service Excellence Standard commenced in 2012 and has been ongoing since then. Due to the diversity of the standard in nature, it covers various aspects of services. In the previous financial year, the Department has implemented Service Excellence Programme (SANS 1197) incorporating the Tourism Norms and Standards, with a focus on Small Towns and tourism product support.

The Department is currently operating four incubators namely, Emerging Tour Operators for 44 emerging tour operators, Food Services Incubator for 113 incubates, Community-Based Tourism Incubator Pilot which involved eight community-based potential tourism projects and the Tourism Tech Incubator with 20 innovators.

Under the Food Services Incubator, the Department seeks to upskill youth who have been trained in other departmental skills programmes such as Baristas, Chefs and Sommerliers. Those that have qualified to enter the entrepreneurship development programme receiving support through a partnership programme with the Small Enterprise Development Agency (SEDA) Wakhanda Collaboration.

The Department has supported implementation of 30 community-based Tourism Projects. These were in Limpopo (Va Tsonga, Matsila Lodge, Phiphidi Waterfall, The Oaks Lodge, Ngove, Tisane, Nandoni Dam, Tshathogwe Game Farm, Mapate Recreational Social Tourism Facility, Mtititi Game Farm, Royal Khalanga Lodge) Free State (Qwa Qwa Guest House, Vredefort Dome, Monotsha) North West (Manyane Lodge, Lotlamoreng Dam, Sol Plaatjie Museum, Lehurutse Liberation Heritage Museum) Northern Cape (Platfontein Lodge, Kamiesburg, Mcgregor Museum), KwaZulu-Natal (Muzi Pan, Anton Lembede Museum eThekweni Municipality, Ama Hlubi Cultural Heritage), Eastern Cape (Maluti Hiking Trail, Mthonsi Lodge, Qatywa Lodge, Nyandeni Chalets, Western Thembuland), and Mpumalanga (Numbi Gate).

The Department has continued with implementation of Youth Skills Development Programmes nationwide, leaving a dent on the scourge of unemployment and consequential social strife. The various training programmes being offered focus on interventions to improve visitor experience and are based on industry demand for these skills. They are implemented in partnership with the private sector, and with the objectives to contribute towards poverty alleviation through payment of stipends; placement of learners in tourism and hospitality establishments thereby granting them exposure to job opportunities and income generation. Upon conclusion of these programmes, learners are provided with accredited or recognised certificates and are well positioned to further their studies at Further Education and Training (FET) Colleges.

During the 2022/23 financial year, the Department implemented Youth Skills Development Programmes targeting 2 500 retrenched and unemployed youth between the ages of 18-35 years. The learners were also trained on the norms and standards for safe tourism operations in line with the skills development programmes that they attended.

A total number of 2 517 learners were enrolled in the various skills development programmes. Out of the 2 517 enrolled, about 304 learners dropped out for various reasons whereas 810 graduated from the programmes. Five skills development programmes were delivered during the period under review. These included: Food and Beverage Training, CHEF/Professional Cookery, Food Safety Quality Assurers, Wine Service Training and Hospitality Youth Training (Fast Food Services) Programmes. Of the 810 graduated learners, 450 graduates received permanent employment from the various host employers in the tourism and hospitality sector. An amount of R69 592 734 was spent to deliver the above programmes during the 2022/23 financial year.

The Department introduced the Recognition of Prior Learning (RPL) process in the tourism and hospitality sector to recognise those employees who possess practical experience but do not have formal qualifications in the area of hospitality. For the 2022/23 financial year, the Department enrolled 30 learners from Limpopo Province (LP) in a Chef Training Programme through the RPL process. The Department achieved a 100% completion rate on these 30 learners. The learners have graduated and received a Certificate in Chef at National Qualifications Framework (NQF) Level 5 accredited by the Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA) and the Quality Council on Trades Occupations (QCTO). An amount of R780 000 was spent to expose the 30 learners to the Chef RPL Programme.

The Department also targeted the training of 500 Small, Medium and Micro Enterprises (SMMEs) across all Provinces on Norms and Standards for the Safe

Operations. A total number of 571 SMMEs managed to attend the training as planned which exceeded the targeted number of 500 SMMEs.

Training and placement of 2 517 retrenched and unemployed youth on various skills development programmes was conducted in the 2022/23 financial year. This was against the targeted 2 500. The youth were enrolled on the following programmes: Food and Beverage, Professional Cookery, Food Safety Quality Assurers, Wine Service Training and Hospitality Youth Training Programme (Fast Food).

The National Tourism Careers Expo (NTCE) was hosted on 30 September - 2 October 2022 at the Johannesburg Expo Centre, Nasrec. The main aim is to promote tourism as a career, profession and business of choice targeting learners from high schools, Technical and Vocational Education and Training (TVET) colleges, university students, out-of-school youth and unemployed tourism graduates. The 2022 NTCE was attended by 5 283 learners, of which 137 learners who participated, were learners with disabilities. Other key stakeholders who participated at the NTCE are as follows: 688 educators, 1 335 university and TVET college students, 263 unemployed youth and 78 exhibitors.

Increasing the ease of travel to South Africa requires partnerships with relevant departments to ensure improved travel facilitation through implementation of e-visas, tourist safety, airlift capacity and quicker turnaround times in the processing of tour operator licences. It requires collaboration with the Departments of Home Affairs, Transport, and the South African Police Service (SAPS).

The e-visa system has been active in 14 countries since February 2022. Once the online visa system has been stabilised for the 14 countries, the aim is to make it available to a larger number of nationalities. The South African Government has announced the removal of visa requirements for Kenyans travelling to the country for up to 90 days.

Systems and process improvements were required to ensure efficient licensing of tour operators. This was in order to enable new, and support continuation of existing tour operators' activities which include improved turnaround times in the issuance of tour operator licenses. To this end, an Interim National Public Transport Regulator (NPTR) Committee was appointed in April 2022, and the backlog on issuing of tour operator licenses was cleared. The National Land Transport Information System was being developed and the National Land Transport Bill was being finalised. Furthermore, the NPTR has engaged the Tourism Business Council of South Africa (TBCSA) to create awareness and assist tour operators in finalising their applications.

As part of Pillar 2 of the Tourism Sector Recovery Plan (TSRP), i.e. to re-ignite demand, targeted initiatives and campaigns were implemented to stimulate

domestic demand. These include the following: Sho't Left deal-driven summer campaign, development and approval of the Easter Campaign Plan (for roll-out in the final quarter of the 2022/23 financial year), National Parks Week by SANParks, and Get that Faraway Feeling domestic summer campaign by the Western Cape.

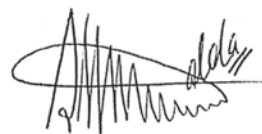
In 2022, domestic tourism activations were done to support geographic spread in less visited provinces as well as off-peak travel. The aim was to educate and create awareness among South Africans about the different tourism products and experiences they can partake in, which are close to where they reside and are affordable, and to educate them about the importance and benefits of travelling domestically. The following activations were undertaken:

- Eastern Cape in the Mbizana area focusing on a group of young people who have tourism businesses and organised groups of hikers to introduce them to overnight hiking trails and the use of homestays as alternative accommodation.
- Free State with youth and community leaders from the Ficksburg area.
- Gauteng with tourism associations and young aspiring tourism business owners from Mogale City, Cullinan, Merafong and West Rand municipalities.
- North West with tourism school going learners from Tsetse village just outside Mahikeng.
- Northern Cape (Petrusville area).

Finally, let me express my sincere and profound appreciation to former Minister Lindiwe Sisulu for her quintessential guidance throughout the whole financial year and also extend my gratitude to Minister Patricia De Lille for her meticulous work in steering this ship forward.

My profound appreciation to the entire workforce of the Department as led by the Director-General for always ensuring equitable, effective and efficient disbursement of government resources accordingly.

We are being called upon to strain every sinew of our collective conscience to attain a dream, that will make tourism sector work for all and such is the injunction that history is imposing upon all of us.



**Mr Fish Mahlalela**  
**Deputy Minister of Tourism**

## 4. REPORT OF THE ACCOUNTING OFFICER



**Mr Nkhumeleni Victor Tharage:** Accounting Officer

### 4.1 Overview of the Operations of the Department

The Department supports South Africa's constitutional democracy through its plans which support all seven priorities of Government in general within the current Medium Term Strategic Framework, or MTSF (2019-2024) but, specifically the following Priorities: Capable, Ethical and Developmental State (Priority 1); Economic Transformation and Job Creation (Priority 2); and A Better Africa and World (Priority 7).

During the period under review, the Department's plans included the maintenance of a minimum of 40% procurement spend on women-owned businesses. By the end of the reporting period, 37,03% procurement was spent on women-owned businesses, with a 2,97% shortfall. The Departmental expenditure on procurement is inclusive of multi-year contracts which were concluded in the previous financial

years. The Department still had an obligation to see through such contracts. The Technical Indicator Description (TID) also did not exclude expenditure generated from Government institutions, Entities and Transversal Contracts. For the 2023/24 financial year, the TID has been adjusted to exclude expenditure generated from Government institutions, Entities and Transversal Contracts (e.g. the State Information Technology Association (SITA) and National Treasury (NT)). In order to achieve the target on women-owned business, the Department also revised the Supply Chain Management (SCM) Policy in line with the amended Preferential Procurement Policy Framework Act issued in 2022, to allocate a certain percentage to women owned businesses as part of the preferential points.

Payment of invoices within 30 days is prescribed in the Treasury Regulations. The payment of compliant invoices within 30 days ensures that suppliers do not experience financial hardship. It also helps to contribute towards a stable economy. As at 31 March 2023, 93,37% of all compliant invoices received were paid within 30 days, with a shortfall of 6,63% of invoices which were not paid within 30 days.

The Department has entered into a partnership agreement with the Development Bank of Southern Africa (DBSA) in November 2020 to implement and manage the delivery infrastructure projects. These included the maintenance and beautification of Provincial State-owned attractions, which form part of the Presidential Employment Stimulus (PES), and is aligned to the Tourism Sector Recovery Plan (TSRP).

The Department further received an additional amount of R90 million from NT to implement the PES. It was then decided that a portion of the funding would be utilised to supplement the programme implemented by South African National Parks (SANParks) on behalf of the Department.

The SANParks Infrastructure Maintenance Programme was implemented in **19 national parks** ended by 31 March 2023. This programme created 953 temporary jobs in some of the most remote areas of the country, with 345 women and 519 youth employed. Furthermore, 30 Persons with Disabilities (PWDs) were employed. A total of 1 476 Full-Time Equivalent (FTE) jobs were created, with 339 495-person days worked. The project is complete.

The Infrastructure Maintenance Programme was aimed at refurbishing tourism assets, increasing visitor experience, supporting the sustainability of tourism attractions and providing employment opportunities continued to be expanded to include provincial State-owned assets. The maintenance programme continues through implementation in five provinces, namely Mpumalanga (MP), Limpopo (LP), Eastern Cape (EC), Free State (FS) and Western Cape (WC).

In terms of labour relations matters, two disputes were referred to the Labour Court for adjudication, at the insistence of employees. The Department awaits a date for the set down hearing. The Public Service Commission is also currently conducting two investigations into alleged misconduct by officials.

## 4.2 Overview of the financial results of the Department

### Programme Expenditure

	2022/2023			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Programme Name	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1: Administration	335 735	323 490	12 245	288 496	288 496	-
Programme 2: Tourism Research, Policy and International Relations	1 404 910	1 395 094	9 816	1 362 571	1 358 557	4 014
Programme 3: Destination Development	416 542	411 612	4 930	530 524	527 185	3 339
Programme 4: Tourism Sector Support Services	345 170	343 524	1 646	363 747	363 538	209
<b>Total</b>	<b>2 502 357</b>	<b>2 473 720</b>	<b>28 637</b>	<b>2 545 338</b>	<b>2 537 776</b>	<b>7 562</b>

The Department has spent a total of 98,9% of its 2022/23 allocation, realising a total underspending of R28,6 million. The bulk of this underspending is explained as follows:

- *Administration (R12,2 million)*: Most of the underspending lies within the Compensation of Employees due to staff turnover and the slow filling of posts.
- *Tourism Research, Policy and International Relations (R9,8 million)*: The bulk of this underspending lies within the Compensation of Employees due to staff turnover and the slow filling of posts. The slight underspending on Goods and Services is mainly due to international meetings being held virtually, resulting in unspent funds linked to travel and subsistence. A further underspending was realised under transfers and subsidies for the United Nations World Tourism Organisation (UNWTO) contributions due to foreign exchange rate fluctuations.
- *Destination Development (R4,9 million)*: The bulk of this underspending lies within the Compensation of Employees due to staff turnover and the slow filling of posts. The slight underspending on Goods and Services is due to unspent funds within travel and subsistence due to the virtual attendance of meetings with stakeholders.
- *Tourism Sector Support Services (R1,6 million)*: The bulk of this underspending lies within the Compensation of Employees due to staff turnover and the slow filling of posts. The slight underspending on Goods and Services is due to unspent funds within travel and subsistence due to the virtual attendance of meetings with stakeholders.

#### 4.2.1 Virements

No virements were submitted for NT's approval.

#### 4.2.2 Rollovers

No request for rollovers was submitted to NT.

#### 4.2.3 Unauthorised Expenditure

The Department did not have any unauthorised expenditure in the reporting period.

#### 4.2.4 Fruitless and Wasteful Expenditure

The fruitless and wasteful expenditure incurred for 2022/23 amounts to R36 thousand. There were 29 new confirmed cases. The main reasons were cancellations/amendments and no-shows for travel and accommodation services. R22 thousand was recovered and R13 thousand was written off.

### 4.3 Future Plans of the Department

The Department has planned to conduct tourist safety campaigns. The objective is to enhance tourism safety awareness at key tourism attractions and within the destination. These campaigns will be conducted jointly with provinces and other stakeholders with interest in tourism safety and security, including the South African Police Service (SAPS), South African Tourism (SA Tourism), the Tourism Business Council of South Africa (TBCSA), provinces and municipalities. The initiative is in line with the Tourism Safety Plan which is derived from the Safety Strategy.

Programmes which support the most vulnerable in society, including unemployed youth, as well as Small, Medium and Micro Enterprises (SMMEs) in rural villages and towns will continue to be implemented. These are targeted nationally through our Working for Tourism (WfT) Programme, the incentive programme as well as the skills development programme. Our Enterprise Development and Transformation Programme (EDTP) enables us to implement projects that provide various support packages to SMMEs, drive transformation and ensure the development of emerging operators. These projects include implementation of Business Support and the Development Incubation Programme through the Tourism Technology and Innovation Incubator, Food Service Incubator and the Community-based Tourism Enterprises Incubator. For the 2023/24 financial year, we have planned to establish

two new business incubators, namely, Business Advisory Services focusing on Women in Tourism (WiT) in LP, and the Business Advisory Services focusing on the Homestay Pilot Programme.

The Tourism Incentive Programme (TIP) which we implement, supports greater destination competitiveness, transformation and accelerated tourism and enterprise growth. Through the TIP, we will continue to implement in the 2023/24 financial year, amongst others, the Green Tourism Incentive Programme (GTIP). The GTIP provides financial support to encourage and assist privately-owned tourism enterprises to adopt responsible tourism practices through installing solutions for the sustainable management and usage of electricity and water resources. It is anticipated that the project will not only help reduce pressure on the national electricity grid and scarce water resources, but will also facilitate a reduction in operational costs for enterprises over the long term.

We will continue to participate in the District Development Model (DDM) process. Through our continued participation in this process, we will facilitate the implementation of developed tourism concepts through the DDM *One Plans* for OR Tambo District, eThekweni Metro, Pixley Ka Seme District, and Namakwa District. The project is meant to develop memorable visitor experiences, through implementation of tourism district plans by developing tourism concepts of prioritised initiatives. The project benefits provinces, districts and municipalities, previously disadvantaged people, surrounding communities, tourism businesses and infrastructure.

The Department is already implementing multi-year spatial planning and infrastructure projects that support rural and township economies. These provide support for community-based tourism projects and community museums. It is anticipated that the Programme will continue to contribute to tourism development and ensure that tourism benefits accrue to communities, especially those around key attractions and sites in rural areas.

The TSRP, approved by Cabinet on 21 March 2021, was initiated as a response to the Coronavirus disease 2019 (COVID-19) pandemic, and to facilitate the recovery of the sector. It contains 10 strategic interventions which are currently being implemented to protect and rejuvenate supply, re-ignite demand and strengthen enabling capability for long-term sustainability. To further drive this recovery, a key component of the TSRP which we will continue to focus on is the implementation of the norms and standards for safe operations of the tourism sector. These provide uniformity in view of the sector's approach to safety post the declaration of the national state of disaster. The objective is to rebuild traveller confidence in the safety of Destination South Africa.

## 4.4 Public Private Partnerships

The Department has no public private partnerships registered with NT.

## 4.5 Discontinued Activities

None.

## 4.6 New or Proposed Activities

The following are new activities:

- As part of the development of Monitoring and Evaluation Reports on tourism projects and initiatives, the condition of all State-owned tourist attractions will be assessed with the aim of making recommendations on their maintenance and upgrading in order to improve their quality to attract more tourists. Maintenance is needed to mitigate the effects of ageing and offset the loss in asset value associated with State-owned tourist attractions. When the Department knows and understands the condition of state-owned tourist attractions, it can take an informed decision and apply correct strategies to improve in order to attract more tourists to these.
- Evaluation of the Tourism Grading Council of South Africa (TGCSA) Accommodation Grading Programme to determine if it is making any impact on accommodation performance in terms of the quality of service provided and facilitating their expanded utilisation. The evaluation will assess the perceived impacts of the TGCSA accommodation rating system on accommodation establishments', service quality improvement and performance changes in South Africa. This will help the Department to propose the introduction of more service standards to enhance the experience of tourists and encourage them to spend more nights. Data collection for the evaluation of the TGCSA Accommodation Grading Programme is the project element that would be costly. However, overall the entire project will not be more than R1 million.
- Evaluation of the Departmental Incubation Approach. The provision of non-financial support to tourism enterprises will be reviewed through the evaluation of the Incubation Approach. The incubation methodology that has been adopted by the Department of Tourism since 2016 will be assessed with the aim of identifying its weaknesses and strengths. The process will end with a reviewed Incubation Approach that will ensure that tourism enterprises are supported to grow and to remain sustainable and independent of the Incubator Programme. This will ensure that the proper approach is adopted to strengthen capacity of tourism enterprises. The project is estimated to cost R500 000. The review of the Incubation Approach

will ensure that an Incubator for the tourism sector is established with a proper governance structure to incubate tourism enterprises in South Africa.

- Township and rural tourism will be supported using a minimum of one event in one township and one event in a rural area. This is part of destination enhancement efforts. This will be mainly for planning support for the piloting of the use of events and festivals to expand township and rural tourism. The pilot phase if intended to assist with establishing a long-term strategic events portfolio for progressive implementation over the Medium Term Expenditure Framework (MTEF). Events serve as key catalysts and stimulators of economic development to unlock domestic tourism potential, improve tourism precincts and address geographic spread and seasonality; particularly in townships and rural spaces.
- Establishment of the following new business incubators, namely Business Advisory Services focusing on WiT in LP, and Business Advisory Services focusing on the Homestay Pilot Programme. Both incubators focus mainly on women in the tourism sector and hence will be used to assess tourism as a tool for the promotion of gender equality and women's empowerment, using gender analysis and gender training to tackle inequality and gender-based discrimination in the tourism industry. The projects are estimated to cost R6 million.
- Auditing of Tourism Incubators across the country. The project is implemented to determine the viability, innovation and needs of the tourism incubators. The project is estimated at R500 000. It will cover the development and implementation of Project Plan to audit Tourism Incubation Programmes across the country.
- Review of the Domestic Tourism Strategy 2023/24 will be undertaken and will be aligned to the TSRP Strategic Pillar: Re-Ignite Demand in order to stimulate domestic demand through targeted initiatives and campaigns. Globally countries rely on domestic tourism to reduce poverty, improve infrastructure, generate employment and thus drive economic growth overall. In South Africa, prior to the COVID-19 Pandemic we had an over-reliance on inbound tourism. Domestic tourism was the first to rebound and it is imperative that we sustain its positive contribution to the recovery of the sector. The project is estimated to cost R1,5 million.

## 4.7 Supply Chain Management

The Department received no unsolicited bids in the 2022/23 financial year.

In order to avoid irregular expenditure related to SCM, the Department has 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.

The Department of Public Service and Administration (DPSA) website and Personal and Salary System (PERSAL) are being used to assist in verifying if State employees are doing business with the State. Furthermore, as part of the Combined Assurance Model, certain activities in the SCM environment are now elevated to the Head of SCM for sign-off to ensure compliance.

#### 4.8 Gifts and Donations Received in kind from Non-Related Parties

The Department received a sponsorship from Seeza Tourism Growth Network for three officials to attend the International Federation for Information Technology and Travel and Tourism (IFITT) ENTER 23 conference. The Department did not receive any other gifts or donations in kind from non-related parties in 2022/23.

#### 4.9 Exemptions and Deviations Received from National Treasury

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

#### 4.10 Events after the Reporting Date

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

#### 4.11 Other

None.

#### 4.12 Acknowledgements and Appreciation

An increase in the economic contribution of tourism is driven by an increase in domestic and foreign tourist arrivals as well as an increase in tourist spend. The Department with its partners must create an environment conducive to this increase by ensuring a quality and diverse tourism offering, as well as developing

sector capacity. To this end, I wish to appreciate the role and contribution of all of our stakeholders in the entire tourism value chain towards making the tourism environment conducive for all.

We will always be grateful for the relationship and engagement with our Portfolio Committees planning for tourism development and growth, implementation of plans, and reporting on those plans.

The role of the Minister and Deputy Minister with regard to helping us to focus on the right things which make impact is greatly appreciated. It is through focusing on key projects that our Department makes its contribution towards the Government commitment to creating a better life for all.

Everything we do as a Department depends on the willingness and commitment of our staff to ensure that we plan properly, execute well and report accurately. For that we are truly appreciative.

#### 4.13 Conclusion

This 2022/23 Annual Report discloses our achievement and challenges during the period under review.

#### 4.14 Approval and Sign-off



**Mr Nkhumeleni Victor Tharage**  
**Accounting Officer**

Department of Tourism  
Date: 31 May 2023

## 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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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 NT.

The Annual Financial Statements (Part F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by NT.

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

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2023.

Yours faithfully



**Mr Nkhumeleni Victor Tharage**

**Accounting Officer**

Department of Tourism

Date: 31 May 2023



## 6. STRATEGIC OVERVIEW

### 6.1. Vision

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

### 6.2. 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.

### 6.3. Values

#### 6.3.1 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.

#### 6.3.2 Organisational Values

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

## 7. LEGISLATIVE AND OTHER MANDATES

### 7.1 Constitutional Mandate

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

### 7.2 Legislative Mandate

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

### 7.3 Policy mandate

- The National Development Plan (NDP) is the 2030 vision for the country. It envisions rising employment, productivity, and incomes as a way to ensure a long-term solution to achieve a reduction in inequality, an improvement in living standards and ensuring a dignified existence for all South Africans. The NDP recognises tourism as one of the main drivers of employment and economic growth.
- The Re-imagined Industrial Strategy identifies tourism as one of the seven national priority sectors.
- The National Tourism Sector Strategy (NTSS) provides a blueprint for the tourism sector in the pursuit of growth targets contained in the New Growth Path.
- The White Paper on the Development and Promotion of Tourism in South Africa, 1996, provides a framework and guidelines for tourism development and promotion in South Africa.
- TSRP sets out interventions to ignite the recovery of the tourism sector, and to place it on path to long-term sustainability whilst contributing to the implementation of the Economic Reconstruction and Recovery Plan (ERRP).

# 8. ORGANISATIONAL STRUCTURE



## 9. ENTITIES REPORTING TO THE MINISTER

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

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
<b>SA Tourism</b>	<p>Chapter 3 of the Tourism Act, 2014 (Act 3 of 2014) stipulates the following as the functions of the South African Tourism Board:</p> <ul style="list-style-type: none"> <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>	Transfer payment	<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 vibrant orange color with intricate, layered, wavy patterns in shades of white, light beige, and golden yellow. These patterns resemble topographical lines or organic, flowing shapes, creating a sense of depth and movement. The overall aesthetic is modern and artistic.

# PART B

## PERFORMANCE INFORMATION

## 1. AUDITOR-GENERAL'S REPORT: PRE-DETERMINED 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 pre-determined objectives is included in the report to management, with material findings being reported under the Pre-determined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 118 of the Report of the Auditor-General, published as Part F: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service Delivery Environment

#### 2.1.1 Global Tourism Performance

##### 2.1.1.1 Total contribution to Gross Domestic Product (GDP) and Employment

There have been significant improvements in 2020 and 2021 on tourism's contribution to both global GDP and employment. However, these have not yet returned to 2019 levels.

According to the World Travel and Tourism Council (WTTC) figures released in 2022, the total contribution of the travel and tourism sector to the global economy was about US\$4 774,5 billion in 2020 (5,3% of global GDP), which went up to US\$5 812,3 billion in 2021 (6,1% of global GDP). In 2019, the global GDP was 9 629, 7 billion; which was 10,3% of total global GDP.

Globally, the total contribution of the travel and tourism sector to employment was about 271,275,000 jobs (8,6% of total employment) in 2020, increasing to 289,492,000 jobs in 2021 (9,0% of total employment). The travel and tourism sector's total

contribution to employment increased by 6,7% in 2021 compared to 2020. The 2021 total global employment recovery is slowly reaching 2019 total global employment figure, which was 333,287,000 jobs (10,3% of total global employment).

#### 2.1.1.2 Global Tourist Arrivals

According to global tourist arrivals trends for 2021-22 period as reported by the UNWTO, there was a total of 917 million global tourist arrivals recorded in 2022, which was an increase of 101,6% compared to 2021 (455 million global tourist arrivals); and equivalent to 63% of global tourist arrivals in 2019 (1465 million). All regions had an increase in international tourist arrivals in 2022 compared to 2021, with Asia and the Pacific region leading with an increase of 241,0% global tourist arrivals. Significant increase in global tourists' arrivals was recorded for 2021 and 2022. It has however also been below 2019 levels.

### 2.1.2 Tourism Performance in South Africa

#### 2.1.2.1 Direct contribution to GDP and Employment

Statistics South Africa (Stats SA) indicate that direct contribution of tourism to the GDP decreased from R208 316 million in 2019 to R123 616 million in 2020 which was a decrease of 40,7%. The percentage contribution to GDP also went down from 3,7% in 2019 to 2,2% in 2020. There has been a decrease in direct tourism contribution, and percentage contribution to GDP in 2020 compared to 2019.

The tourism sector directly employed 459 533 persons in 2020 which was a decrease of 41,1% or 320 563 employees compared with 2019. The tourism share of total employment decreased from 4,8% in 2019 to 3,1% in 2020. During 2020, 1 out of 32 employees in South Africa were working within the tourism sector. Even though the contribution of tourism to GDP was lower compared to other industries during 2020, the sector employed more people compared to the mining industry during the same year. Direct employment by the tourism sector, as well as the total share of employment has decreased in 2020 compared to 2019. This was despite the tourism sector employing more people in 2020 compared to the mining industry.

### 2.1.2.2 Total (direct and indirect) Contribution to GDP and Employment

According to World Travel and Tourism Council estimates, the total (direct and indirect) contribution of tourism to GDP decreased from R405,2 billion in 2019 (6.4% of total GDP) to R180,0 billion in 2020 (3.1% of total GDP). Then it grew to R195,2 billion in 2021 (3.2% of total GDP), which was an increase of 8.4%. In terms of employment, the travel and tourism sector contributed about 1 081 500 jobs in 2021, which is 71,5% of employment in 2019 (1 513 300 jobs; 9.3% of total employment). This was an increase of 1,9% (7,3% to total employment) compared to 1 061 400 jobs in 2020 (7,0% to the country's total employment). Fluctuations in total contribution to GDP and employment.

### 2.1.2.3 Tourist Arrivals to South Africa: 2019-2023 to Date

According to Stats SA, the total tourist arrivals for 2022 were almost at 55,7% of arrivals recorded during 2019, pre-COVID 19 period (10,228,593). Total tourist arrivals went up by 152.6% in 2022 compared to 2021, which was a growth from a total of 2,255,699 tourist arrivals recorded during 2021 to 5,698,062 tourist arrivals in 2022. Total tourist arrivals from the overseas market increased by 284.0% (+1,072,867) in 2022; with highest positive growth (1223.8%) recorded in Australasia, followed by Europe (314.6%), North America (232.6%), Middle East (223.1%), Central and South America (188.4%) and Asia (170.0%). Steady growth in tourist arrivals in 2021 and 2022, but still below the 2019 levels.

Latest tourist arrival figures available are for March 2023 period. Total tourist arrivals went up by 102.5% (+1,074,253) for the period January-March 2023 compared the same period in 2022. Total tourist arrivals from the overseas market increased by 112.1% (+300,068) during January-March 2023, with Australasia (244.3%) recording the highest increase followed by North America (135.5%), Central & South America (134.7%), Middle East (122.6%), Asia (121.5%) and Europe (100.7%). Latest figures show steady increase (January to March 2023).

### 2.1.3 Global Air Traffic and South Africa

The recovery in global air traffic continues post COVID-19 pandemic. Airlines are demonstrating resilience despite the challenging post COVID-19 environment. In

South Africa, Airports Company South Africa (ACSA) network of airports recovered by 72% in the 2022/23 financial year, compared to the previous financial year. The observation by ACSA is that capacity constraints within the domestic market have resulted in a flat recovery trajectory for the domestic market overall.

Meanwhile the resurgence of South African Airways (SAA) particularly with the resumption of regional routes such as Johannesburg-Windhoek, continues to influence the recovery of the regional market segment. According to ACSA, the international market segment has been consistently growing. New routes and route expansions were identified as the biggest contributor to international market recovery, with Cape Town International Airport (CTIA) being the largest beneficiary of additional international capacity. Airlines that contributed immensely to the recovery of international market segment included airlines such as Air Belgium, Condor, United Airlines, Qatar, Emirates and SAA. As a result, an upward recovery trajectory has been observed by ACSA, with March 2023 seeing a 78% recovery relative to pre-COVID-19.

ACSA airports account for 95% of South Africa's total airlift capacity and 99,9% of all international airlift capacity. Furthermore, ACSA's three main international airports (i.e. OR Tambo International Airport (ORTIA), CTIA, and King Shaka International Airport (KSIA) collectively account for 85% of all air passenger traffic in South Africa, with ORTIA accounting for the majority of traffic within ACSA's network of airports (49% of the network departing passenger traffic), whilst CTIA continues to boast a high recovery rate (with an overall 80% recovery in departing passengers).

### 2.1.4 Foreign Airlines currently operating in South Africa

Most international airlines resumed their services into ACSA's network in the 2022/2023 financial year. ORTIA has the highest share of foreign airlines that currently operate to the airport, with 38 foreign airlines operating to ORTIA, compared to 14 in CTIA and 3 in KSIA.

### 2.1.5 2023 Survey Results on the Support Needed by Tourism Enterprises

Number of factors are still negatively affecting the operations of tourism businesses in various ways in South Africa. These factors include load shedding, increase

in fuel prices, labour disputes, service delivery protests and natural disasters like floods. As a result of these challenges, some of the tourism enterprises are finding it difficult to operate profitably. They might need some assistance to survive. The Department has published an online survey in February 2023 to assess the support that tourism enterprises need during the difficult economic environment. About 1 022 tourism enterprises participated in the online survey. These included businesses which had applied for financial assistance through the Tourism Relief Fund (TRF) during the COVID-19 Pandemic.

The findings from the survey revealed that indeed, tourism enterprises are finding it difficult to operate profitably and some might close down in future if not supported. The survey results also showed that, out of 1022 businesses that responded, the majority (83,9%; 857) were mainly micro businesses, followed by small businesses (13.2%; 135), medium sized businesses (1.4%; 14) and one large business.

Most tourism enterprises indicated the need for financial assistance to install solar systems as a main priority; followed by support required by tourism enterprises to expand their businesses, and the third most important need being support for market access to showcase their businesses at trade fairs.

The Department is already providing some support to install solar systems through the Green Tourism Incentive Programme (GTIP). Also, the Department is providing market access support to tourism enterprises to attend trade fairs both nationally and internationally. Perhaps there is a need for the Department to relook at how these programmes are implemented to ensure that those enterprises that need the support most, are reached and engaged. Moreover, through strengthening of SA Tourism's marketing efforts, marketing of tourism businesses at trade shows locally, regionally and internationally can be realised.

### 2.1.6 Services Delivered Directly to the Public

During the period under review, one programme was implemented to establish a centralised database of Tourist Guides. This was in order to enable the management of tourist guides at both national and provincial levels. This is required in terms of the Tourism Act No 3 of 2014. The Act provides that the National Register is responsible for, amongst others, maintaining a central database of tourist guides

registered by the Provincial Registrars. Tourist guiding in South Africa is a registered profession governed by national legislation and prescripts. Any person in South Africa wishing to become a tourist guide must undergo training as part of a formal qualification registered by the South African Qualifications Authority (SAQA). Upon being deemed competent, such persons will receive a certificate issued by the Culture, Arts, Tourism Hospitality and Sports Sector Education and Training Authority (CATHSSETA), or institutions of higher learning. Such persons must then apply to the relevant Provincial Registrars to be registered in order to operate legally. The intention is to enforce minimum standards by restricting the profession to those who are competent and licensed.

Effective communication is vital to the Department. It helps to promote efficiency and productivity. Our Communication Strategy is a dynamic instrument through which the Department plans, coordinates, implements and monitors internal and external communication. This is done to improve relationships, performance, image and enhance service delivery. Our strategy facilitates collaboration with sectoral and institutional role players to ensure advancement of the tourism mandate. For the period under review, the Department has implemented 100% of the targets in the Communication Strategy and Implementation Plan. The outreach efforts enabled the Department to create a platform to showcase departmental programmes and initiatives, and contributed to the tourism sector recovery and sustainability. A variety of accessible communication channels were utilised to promote community engagement, as well as community empowerment through community media and allocating a portion of our advertising budget to community radio stations.

## 2.2 Service Delivery Improvement Plan

The Department has developed and approved the Service Delivery Improvement Plan (SDIP) on 31 March 2022. The approved SDIP 2022-2024 identified the following three prioritised services:

- 1) Developing the central database system (facilitation of tourist guides appeals).
- 2) Develop tourism skills.
- 3) Provision of tourism information (provision of effective and efficient communication service on tourism departmental programmes and projects).

The tables below highlight the service delivery plan and the achievements to date.

### Main Services and Standards

Main Services	Beneficiaries	Current/Actual Standard of Service	Desired Standard of Service	Actual Achievement
<b>Develop the central database system (Facilitate tourist guides appeals.</b>	Tourist guides provinces.	<p>100% implementation of provisions in the Tourism Act, 2014 (Act No 3 of 2014) in terms of maintaining a central database of registered tourist guides and publishing such information.</p> <p>In developing the central database system, all Provincial Registrars and IT officials will be consulted.</p> <p>Quarterly engagements with Provincial Registrars.</p>	<p>One programme to establish a centralised database of tourist guides implemented.</p> <p>Maintain the tourist guide database.</p> <p>Consolidate Excel spreadsheet of registered tourist guides.</p> <p>Arrange and hold consultation sessions with key stakeholders in all provinces.</p>	<p>Project team meeting held. Project plan developed and approved.</p> <p>Engagement with Provincial Registrars undertaken to provide feedback on the latest developments, progress and challenges facing the project held during the quarterly registrars workshop.</p>
<b>Develop tourism sector skills.</b>	<ul style="list-style-type: none"> <li>• Tourism service providers.</li> <li>• Unemployed youth.</li> <li>• SMMEs.</li> </ul>	<p>Measures the number of capacity-building programmes implemented in order to develop and strengthen the skills of youth within the tourism industry.</p> <p>Recruitment of unemployed youth in all nine provinces.</p>	<p>Integrate training on norms and standards for safe tourism operations</p> <p>1 000 SMMEs and 5 000 unemployed youth trained on norms and standards for safe tourism operations in all nine provinces.</p>	<p>598 SMMEs were trained on norms and standards for safe tourism operations in all nine provinces.</p> <p>Department implemented youth skills development programmes targeting 2 500 retrenched and unemployed youth aged 18-35 years.</p> <p>The learners were also trained on the norms and standards for safe tourism operations in line with the skills development programmes that they attended.</p> <p>5 skills development programmes implemented include: Food and Beverage Training, Chef/Professional Cookery, Food Safety Quality Assurers, Wine Service Training and Hospitality Youth Training (Fast Food Services) Programmes.</p>



Main Services	Beneficiaries	Current/Actual Standard of Service	Desired Standard of Service	Actual Achievement
<ul style="list-style-type: none"> <li>• Provision of tourism information.</li> <li>• Provision of effective and efficient communication services on tourism departmental programmes and projects.</li> </ul>	Department of Tourism.	<p>100% of the approved Communication Strategy and Implementation Plan achieved.</p> <p>Ensure accurate information is available on the Department website and social media platforms.</p>	<p>100% of the Implementation Plan achieved.</p> <p>Strategy targets implemented as per Implementation Plan.</p> <p>2022/23 Communication Strategy reviewed.</p>	100% of the approved Communication Strategy and Implementation Plan was achieved.

### Service Delivery Information Tool

Current/actual Information Tools	Desired Information Tools	Actual Achievements
<ul style="list-style-type: none"> <li>• 2 stakeholder engagements.</li> <li>• 2 consultation sessions with beneficiaries.</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder Management Forum.</li> <li>• Consultation with tourism programme beneficiaries.</li> <li>• Quarterly meetings with Provincial Tourist Guide Registrar.</li> </ul>	<ul style="list-style-type: none"> <li>• Virtual and webinar session held.</li> <li>• Monthly Management Committee (MANCO) meetings held.</li> <li>• External imbizos.</li> </ul>
<ul style="list-style-type: none"> <li>• Open communication lines with customers.</li> <li>• Consultation sessions.</li> </ul>	<ul style="list-style-type: none"> <li>• Publications.</li> <li>• Awareness sessions.</li> <li>• Imbizos.</li> </ul>	<ul style="list-style-type: none"> <li>• Working sessions.</li> <li>• Imbizos.</li> <li>• Individual meetings.</li> </ul>

### Complaints Mechanism

Current/Actual Complaints Mechanism	Desired Complaints Mechanism	Actual Achievements
Call centre.	Open communication lines with customers.	<p>The Department utilised the call centre as a mechanism to receive complaints.</p> <p>Call centre reports are developed and are part of communication report presented to management.</p>
Electronic suggestions, complaints and compliment system.	Suggestions, complaints and compliments are submitted electronically.	The Department has developed electronic complaints systems whereby complaints, suggestions and complements are received. This information is compiled and sent to relevant managers for attention and thereafter, reports are compiled and submitted.

## 2.3 Organisational Environment

The Department considers good governance and accountability as top priorities in implementation of its plans. Some of the instruments used to achieve good governance and accountability included the implementation of a Combined Assurance Model for Performance Information Procedure. The model helps to strengthen the integrity of the organisational performance information system, integrity of organisational performance information, as well as records management discipline.

Development and implementation of an Audit Action Plan has helped the Department to address the audit findings, and to strengthen the controls further. The controls are designed to enable management to fulfil its responsibilities of maintaining an adequate internal control system. The system provides assurance that the organisational business and operations are conducted in an orderly and efficient manner; that policies are adhered to, that assets are safeguarded against loss and unauthorised use, and that transactions are executed in the interest of the public. Where the inherent risks in administration materialise, the Department continues to ensure implementation of corrective measures.

In order to contribute towards the expansion of the government spend on women, youth and PWDs through preferential procurement, the Department sought to maintain a minimum of 40% procurement spend on women-owned businesses. By the end of the reporting period, 37,03% of procurement was spent on women-owned businesses, with a 2,97% shortfall. In order to achieve the target on women-owned business, the Department has revised the SCM Policy in line with the amended Preferential Procurement Policy Framework (PPPPFA) issued in 2022, to allocate a certain percentage to women-owned businesses as part of the preferential points. The Department will continue to implement targeted procurement wherein only suppliers from the Central Supplier Database that are at least 40% women owned, are sourced.

National Treasury Regulations prescribes that supplier invoices should be paid within 30 days. This helps to ensure that suppliers do not have financial hardship. By the end of the reporting period, the Department was able to ensure that 93,37% of all compliant invoices received were paid within 30 days, resulting in 6,63%

shortfall. To this end, a diagnostic assessment was undertaken on the payment of invoices as a way of improving performance on the target of 100% invoices paid within 30 days which revealed internal control deficiencies. The Department has commenced with the implementation of various strategic measures towards improving the level of compliance.

## 2.4 Key Policy Developments and Legislative Changes

The Department of Tourism had undertaken the review of the Tourism White Paper of 1996. The review was meant to provide an opportunity for the tourism sector to reflect on the overarching tourism policy framework which was adopted in 1996. It was also meant to provide an opportunity to align the tourism policy with latest global policy trends, latest government economic policies and plans and respond to technological developments that affected various sectors of the economy including tourism. It is anticipated that the reviewed policy framework (New Tourism White Paper) will guide the tourism sector to the next phase of tourism development in the country.

# 3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The Department pursues two strategic outcomes in support of the Government's Medium-Term Strategic Framework (MTSF) 2019-2024. These are, Outcome 1: Achieve good corporate and cooperative governance, and Outcome 2: Increase the tourism sector's contribution to inclusive economic growth. The plans of the Department support all seven priorities of Government in general but, specifically the following: Priority 1: Capable, Ethical and Developmental State; Priority 2: Economic Transformation and Job Creation; and Priority 7: A Better Africa and World.

### Priority 1: Capable, Ethical and Developmental State

Good governance and accountability remain top priorities of the Department to ensure that the 6th Administration objectives in relation to a Capable, Ethical and Developmental State are met. In this regard, the Department has implemented a proper procurement system in accordance with principles of fairness, equitability,

transparency, competitiveness and cost-effectiveness. Deviations from normal procurement of goods and service are explained and approved by the appropriate authority. These are integral to the Department's aim of conducting its business in a manner that continues to create public confidence in the State. They help to provide for excellent systems for the management of public resources, which are useful for ridding the system of any inefficiency and enabling oversight by institutions of the State in the interest of the public.

## **Priority 2: Economic Transformation and Job Creation**

The Department, in its policy development, regulatory, destination management and tourism operations support role, designs and implements programmes that respond to MTSF 2019-2024 Priority 2 (Economic Transformation and Job Creation). Through this role, it ensures a quality and diverse tourism offering as well as the development of sector capacity.

The Department aids economic development through implementation programmes including Tourism Incentive Programme (TIP), Investment Coordination, Skills Development Programme and Enterprise Development Programme. It also participates in public employment programmes including the Expanded Public Works Programme (EPWP) which has skills as well as infrastructure development components.

The activities carried out through the EPWP in the tourism sector are aimed at enhancing and developing tourism infrastructure through labour-intensive methods targeted at young people, women, unemployed people, PWDs and SMMEs.

The Department funded and SANParks implemented the Infrastructure Maintenance Programme in 19 national parks. This programme commenced in 2019 and ended on 31 March 2023. The programme created 953 temporary jobs in some of the most remote areas of the country, with 345 women, 519 youth and 30 PWDs employed through the programme. A total of 1 476 FTE jobs were created and 339 495-person days worked. In total 116 SMMEs were employed in the maintenance programme for the Kruger National Park. This programme created decent work and training opportunities for participants from 129 communities and villages adjacent to the 19 national parks.

Maintenance of provincial State-owned attractions is implemented by the DBSA. The infrastructure maintenance programme is aimed at refurbishing tourism assets, enhancing visitor experience, supporting the sustainability of tourism attractions and providing employment opportunities. A total of 25 maintenance projects is currently under construction in the five provinces: MP, LP, EC, FS and WC.

The Department implemented the Enterprise Development and Transformation Programme (EDTP). This programme is implemented to provide developmental support to tourism enterprises and develop a pipeline of emerging operators in the tourism sector. Under the Incubation Programme, the Department currently operates four incubators: Emerging Tour Operators for 44 emerging tour operators, the Food Services Incubator for 113 incubates, the Community-Based Tourism Incubator Pilot that involved eight community-based potential tourism projects and the Tourism Tech Incubator with 20 innovators.

During the 2022/2023 financial year, the Department implemented Youth Skills Development Programmes targeting 2500 retrenched and unemployed youth aged 18-35 years. The learners were also trained on the norms and standards for safe tourism operations in line with the skills development programmes which they attended. A total number of 2 517 of learners were enrolled in the various skills development programmes. Out of the 2 517 enrolled, about 304 learners dropped out for various reasons, while 810 graduated from the programmes. Five skills development programmes were delivered during the period under review. These included: Food and Beverage Training, Chef/Professional Cookery, Food Safety Quality Assurers, Wine Service Training and Hospitality Youth Training (Fast Food Services) Programmes.

Of the 810 graduated learners, 450 graduates received permanent employment from the various host employers in the tourism and hospitality sector.

Further, the Department introduced the Recognition of Prior Learning (RPL) process in the tourism and hospitality sector to recognise those employees who possess practical experience but do not have formal qualifications in the area of hospitality. As part of the delivery of this project, the Department enrolled 30 learners from LP in a Chef Training Programme. The Department achieved a 100% completion rate on these 30 learners. The learners have graduated and received a Certificate in Chef at

National Qualifications Framework (NQF) Level 5, accredited by CATHSSETA and the Quality Council on Trades Occupations (QCTO).

The Department also targeted training of 500 SMMEs across all Provinces on Norms and Standards for safe tourism operations. A total number of 598 SMMEs managed to attend the training, as planned which exceeded the targeted number of 500 SMMEs.

### **Priority 7: A Better Africa and World**

Increase in the economic contribution of tourism is driven by an increase in domestic and foreign tourist arrivals as well as an increase in tourist spend. The Department with its partners must create an environment conducive to this increase by ensuring a quality and diverse tourism offering as well as developing sector capacity.

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

According to UNWTO, the global tourist arrivals trends for 2021-22 period as reported was a total of 917 million global tourist arrivals recorded in 2022, which was an increase of 101,6% compared to 2021 (455 million global tourist arrivals); and equivalent to 63% of global tourist arrivals in 2019 (1 465 million). All regions had

an increase in international tourist arrivals in 2022 compared to 2021, with Asia and the Pacific region leading with an increase of 241,0% in global tourist arrivals. A significant increase in global tourist arrivals was recorded for 2021 and 2022. It has, however, still been below 2019 levels.

Stats SA records that the total tourist arrivals for 2022 were almost at 55,7% of arrivals recorded during the 2019, pre-COVID 19 period (10,228,593). Total tourist arrivals went up by 152.6% in 2022 compared to 2021, which was a growth from a total of 2,255,699 tourist arrivals recorded during 2021 to 5,698,062 tourist arrivals in 2022. Total tourist arrivals from the overseas market increased by 284.0% (+1,072,867) in 2022; with highest positive growth (1223.8%) recorded in Australasia, followed by Europe (314.6%), North America (232.6%), Middle East (223.1%), Central and South America (188.4%) and Asia (170.0%). Steady growth in tourist arrivals in 2021 and 2022, but still below the 2019 levels.

Latest tourist arrival figures available are for the March 2023 period. Total tourist arrivals went up by 102.5% (+1,074,253) for the period January-March 2023 compared the same period in 2022. Total tourist arrivals from the overseas market increased by 112.1% (+300,068) during January-March 2023, with Australasia (244.3%) recording the highest increase followed by North America (135.5%), Central & South America (134.7%), Middle East (122.6%), Asia (121.5%) and Europe (100.7%). Latest figures show steady increase (January to March 2023).



## 4. PERFORMANCE INFORMATION BY PROGRAMME

### 4.1 Programme 1: Administration

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

**Sub-Programmes:** Strategy and Systems; Financial Management; Human Resource Management and Development; Communications and Legal Services.

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
<b>Outcome: Achieve good corporate and cooperative governance.</b>						
<b>Output: Unqualified annual audit on financial and non-financial performance.</b>						
<b>Output Indicator 1: Audit outcome on financial statements and performance information.</b>						
Unqualified audit on financial and non-financial performance was achieved.	Unqualified audit on financial statements and performance information was achieved.	Unqualified audit on financial statements and performance information.	Unqualified audit on financial statements and performance information was achieved.	None.	None.	N/A
<b>Output: Departmental expenditure to contribute to the Government's economic transformation agenda.</b>						
<b>Output Indicator 2: Percentage procurement of goods and services from SMMEs.</b>						
61,79% expenditure on procurement of goods and services from SMMEs was achieved.	61,08% expenditure on procurement of goods and services from SMMEs was achieved.	Minimum 30% expenditure achieved on procurement of goods and services from SMMEs.	54,76% expenditure on procurement of goods and services from SMMEs was achieved.	None.	None.	N/A

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
<b>Output Indicator 3: Percentage invoices paid within prescribed timeframes.</b>						
Payment was made of all compliant invoices within 30 days, including State-Owned Enterprises (SOEs) and Municipalities.	95,5% payments of all compliant invoices within 30 days including SOEs and Municipalities were made.	100% payment of all compliant invoices within 30 days.	93,37% of all compliant invoices received were paid within 30 days.	6,63% of invoices were not paid within 30 days.	Invoices and supporting documents (VA26 orders) were submitted late to Finance by officials in the Department.	Non-compliance letters were issued by the Chief Financial Officer. The Department will also institutionalise effective consequence management in 2023/2024.
<b>Output Indicator 4: 40% Public procurement from women-owned business.</b>						
-	-	Maintain minimum of 40% procurement spend on women-owned businesses.	37,03% procurement was spent on women-owned businesses.	There was a shortfall of 2,97% not spent on women-owned businesses.	The TID did not exclude expenditure generated from Government institutions, Entities and Transversal Contracts.	The TID for 2023/24 financial year has been adjusted to exclude expenditure generated from Government institutions, Entities and Transversal Contracts (e.g. SITA, NT).
<b>Output: To attract and retain a capable and ethical workforce in a caring environment.</b>						
<b>Output Indicator 5: Percentage of vacancy rate.</b>						
Vacancy rate as at 31 March 2021 was at 11,2%.	Vacancy rate was maintained at 10% of the funded establishment as at 31 March 2022.	Vacancy rate below 10%.	Vacancy rate was 7,9% as at 31 March 2023.	None.	None.	N/A

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
<b>Output Indicator 6: Percentage of compliance with departmental Employment Equity Plan.</b>						
Women representation at Senior Management Service (SMS) level was at 43,9% as at 31 March 2021.	Women representation at SMS level through designation of SMS posts at recruitment was maintained at 46,9%.	SMS women representation at a minimum of 50%.	SMS women representation was maintained at 49,2%.	0,8% was not achieved.	Natural attrition of female SMS members during the financial year 2022/23.	Identified equity positions ring-fenced and the appointment of competent female SMS members fast tracked in 2023/2024.
Persons with Disabilities (PWDs) representation was at 4,3% as at 31 March 2021.	PWDs' representation was 4,6% as at 31 March 2022.	PWDs' representation maintained above 3%.	PWDs' representation was 4,5% as at 31 March 2023.	None.	None.	N/A
<b>Output: Capacity development interventions to address identified skills gaps.</b>						
<b>Output Indicator 7: Percentage of Workplace Skills Plan (WSP) implemented.</b>						
Development and 100% implementation of WSP for all employees was achieved.	Branch-targeted WSP was developed.  100% of the WSP was implemented.	100% implementation of WSP.	100% of WSP was implemented.	None.	None.	N/A
<b>Output: Audit reports with recommendations as per the approved Internal Audit Plan.</b>						
<b>Output Indicator 8: 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% implementation of the annual Internal Audit Plan.	100% of the annual Internal Audit Plan was implemented.	None.	None.	N/A



Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
<b>Output: Effective and efficient communication on Departmental policies, programmes, services and projects.</b>						
<b>Output Indicator 9: Percentage implementation of the Communication Strategy and Implementation Plan.</b>						
<ul style="list-style-type: none"> <li>• Communication Strategy for 2020/21 was implemented.</li> <li>• Communication Strategy for 2021/22 was reviewed.</li> </ul>	<ul style="list-style-type: none"> <li>• 2021/22 Communication Strategy targets were implemented as per implementation plan.</li> <li>• 2022/23 Departmental Communication Strategy and Awareness Campaign Plan was reviewed.</li> </ul>	100% of the approved Communication Strategy and Implementation Plan achieved.	100% of the approved Communication Strategy and Implementation Plan was achieved.	None.	None.	N/A

### Narrative of Highlights

The Department implemented various initiatives to contribute towards the professionalisation of the public service including attracting and retaining a capable workforce. The vacancy rate improved from 11,2% in 2020/21 (2 years prior to 31 March 2023) to 7,9% by 31 March 2023. The Department has successfully implemented various mechanisms to facilitate and manage bulk recruitment processes despite human resource capacity challenges.

The Department has set the target on the employment of PWDs' representation at 3% which is 1% higher than the national target of 2% and has as at 31 March 2023 achieved 4,5% representation. The Disability Management Forum (DMF) is functional and has implemented various interventions to promote and enhance a diverse environment which is gender- and disability-sensitive and responsive.

The outreach efforts enabled the programme to create a platform to showcase departmental programmes and initiatives, and contributed to the sector's recovery and sustainability. By utilising a variety of accessible communication channels, we have continued to promote community engagement, empowerment by utilising community media and allocating a portion of our advertising budget to community radio stations. The Department has communicated and interacted with technologically proficient citizens through digital media platforms and has maintained a positive social media presence. The call centre, accessible on 0860 TOURISM, has also been effective at providing general tourism information and receiving complaints from the public seeking immediate assistance.

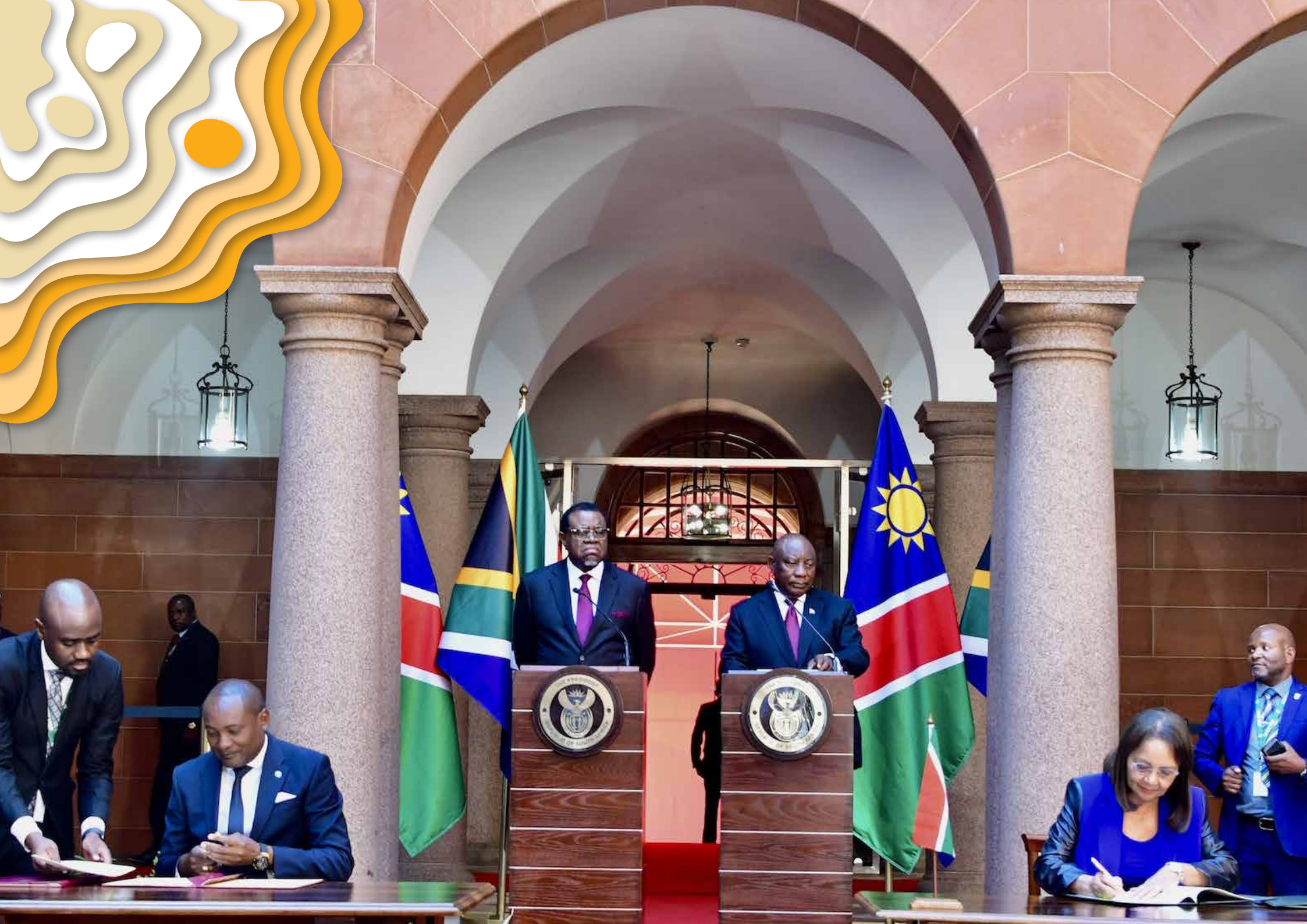
The Department has contributed significantly to the Government's economic transformation agenda targeting 30% of the goods and services procurement towards SMMEs, and 40% towards women-owned businesses. The Department in 2022/2023 achieved 54,76% expenditure on procurement from SMMEs, exceeding the 30% target. The Department achieved the target of an unqualified audit and has successfully implemented the Audit Action Plan on matters raised by AGSA.

### Changes to Planned Targets

None.

### Sub-Programme Expenditure

Sub-Programme Name	2022/2023			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	56 719	53 007	3 712	37 659	37 659	-
Management	4 140	4 140	-	2 497	2 497	-
Corporate Management	168 390	160 235	8 155	156 204	156 204	-
Financial Management	76 911	76 532	379	63 841	63 841	-
Office Accommodation	29 575	29 576	(1)	28 295	28 295	-
<b>Total</b>	<b>335 735</b>	<b>323 490</b>	<b>12 245</b>	<b>288 496</b>	<b>288 496</b>	<b>-</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.

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

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
<b>Outcome: Increase the tourism sector's contribution to inclusive economic growth.</b>						
<b>Output: To provide knowledge services to inform policy, planning and decision making.</b>						
<b>Output Indicator 1: Number of monitoring and evaluation reports on tourism projects and initiatives developed.</b>						
Two Reports on the Impact Evaluation of COVID-19 on the tourism sector were produced.	<ul style="list-style-type: none"> <li>Implementation of the Norms and Standards for Safe Operations in the sector was monitored.</li> <li>Two Reports on the impact evaluation of COVID-19 on the tourism sector in South Africa were developed.</li> </ul>	<b>Five Monitoring and Evaluation Reports on tourism projects and initiatives developed:</b>				
		1. Evaluation of the Resource Efficiency Project conducted.	Evaluation of the Resource Efficiency Project was conducted.	None.	None.	N/A

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
-	-	2. Monitoring of Capacity Building Programme undertaken (Hospitality Youth Programme, National Youth Chefs Training Programme, Tourism Monitors Programme and Food Safety Quality Assurers Programme).	Monitoring of Capacity Building Programme (Hospitality Youth Programme, National Youth Chefs Training Programme, Tourism Monitors Programme and Food Safety Quality Assurers Programme) was undertaken.	None.	None.	N/A
<ul style="list-style-type: none"> <li>• 2018/19 State of Tourism Report (STR) was finalised and published.</li> <li>• Draft 2019/20 STR was developed.</li> </ul>	2019/20 STR was finalised and published.	3. 2020/2021 STR finalised and published.	2020/2021 STR was finalised and published.	None.	None.	N/A
Monitoring of the implementation of the Tourism Relief Fund on tourism enterprises was conducted and preliminary impact evaluation of the impact was developed.	Three TSRP Implementation Reports were developed.	4. Four TSRP Implementation Reports.	Four TSRP Implementation Reports were developed.	None.	None.	N/A

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
-	-	5. Development of a report on state and availability of key tourism statistics and resources at Provincial level.	A report on state and availability of key tourism statistics and resources at Provincial level was developed.	None.	None.	N/A

**Output: Information and Knowledge Systems developed and implemented.**

**Output Indicator 2: Number of Information and Knowledge Systems developed and implemented.**

National Tourism Analytics System Framework was not developed. Draft list of stakeholders and questionnaire to be used for consultation are in the process of being finalised internally to accelerate the process once the service provider gets appointed.	An Integrated Tourism Knowledge System was implemented.	<b>Two Information and Knowledge Systems implemented:</b>				
-		1. Tourism Skills and Employment Portal implemented.	Tourism Skills and Employment Portal was implemented.	None.	None.	N/A
-		2. Tourism Data Analytics System Implemented: Sentiments Analysis prioritised.	Tourism Data Analytics System was implemented: Tourism Sentiments Analysis prioritised.	None.	None.	N/A

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
<b>Output: Regulatory initiatives for tourism growth and development.</b>						
<b>Output Indicator 3: Number of initiatives implemented to create an enabling policy and regulatory environment for tourism growth and development.</b>						
<ul style="list-style-type: none"> <li>Policy Review on Quality Assurance Framework was conducted.</li> <li>Report on the regulations in respect of the National Tourism Information and Monitoring System (NTIMS Regulations) was developed.</li> <li>Draft review of the Development and Promotion of Tourism in South Africa was developed.</li> </ul>	Review of the Tourism Policy: The draft Green Paper on the Development and Promotion of Tourism in South Africa was developed. The document has been submitted to the Executive Authority for consideration.	<b>One initiative:</b>  White Paper on the Development and Promotion of Tourism in South Africa submitted for approval.	White Paper on the Development and Promotion of Tourism in South Africa was not submitted for approval.	The White Paper could not be finalised due to delays in the commencement of the Cabinet Cluster process.	Updated Socio-Economic Impact Assessment System (SEIAS) submitted to the Presidency on 5 April 2023.	The facilitation of the Cabinet Cluster which will enable finalisation of the White Paper, will commence on receipt of the SEIAS approval.
<b>Output: South African Tourism (SA Tourism) oversight reports developed.</b>						
<b>Output Indicator 4: Number of public entity oversight reports developed.</b>						
Four reports on governance and performance of SA Tourism were produced for oversight purposes.	Four Reports on governance and performance of SA Tourism developed for oversight purposes were developed.	Four Reports on governance and performance of SA Tourism developed for oversight purposes.	Four Reports on governance and performance of SA Tourism developed for oversight purposes were developed.	None.	None.	N/A

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
<b>Output: South Africa tourism showcase at priority markets.</b>						
<b>Output Indicator 5: Number of fora prioritised to advance South Africa's tourism interests at regional, continental and global level through multilateral other groupings.</b>						
Four initiatives were undertaken to advance South Africa's tourism priorities within multilateral fora, that is, the Indian Ocean Rim Association (IORA) Core Group on Tourism, Southern African Development Community (SADC), G20 and AU.	South Africa's tourism interests at regional, continental and global level through participation in six G20, SADC, AU, BRICS, UNWTO and IORA were advanced.	Advance South Africa's tourism interests at regional, continental and global level through participation in six multilateral fora <b>UNWTO, G20, BRICS, SADC, IORA and AU.</b>	South Africa's tourism interests at regional, continental and global level through participation in six multilateral fora <b>UNWTO, G20, BRICS, SADC, IORA and AU</b> were advanced.	None.	None.	N/A
<b>Output: Initiatives facilitated for Regional Integration.</b>						
<b>Output Indicator 6: Number of outreach programmes to the diplomatic community implemented.</b>						
-	4 Outreach Programmes to the diplomatic community were implemented.	2 outreach programmes to the diplomatic community implemented.	2 outreach programmes to the diplomatic community were implemented on 25 August 2022 and 7 December 2022 virtually.	None.	None.	N/A



Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
<b>Output Indicator 7: Sharing of Best Practices Workshop hosted.</b>						
<ul style="list-style-type: none"> <li>Sharing of Best Practices Workshop 2021 targeted at African countries with whom SA signed tourism agreements was hosted on 2 March 2021 virtually.</li> <li>Report on the leveraging of tourism bilateral relations to advance national priorities was developed.</li> </ul>	-	Sharing of Best Practices Workshop 2023 targeted at African countries with whom SA signed tourism agreements hosted.	Sharing of Best Practices Workshop 2023 targeted at African countries with whom SA signed tourism agreements was hosted from 8 - 10 March 2023 in Cape Town.			

## Narrative of Highlights

### Africa and Middle East:

- The Joint Tourism Technical Committee was launched with Malawi on 2-3 August 2022.
- The Joint Tourism Technical Committee was launched with Democratic Republic of Congo (DRC) on 14-15 December 2022.
- The Memorandum of Understanding (MoU) on tourism cooperation was signed with Uganda on 27 February 2023.
- The visit to Beitbridge Border Post on a simulation visit in compliance with the Bi-National Commission decision of 7 March 2019 was undertaken jointly with the Zimbabwean counterparts on 2 March 2023.

### Multilateral Relations and Cooperation:

- The Republic of South Africa (RSA) participated in the UNWTO Executive Council Meetings held on 7 June 2022 in Jeddah, Saudi Arabia and 24 November 2022 in Marrakesh, Morocco.
- The RSA participated in the G20 Tourism Ministers Meeting held on 26 September 2022 in Bali, Indonesia.

An evaluation of one project, namely, the Impact of the Resource Efficiency Programme on the beneficiaries that included tourism enterprises and learners, was undertaken. Seventy-four learners and 60 tourism enterprises (host employers) participated in the evaluation. Amongst the findings from the evaluation, the study revealed that some enterprises benefited from the programme by generating savings emanating from their investment in energy efficient technology.

The development and implementation of key Knowledge Systems namely; the Integrated Tourism Knowledge System, Tourism Skills and Employment Portal and Sentiments Analysis System, were prioritised in the financial year 2022/23. In an effort to integrate all tourism knowledge systems together, the Tourism Skills and Employment Portal and the Tourism Sentiments Analysis System were developed as part of the Integrated Tourism Knowledge System of the Department. The core benefits of undertaking this system integration exercise include among others, the following:

- Increasing the value provided by enterprise systems to external clients and internal staff.
- Providing a central digital gateway for knowledge services.
- Improving data services due to an integrated and interoperable system layout, resulting in better data analysis and improved organisational performance.

### Changes to Planned Targets

The target of STR was erroneously captured as *2021/2022 STR finalised and published* on the Annual Performance Plan (APP) tabled in March 2022 instead of *2020/21 STR finalised and published*. However, an addendum rectifying the financial year to be 2020/21 was approved on 31 October 2022.

### Sub-Programme Expenditure

Sub-Programme Name	2022/2023			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Research, Policy and International Relations Management	7 636	4 992	2 644	6 246	5 441	805
Research and Knowledge Management	30 172	28 182	1 990	27 346	26 230	1 116
Policy Planning and Strategy	14 102	12 102	2 000	10 970	10 816	154
SA Tourism	1 329 206	1 329 206	-	1 297 038	1 297 038	-
International Relations and Cooperation	23 794	20 612	3 182	20 971	19 032	1 939
<b>Total</b>	<b>1 404 910</b>	<b>1 395 094</b>	<b>9 816</b>	<b>1 362 571</b>	<b>1 358 557</b>	<b>4 014</b>



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### 4.3 Programme 3: Destination Development

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

**Sub-Programmes:** Destination Planning and Investment Coordination; Tourism Enhancement; Working for Tourism.

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
<b>Outcome: Increase the tourism sector's contribution to inclusive economic growth.</b>						
<b>Output: Destination enhancement and route development projects implemented to diversify tourism offerings and enhance visitor experience in identified priority areas.</b>						
<b>Output Indicator 1: Number of destination planning and investment coordination initiatives undertaken.</b>						
Development of tourism implementation plans through the district development model was done in three pilots: <ul style="list-style-type: none"> <li>• OR Tambo District.</li> <li>• Waterberg District.</li> <li>• eThekweni Metro.</li> </ul>	Prioritised initiatives from tourism spatial masterplans were incorporated into <i>One Plans</i> for the following DDM districts: <ul style="list-style-type: none"> <li>• OR Tambo District.</li> <li>• eThekweni Metro.</li> <li>• Pixley Ka Seme District.</li> <li>• Namakwa District.</li> </ul>	<b>Five initiatives:</b> <ol style="list-style-type: none"> <li>1. Finalise prioritised tourism concepts and initiatives to support DDM <i>One Plans</i> for: <ul style="list-style-type: none"> <li>• OR Tambo District.</li> <li>• eThekweni Metro.</li> <li>• Pixley Ka Seme District.</li> <li>• Namakwa District.</li> </ul> </li> </ol>	Prioritised tourism concepts and initiatives to support DDM <i>One Plans</i> were finalised for: <ul style="list-style-type: none"> <li>• OR Tambo District.</li> <li>• eThekweni Metro.</li> <li>• Pixley Ka Seme District.</li> <li>• Namakwa District.</li> </ul>	None.	None.	N/A
<ul style="list-style-type: none"> <li>• Institutional arrangements for budget resort network and brand were finalised.</li> <li>• Brand and network concept were piloted with key stakeholders.</li> </ul>	The budget resorts network and brand concept were piloted.	<ol style="list-style-type: none"> <li>2. Review the piloting of the budget resort network and brand concept.</li> </ol>	The piloting of the budget resort network and brand concept was reviewed.	None.	None.	N/A

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
-	-	3. Initiate implementation of Phase 3a of the Tourism Precinct Methodology for township tourism precincts at: <ul style="list-style-type: none"> <li>• Galeshewe.</li> <li>• Vilakazi Street.</li> </ul>	Implementation of Phase 3a of the Tourism Precinct Methodology for township tourism precincts was initiated at: <ul style="list-style-type: none"> <li>• Galeshewe.</li> <li>• Vilakazi Street.</li> </ul>	None.	None.	N/A
-	<ul style="list-style-type: none"> <li>• A pipeline of nationally prioritised tourism investment opportunities (<i>greenfield projects</i>) was managed.</li> <li>• A database of distressed high-impact tourism properties (<i>brownfield projects</i>) was managed.</li> </ul>	4. A pipeline of nationally prioritised tourism investment opportunities ( <i>greenfield and brownfield projects</i> ) managed.	A pipeline of nationally prioritised tourism investment opportunities ( <i>greenfield and brownfield projects</i> ) was managed.	None.	None.	N/A

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
-	Four investment promotion platforms were facilitated.	5. Two investment promotion platforms facilitated.	Two investment promotion platforms were facilitated.	None.	None.	N/A
<b>Output Indicator 2: Number of destination enhancement initiatives supported.</b>						
Infrastructure Maintenance Programme was implemented in three national parks: • Marakele • Addo • Karoo National Parks	Infrastructure maintenance programme was implemented in all 19 National Parks as targeted.	<b>Three initiatives:</b>				
		1. Infrastructure maintenance programme implemented in 19 National Parks <sup>1</sup> .	Infrastructure maintenance programme was implemented in 19 National Parks.	None.	None.	N/A
-	Infrastructure maintenance programme was implemented in one state owned asset in all provinces.	2. Infrastructure maintenance and beautification programme implemented in five Provincial State-Owned Attractions.	Infrastructure maintenance and beautification programme was implemented in four Provincial State-Owned Attractions. <sup>2</sup>	None.	None.	N/A

<sup>1</sup> Nineteen (19) Parks: EC Addo National Park NP, EC Camdeboo NP, EC Mountain Zebra NP, WC Garden Route (Knysna, Wilderness), EC Tsitsikamma NP, NC Karoo NP, FS Golden Gate NP, NW Marakele NP, LP Mapungubwe NP, NC Kgalagadi NP, NC Augrabies NP, NC Namakwa, NC Richtersveld, WC Agulhas NP, WC Bontebok NP, WC Table Mountain NP, WC West Coast NP, WC Tankwa-Karoo NP, MP Kruger NP.

<sup>2</sup> Misalignment between the annual target and the quarterly milestones with regard to “Infrastructure maintenance and beautification programme implemented in five Provincial State-Owned Attractions”. The annual target incorrectly reflects “five” Provincial State-Owned Attractions. The correct number is / should have been “four” to align with the quarterly milestones.

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
Draft Project Concepts were developed for five community-based tourism projects at: <ul style="list-style-type: none"> <li>• Numbi Gate</li> <li>• Nandoni Dam</li> <li>• Tshathogwe Game Farm</li> <li>• Mtititi Game Farm</li> <li>• Mapate Recreational Social Tourism Facility</li> </ul>	The Implementation of 30 Community-based Tourism Projects was supported as targeted.	3. Implementation of 30 Community-based Tourism Projects. <sup>3</sup>	30 Community-based Tourism Projects were implemented.	None.	None.	N/A
<b>Output Indicator 3: Number of work opportunities created through Working for Tourism projects.</b>						
2 772 work opportunities through Working for Tourism projects were created.	5 328 Work opportunities were created.	4 104 Work opportunities created.	5 315 Work opportunities were created.	1 211 additional Work opportunities.	Additional work opportunities were created due to the following the DBSA projects that moved to implementation in Quarter 4, maintenance project replacements, and all the skills projects which started in Quarter 4.	N/A

<sup>3</sup> Community-Based Projects: LP Va Tsonga, LP Matsila Lodge, LP Phiphidi Waterfall, LP The Oaks Lodge, LP Ngove, LP Tisane, FS Qwa Qwa Guest House, FS Vredefort Dome, FS Monotsha, NW Manyane Lodge, NW Lotlamoreng Dam, NC Platfontein Lodge, NC Kamiesburg, KZN Muzi Pan, EC Maluti Hiking Trail, EC Mthonsi Lodge, EC Qatywa Lodge, EC Nyandeni Chalets, EC Western Thembuland, Anton Lembede Museum eThekweni Municipality (KZN), Mcgregor Museum (NC), Ama Hlubi Cultural Heritage (KZN), Sol Plaatjie Museum (NW), Lehurutse Liberation Heritage Museum (NW), Numbi Gate, Nandoni Dam, Tshathogwe Game Farm, Mapate Recreational Social Tourism Facility, Mtititi Game Farm, Royal Khalanga Lodge.

## Narrative of Highlights

For the SANParks Infrastructure Maintenance Programme which was funded by the Department, ended on 31 March 2023 and 953 temporary jobs were created in some of the most remote areas of the country, with 345 women and 519 youth employed in the programme. 30 People with disabilities were employed. A total of 1,476 Full Time Equivalent Jobs were created and 339,495-person days worked.

## Changes to planned targets

None.

## Sub-Programme Expenditure

	2022/2023			2021/2022		
	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	60 031	59 394	637	115 207	114 654	553
Tourism Enhancement	20 931	18 230	2 701	17 059	16 298	761
Destination Planning and Investment Coordination	23 572	22 892	680	20 850	20 850	-
Working for Tourism	312 008	311 096	912	377 408	375 383	2 025
<b>Total</b>	<b>416 542</b>	<b>411 612</b>	<b>4 930</b>	<b>530 524</b>	<b>527 185</b>	<b>3 339</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.

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

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
<b>Outcome: Increase the tourism sector's contribution to inclusive economic growth.</b>						
<b>Output: To accelerate the transformation of the tourism sector.</b>						
<b>Output Indicator 1: Number of incentive programmes implemented.</b>						
-	11 adjudication meetings were held and 52 GTIP applications were approved.	<b>One incentive programme implemented:</b> Green Tourism Incentive Programme (GTIP) Implemented.	Green Tourism Incentive Programme (GTIP) was implemented.	None.	None.	N/A

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
<b>Output: Programme aimed at stimulating domestic tourism implemented.</b>						
<b>Output Indicator 2: Number of Domestic Tourism Awareness Programmes implemented.</b>						
<p>Domestic Tourism Scheme was implemented as follows:</p> <ul style="list-style-type: none"> <li>• KwaZulu-Natal (KZN): 10-11 November 2020.</li> <li>• Gauteng (GP): 5-6 March 2021.</li> <li>• North West (NW): 11-12 March 2021.</li> <li>• Western Cape (WC): 15-16 March 2021.</li> </ul>	<p>Domestic Tourism Scheme was implemented as follows:</p> <ul style="list-style-type: none"> <li>• Northern Cape (NC): 24-25 November 2021;</li> <li>• Gauteng (GP): 3-4 December 2021; and</li> <li>• Limpopo (LP) on 7-8 March 2022.</li> </ul>	<p>4 Domestic Tourism Awareness Campaign implemented.</p>	<p>6 Domestic Tourism Awareness Campaigns implemented as follows:</p> <ul style="list-style-type: none"> <li>• 4 May 2022 at Africa Travel Indaba ICC, Durban.</li> <li>• 27 September 2022 at Overberg District Municipality, WC.</li> <li>• 21-23 November 2022 at Mbizana and Silaka Nature Reserve, EC.</li> <li>• 9-10 February 2023 at Uniondale Game Farm, FS.</li> <li>• 16-17 February 2023 at Mafikeng Museum, NW.</li> <li>• 3-4 March 2023 at Riverstone Lodge, GP.</li> </ul>	<p>2 more Domestic Tourism Awareness Campaigns were implemented.</p>	<p>2 additional Awareness Campaigns were done to ensure alignment to the TID in the APP document which had NW and GP. Prior to these two provinces the activation in the FS had already been implemented.</p>	<p>N/A</p>

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
<b>Output: Implement Incubation Programme.</b>						
<b>Output Indicator 3: Number of initiatives implemented to support tourism SMMEs.</b>						
<p>Three incubators were fully implemented:</p> <ol style="list-style-type: none"> <li>1. Manyeleti Tourism Incubator</li> <li>2. Phalaborwa Tourism Incubator</li> <li>3. Mier Tourism Incubator</li> </ol> <ul style="list-style-type: none"> <li>• Memorandum of Agreement was signed with the implementing agent for Technology Innovation Incubator.</li> <li>• Recruitment of programme beneficiaries was finalised.</li> <li>• Diagnostic needs assessment was initiated.</li> <li>• The Call for Application was issued for Tour Operator Incubator.</li> <li>• Needs assessment for applicants was finalised. The service provider was appointed.</li> </ul>	<p>Six out of seven elements of the incubation programme were implemented to support tourism SMMEs (Business support and development):</p> <ol style="list-style-type: none"> <li>1. Manyeleti Incubator.</li> <li>2. Phalaborwa Incubator.</li> <li>3. Mier Incubator.</li> <li>4. Tech Incubator.</li> <li>5. Tour Operator incubator.</li> <li>6. Food Services Incubator.</li> </ol>	<p><b>One programme implemented:</b></p> <p>Incubation Programme implemented to support tourism SMMEs through the following Incubators (Business support and development):</p> <ol style="list-style-type: none"> <li>1. Tech Incubator.</li> <li>2. Tour Operator Incubator.</li> <li>3. Food Services Incubator.</li> <li>4. One Community-based enterprises incubation programme.</li> </ol>	<p>Incubation Programme was implemented to support tourism SMMEs through the following Incubators (Business support and development):</p> <ol style="list-style-type: none"> <li>1. Tech Incubator.</li> <li>2. Tour Operator Incubator.</li> <li>3. Food Services Incubator.</li> <li>4. One Community-based enterprises incubation programme.</li> </ol>	<p>None.</p>	<p>None.</p>	<p>N/A</p>

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
<b>Output: Women participation Programmes implemented.</b>						
<b>Output Indicator 4: Number of initiatives implemented to increase participation of Women in the Tourism sector.</b>						
<ul style="list-style-type: none"> <li>Procurement process was initiated for appointment of implementing agent.</li> <li>Criteria for selection of programme beneficiaries was finalised.</li> <li>UNWTO WiT Pilot Project was implemented in Limpopo (LP).</li> </ul>	<p>Women in Tourism Business Development and Support Programme for 225 women: 25 women owned SMMEs per Province (9 Provinces) was implemented for 181 women.</p> <p>The breakdown for the 181 women-owned SMMEs in Women in Tourism Business Development and Support Programme is as follows:</p> <ul style="list-style-type: none"> <li>GP:47</li> <li>NC:14</li> <li>EC:20</li> <li>WC:18</li> <li>NW: 13</li> <li>KZN: 15</li> <li>MP: 19</li> <li>LP: 21</li> <li>FS: 14</li> </ul> <p>UNWTO Women in Tourism Pilot Programme in LP: Vhembe and Mopani Districts was implemented.</p>	<b>One initiative implemented to support Women in Tourism:</b>				
		Women in Tourism Business Development and Support Programme implemented to support 225 women-owned SMMEs nationally (25 per province).	Women in Tourism Business Development and Support Programme to support 225 women-owned SMMEs nationally (25 per province) was implemented.	None.	None.	N/A

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
<b>Output: Prioritised programmes implemented to enhance visitor service and experiences.</b>						
<b>Output Indicator 5: Number of programmes implemented to enhance visitor service and experiences.</b>						
-	Service Excellence Programme (SANS 1197) in two (2) provinces to enhance service levels standards of tourism products was implemented: <ul style="list-style-type: none"> <li>• NC.</li> <li>• LP.</li> </ul>	<b>Four programmes implemented:</b> 1. Implementation of Service Excellence Standard (SANS: 1197) incorporating the Tourism Norms and Standards: with focus on: <ul style="list-style-type: none"> <li>• Small Towns and</li> <li>• Tourism Product support.</li> </ul>	Service Excellence Standard (SANS: 1197) incorporating the Tourism Norms and Standards was implemented: with focus on: <ul style="list-style-type: none"> <li>• Small Towns and</li> <li>• Tourism Product support.</li> </ul>	None.	None.	N/A
-	Tourism Monitors Programme was implemented nationally in line with the project plans in the following provinces: GP, WC, NC, EC, FS, KZN, NW, and MP. It was also implemented at SANBI, SANParks and iSimangaliso.	2. Implementation of Tourism Monitors Programme in all provinces.	Tourism Monitors Programme was implemented nationally in line with the project plans in the following provinces: GP, WC, NC, EC, FS, KZN, NW, and MP. It was also implemented at SANParks and iSimangaliso.	The Programme was not implemented in Limpopo province.	The process to appoint service provider for Limpopo Province was not finalised.	The tender for Limpopo Province closed on 15 December 2022, the Bid Evaluation Committee (BEC) finalised evaluations, and the Departmental Bid Adjudication Committee (DBAC) convened on 3 April 2023 to deliberate on the awarding process. The planning work for implementation in Limpopo Province to start in the new financial year.

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
-	-	3. One programme to establish a centralised database of Tourist Guides implemented.	One programme to establish a centralised database of Tourist Guides was implemented.	None.	None.	N/A
-	-	4. Four tourist safety campaigns sessions conducted.	<p>Six tourist safety awareness campaigns sessions were conducted as follows:</p> <ul style="list-style-type: none"> <li>• EC Awareness Campaign (Mthatha - 12 April 2022; Lusikisiki (Mbotyi), Port St Johns and Coffee Bay from 13 to 15 June 2022).</li> <li>• FS Awareness Campaign (Ladybrand, 21-22 July 2022).</li> <li>• KZN Awareness Campaign (Port Edward, 30 November 2022).</li> <li>• North West Awareness Campaign 17-18 November 2022.</li> <li>• Limpopo Awareness Campaign 22 November 2022.</li> <li>• WC Awareness Campaign (Paarl and Wellington, 01 - 02 March 2023).</li> </ul>	Two more tourist safety awareness campaigns sessions were conducted.	The two extra awareness campaigns undertaken in Limpopo and North West were in honour of the invitation received from other institutions.	N/A

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
<b>Output: Enhance skills in the Tourism sector.</b>						
<b>Output Indicator 6: Number of capacity-building programmes implemented.</b>						
-	-	<b>Four capacity-building programmes implemented:</b>				
		1. Training and placement of 2 500 retrenched and unemployed youth on various skills development programmes.	<p>Training and placement of 2 517 retrenched and unemployed youth on various skills development programmes was conducted.</p> <p>The youth were enrolled on the following programmes:</p> <ul style="list-style-type: none"> <li>• Food and Beverage.</li> <li>• Professional Cookery.</li> <li>• Food Safety Quality Assurers.</li> <li>• Wine Service Training.</li> <li>• Hospitality Youth Training Programme (Fast Food).</li> </ul>	The annual target was overachieved by additional 17 enrolled youth.	Additional learners were enrolled in skills programmes to manage dropout rates hence the overachievement on the planned target.	N/A



Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
-	Two hundred and forty-nine SMMEs were trained on norms and standards for safe tourism operations in all nine provinces targeting Villages, Townships, and Small Towns.	2. 500 SMMEs and 2500 unemployed and retrenched youth trained on norms and standards for safe tourism operations in all nine provinces.	571 SMMEs and 2 517 unemployed and retrenched youth trained on norms and standards for safe tourism operations in all nine provinces.	The annual target for training of SMMEs was overachieved by additional 71 SMMEs.  The annual target of training unemployed and retrenched was overachieved by additional 17 enrolled youth.	The marketing and recruitment of SMMEs resulted in more numbers attending the training. Some of the SMMEs attended without confirmation of their attendance.  Additional learners were enrolled in skills programmes to manage dropout rates hence the overachievement on the planned target.	N/A
-	National Tourism Careers Expo (NTCE) 2021 was hosted on 25-27 March 2022 in Nasrec.	3. NTCE 2022 hosted.	NTCE was hosted on 30 September - 2 October 2022 at the Johannesburg Expo Centre, Nasrec.	None.	None.	N/A

Actual Achievement 2020/2021	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations	Strategy to Overcome Areas of Under Performance
-	Thirty Chefs were supported through Recognition of Prior Learning process for a qualification in line with the project plan.	4. 30 Chefs enrolled in a Recognition of Prior Learning (RPL) process to obtain a professional qualification or designation in line with the project plan.	30 Chefs were enrolled in an RPL process to obtain a professional qualification or designation in line with the project plan.  All 30 Chefs were found competent and received their NQF level 5 Chef Occupational Certificate for during the graduation ceremony held on 24 February 2023.	None.	None.	N/A

### Narrative of Highlights

The Tourism Monitors Programme was implemented nationally in line with the project plans in the following provinces: GP, WC, NC, EC, FS, KZN, NW, and MP. It was also implemented at SANParks and iSimangaliso.

In all, 30 chefs were enrolled in a RPL process to obtain a professional qualification or designation in line with the project plan. The Department achieved a 100% completion rate on these 30 learners that were enrolled. The learners have graduated and received a Certificate in Chef at NQF Level 5, accredited by CATHSSETA and the QCTO.

A total of 571 SMMEs participated, and 2 517 unemployed and retrenched youth were trained on norms and standards for safe tourism operations in all nine provinces. Training and placement of 2 517 retrenched and unemployed youth on various skills development programmes was conducted. The youth were enrolled on the following programmes: Food and Beverage, Professional Cookery, Food Safety Quality Assurers, Wine Service Training and Hospitality Youth Training Programme (Fast Food). Out of the 2 517 enrolled, about 304 learners dropped out for various reasons whereas 810 graduated from the programmes. Of the 810 graduated learners, a total of 450 graduates received permanent employment from the various host employers in the tourism and hospitality sector.

## Changes to Planned Targets

None.

## Sub-programme expenditure

Sub-Programme Name	2022/2023			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Sector Support Services Management	4 755	4 538	217	4 258	4 259	(1)
Tourism Human Resource Development	32 479	32 479	-	27 276	27 064	212
Enterprise Development and Transformation	38 303	38 180	123	37 360	37 362	(2)
Tourism Visitor Services	29 465	28 402	1 063	23 439	23 439	-
Tourism Incentive Programme	240 168	239 925	243	271 414	271 414	-
<b>Total</b>	<b>345 170</b>	<b>343 524</b>	<b>1 646</b>	<b>363 747</b>	<b>363 538</b>	<b>209</b>

## 5. TRANSFER PAYMENTS

### 5.1 Transfer payments to public entity

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

Functions of the South African Tourism Board:

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

Name of Public Entity	Key Outputs of the Public Entity	Amount transferred to the Public Entity	Amount spent by the Public Entity	Achievements of the Public Entity
<b>SA Tourism</b>	<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>	R1 329 206 000,00	R1 329 206 000,00	<ul style="list-style-type: none"> <li>• Number of international tourist arrivals achieved (April 2022 – March 2023): 6 772 315.</li> <li>• Number of domestic holiday trips achieved (April 2022 – March 2023): 9,9 million.</li> <li>• Total tourism revenue: R178,4 billion.</li> <li>• Total Tourist Foreign Direct Spend (TTFDS): R74,6 billion (April 2022 – March 2023).</li> <li>• Total Domestic Direct Spend (TDDS): R103,8 billion achieved (April 2022 – March 2023).</li> <li>• Number of business events hosted in South Africa: 61 (April 2022 – March 2023).</li> <li>• Number of bid submissions: 95 bid submissions.</li> <li>• Number of accommodation establishments graded (April 2022 – March 2023): 4 959.</li> <li>• Number of graded rooms (April 2022 – March 2023): 122 963.</li> </ul>

## 5.2 Transfer Payments to all Organisations other than Public Entity

Transfer payments were made to departmental agencies, foreign governments, non-profit institutions and households.

The Department complied with section 38 (1)(j) of the PFMA, and the amounts transferred and the monitoring thereof are covered in a MoA, business plan, membership agreement or contract.

The table below reflects the transfer payments made for the period 1 April 2022 - 31 March 2023 to departmental agencies, foreign governments and non-profit institutions.

Name of Transferee	Type of Organisation	Purpose for which the Funds were used	Did the Department comply with s 38 (1) (j) of the PFMA	Amount Transferred (R'000)	Amount Spent by the Entity	Reasons for the Funds Unspent by the Entity
<b>CATHSSETA.</b>	Departmental agency.	Administration costs.	Yes.	181	181	N/A
<b>Federated Hospitality Association of South Africa (FEDHASA).</b>	Non-profit organisation.	To implement Tourism Educator Development Programme in 9 provinces.	Yes.	443	399	To be spent in the next financial year.
<b>NTCE.</b>	Departmental agency.	National Tourism Careers Expo.	Yes.	4 288	4 288	N/A
<b>Various beneficiaries.</b>	Public corporations and private enterprises.	Market Access Support Programme.	N/A	4 742	4 742	N/A
<b>Industrial Development Corporation (IDC).</b>	Public corporations and private enterprises.	GTIP	Yes.	130 000	-	Funds to be spent in coming years.
<b>Small Enterprise Finance Agency (sefa).</b>	Departmental agency.	Tourism Equity Fund.	Yes.	90 430	-	Under litigation.

Payments were made for all transfer line items budgeted for.

## 6. CONDITIONAL GRANTS

### 6.1 Conditional Grants and Earmarked Funds Paid

There were no conditional grants and earmarked funds paid for the period 1 April 2022 to 31 March 2023.

### 6.2 Conditional Grants and Earmarked Funds Received

There were no conditional grants and earmarked funds received for the period 1 April 2022 to 31 March 2023.

## 7. DONOR FUNDS

No donor funds received in 2022/23.

## 8. CAPITAL INVESTMENT

### 8.1 Capital Investment, Maintenance and Asset Management Plan

The table below reflects expenditure on capital infrastructure assets for the period 1 April 2022 to 31 March 2023.

	2022/2023			2021/2022		
	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	139 939	139 940	(1)	206 256	206 256	-
Maintenance and repairs	23 568	23 568	-	122 322	122 322	-
Infrastructure transfer	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
<b>Total</b>	<b>163 507</b>	<b>163 508</b>	<b>(1)</b>	<b>328 578</b>	<b>328 578</b>	<b>-</b>

The background of the slide is a vibrant orange color. Overlaid on this are several large, organic, wavy shapes in shades of white, light beige, and golden yellow. These shapes resemble topographical contour lines or liquid splashes, creating a dynamic and textured visual effect. The shapes are layered, with some appearing to float above others, adding depth to the design.

**PART C**

**GOVERNANCE**



## 1. INTRODUCTION

Commitment by the Department to maintain the highest standards of governance is fundamental and contributes towards good governance. The Department through its governance processes provide assurance to stakeholders and contribute towards effective, efficient and economic use of financial and other resources.

## 2. RISK MANAGEMENT

The Department has for the period under review, maintained an effective, efficient, and transparent system of risk management and internal control as required in terms of the Section 38 (a) (i) of the Public Finance Management Act, 1999. The Department had a duly constituted Risk Management Committee (RMC) chaired by an independent person which provided oversight to ensure effective risk management within the Department. The Audit Committee independently monitored the effectiveness of the RMC. The Audit Committee through review, oversight on quarterly risk management reports provided assurance on the effectiveness of risk management measures within the Department.

The implementation of the risk management is part of the departmental strategic planning processes. Top Management facilitated strategic risk assessment while programmes undertook operational risk assessment, fraud risk assessment and information communication risk assessment. Department adequately implemented a Risk Management Strategy which includes monthly review of risk registers, and the identification of emerging and materialised risks. Various strategic interventions were implemented inclusive of the appointment of Risk Champions in programmes and the adoption of risk management is a standing agenda item in all programme meetings.

The Department through the Directorate: Risk and Integrity Management has contributed towards an effective risk management system by convening awareness sessions, sharing articles online and regular engagements with members of SMS.

## 3. FRAUD AND CORRUPTION

The Department has committed to a zero tolerance by adopting effective and efficient Anti-fraud and Anti-corruption systems. The Fraud Prevention Strategy,

Fraud Prevention Policy, Information Security and Vetting Policies, were implemented to prevent incidents of fraud and corruption. Ethics Awareness was prioritised as an effective deterrent to incidents of fraud. The Department created awareness on the National Anti-Corruption Hotline (0800 701 701, toll free) as part of a strategic initiatives towards confidential disclosure on all incidents of fraud and corruption.

The RMC provided oversight over the implementation of Fraud Prevention Plans and Anti-Corruption measures. The Department, through Directorate: Risk and Integrity Management, created awareness on various Anti-Fraud and Anti-Corruption measures e.g. preventative and detective systems.

Allegations of fraud and corruption were also reported anonymously to Management and the Directorate: Risk and Integrity Management. Where allegations of fraud and or corruption are reported to the Department, depending on the veracity of allegations, investigations through internal and external investigations were instituted. The outcome of the investigations (inclusive of findings and recommendations) are considered and approved by the Accounting Officer.

## 4. MINIMISING CONFLICT OF INTEREST

The Department implemented the Public Service Regulations, 2016 and the directive on disclosure of financial interest for all designated groups by SMS. Designated employees submitted financial disclosures through the e-Disclosure System, which were quality assured by the Ethics Officers and processed to the Public Service Commission.

As part of entrenching an ethical culture and minimising conflict of interest, employees were required to obtain approval prior to engaging in remunerative work outside employment. Applications were submitted to the Directorate: Risk and Integrity Management evaluation prior to processing to the delegated authority for approval. The Department facilitated approval and implementation of the Gift Policy to manage gifts and minimise potential conflict of interest.

The RMC provided quarterly oversight on the implementation of remunerative work, financial disclosure and the administration of the Gifts Policy. The Directorate: Risk and Integrity Management created ethical awareness through encouraging online training, convening sessions and circulating articles.

## 5. CODE OF CONDUCT

The conduct of employees in the Department is regulated through the Public Service Code of Conduct. The Department inducted newly appointed employees to the Code of Conduct and offered continuous awareness for existing employees as part of entrenching an ethical culture and excellent conduct. Awareness on the Code of Conduct is implemented through the circulation of online articles.

The Department practises demonstrated commitment to uphold the highest standard of professionalism, promoted ethical behaviour and excellent conduct which inspired employees to act with integrity. Non-compliance with both departmental values and the Code of Conduct is deemed an act of misconduct and corrective measures implemented through the Public Service Disciplinary Code of Conduct.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Section 8 of the Occupational Health and Safety (OHS) Act, (Act No. 85 of 1993) mandates the Department to provide and maintain as far as is reasonably practical a working environment that is safe and without risk to the health of employees. The Department has implemented the OHS Policy, and conducted the following assessments to identify possible hazards and unsafe working environment:

- Noise Assessment.
- Ergonomics Assessment.
- Illumination Assessment.
- Hazardous Biological Agent Assessment.
- Air Quality and Ventilation Assessment.

The outcome of the various assessment was approved and the Department commenced with the implementation of findings through the action plans. OHS representatives were appointed and membership of the OHS Committee was renewed. The newly established Committee provided oversight on Departmental OHS measures.

## 7. PORTFOLIO COMMITTEES

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

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

### 7.1 PORTFOLIO COMMITTEE ON TOURISM (NATIONAL ASSEMBLY)

#### 7.1.1 Oversight Visit by the Portfolio Committee to LP (Mopani and Vhembe District) 19-21 April 2022

The Committee conducted oversight at Ngove Lodge near Giyani and the Phiphidi Waterfalls near Thohoyandou and recommended that the Department should attend to the following:

- Strengthen planning, monitoring and evaluation of projects by Project Managers.
- Prioritise request by the Ngove community to incorporate a Cultural Village as part of the Ngove project.
- Ensure alignment of expenditure to project progress on all infrastructure projects.

#### 7.1.2 Briefing by the Department on the APP for 2022/23 financial year on 3 May 2022

The Committee welcomed the briefing by the Department and deliberated on the following issues:

- Progress on the recruitment of the Chief Financial Officer at the Department.
- Assistance provided to SMMEs in light of floods in KZN and EC.

- Progress on the policy review process.
- Implementation of Audit and Risk Management Committee recommendations.

### **7.1.3 Minister reporting on the recent floods and the adoption of the Budget Vote Report on 17 May 2022**

The Committee received a report from the Department on the departmental delegation sent to assist in KZN together with efforts in collaboration with the private sector to revive the tourism industry. The Committee deliberated on the following:

- Impact of the Constitutional Court judgement on Preferential Procurement Regulations of 2017.
- Strengthening systems of internal controls to mitigate repeat audit findings.
- Recovery of the tourism sector together with impact of KZN floods on the tourism sector.

The Committee further resolved that the Department should prioritise:

- Court interdict on TEF and engage with relevant stakeholders that are against transformation imperatives within the tourism sector.
- Inter-sectoral coordination with the Department of Cooperative Governance and Traditional Affairs on infrastructure maintenance at local level and SAPS on crime related matters.
- Employment patterns with the Department of Employment and Labour to rectify the employment patterns in the tourism sector to ensure that foreign nationals are not employed on non-critical tourism jobs that can be occupied by South Africans.
- Engagement with Presidency on the proposed merger of Brand SA and the SA Tourism;
- Investigate the Chinese model on “charity begins at home principle” for domestic tourism in promoting local attractions.
- Identify and promote attractions in rural areas, develop and adequately market these to realise the potential of heritage tourism and rural tourism routes.

### **7.1.4 Briefing by the Department and DBSA on the MoU and Infrastructure Projects on 7 June 2022**

The Committee received a detailed briefing on the DBSA MoU including progress on various infrastructure projects. The Committee resolved as follows:

- While AGSA audit projects, AGSA should also audit systems and processes of the implementing Agent (DBSA).
- Department should strengthen monitoring of projects on timeframes, budget vs. expenditure, payment of contractors and project.
- The Department should provide detailed financial information for each project when presenting quarterly reports.

### **7.1.5 Briefing by the Department on the Quarter 3 and 4 Performance Reports for 2021/2022 on 30 August 2022**

The Committee deliberated on the presentation and raised the following issues for consideration by the Department:

- Sewage spill at Durban Harbour.
- Partnership with SANParks.
- Sustainability of training projects.
- Delays in issuing Tour Operator licenses.
- Attacks on buses in Cape Town.
- Report on the suspension of the DDG for Corporate Management.

### **7.1.6 Briefing by the AGSA on the 2021/22 Audit outcomes of the Department of Tourism and SA Tourism on 11 October 2022**

The Committee welcomed an unqualified audit opinion with findings for the 2021/22 financial year. The following issues were raised for consideration by the Department:

- Repeat findings on material misstatements e.g. non-compliance with SCM.
- Recovery of incorrect payments on Tourist Guides Relief Fund.
- Impact of the Audit and Risk Management Committees on repeat findings.
- Litigation and delays on TEF and its impact on sector transformation.
- Comprehensive implementation of the AGSA Audit Action Plan.

### **7.1.7 Briefing by the Department on the Annual Performance Report for the 2021/2022 financial year on 11 October 2022**

The Committee deliberated on the following issues:

- Implementation of the PES Package.
- EPWP capacity-building programme and placement of beneficiaries.

- Robust implementation of the TSRP to mitigate impact of COVID-19.
- Growing Domestic Markets and the minimising the cost of air travel.
- Tourist safety and implementation of safety initiatives with SAPS.
- Report on the DDG: Corporate Management suspension and subsequent lifting.

### **7.1.8 Briefing by the Minister of Tourism on the Proposed Merger between SA Tourism and Brand SA on 1 November 2022**

The Committee noted the Minister’s apology and advised that apologies should be tendered timeously. The Committee rescheduled the meeting to 8 November 2022 to address the following:

- Timeframes on the policy review process and reasons for the delays.
- The appointment of a new board at SA Tourism including the process of appointment.
- The process of the merger of SA Tourism and Brand South Africa.
- International work done by Department of Tourism and SA Tourism.

### **7.1.9 Briefing by the Minister of Tourism on International Work on 8 November 2022**

Meeting was again rescheduled to a later date due to unavailability of the Executive Authority.

### **7.1.10 Briefing by the Department on the First and Second Quarter Performance Reports for the 2022/2023 financial year, on 15 November 2022**

The Committee, having considered the delegation of the Department, rescheduled the meeting to 22 November 2022 for a briefing on SA Tourism’s First and Second Quarterly Performance Reports.

### **7.1.11 Briefing by SA Tourism on the First and Second Performance Report of 2022/23 on 22 November 2022**

Briefing by SA Tourism on First and Second Quarter Performance Report of 2022/23 financial year was rescheduled due to the absence of the Accounting Authority of SA Tourism.

### **7.1.12 Briefing by SA Tourism on the First and Second Performance Report of 2022/23 on 29 November 2022**

Briefing by SA Tourism on First and Second Quarter Performance Report of 2022/23 financial year was rescheduled to a later date. The Committee further resolved as follows:

- Submission of the approved study leave and time-table of the Director-General.
- The suspension of the Chief Convention Bureau Officer.
- Progress on non-approval of a recommendation by the previous Board on the appointment of the Chief Executive Officer (CFO) at SA Tourism.

### **7.1.13 Briefing by the Minister of Tourism on the Sponsorship Tottenham Hotspur Football deal on 7 February 2023**

The Committee deliberated on the matter and resolved as follows:

- Cancellation of the Tottenham Hotspur deal and an investigation should be undertaken.
- The appointment of the Acting CFO at SA Tourism.
- Advise the Minister of Finance and the President through the Office of the Speaker that the proposed deal between the SA Tourism and the English Premier League Soccer Club (Tottenham Hotspur) is not in the interest of the country.

### **7.1.14 Briefing by the SA Tourism on the First and Second Quarter Performance Reports for the financial year of 2022/2023 on 21 February 2023**

SA Tourism briefing the Committee on the First and Second Quarter Performance Reports for 2022/23 financial year was rescheduled due to the non-availability of the Executive Authority. The Committee further resolved as follows:

- Invitation of the Minister in the Presidency on proposed merger of Brand South Africa and SA Tourism.
- The resignation of the SA Tourism’s Acting CFO.
- The appointment of a new board members at SA Tourism.

### **7.1.15 Briefing by the Department on the First and Second Quarter Performance Reports for the financial year of 2022/2023 on 7 March 2023**

Meeting was postponed due to changes on the Executive as announced by the President on 6 March 2023.

### **7.1.16 Briefing by the Minister of Tourism on the Policy Review Process on 14 March 2023**

Meeting was postponed to allow the new Minister of Tourism to settle into her role following her appointment on 6 March 2023. She still was not familiar with all the policies.

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

### **7.2.1 Briefing by the Department on the 2023/2024 APP on 4 May 2022**

The Department briefed the Committee at the Africa Travel Indaba of 2022 on its APP for 2023/24. The Committee recommended the following for consideration by the Department:

- The impact of road infrastructure, flood damage on recovery efforts within the sector.
- Delays in finalising tour operators' licensing backlog.
- Municipality, Provincial Tourism Boards and DDM as a vehicle to prioritise tourism.
- A strategy to boost aviation in partnership with the relevant stakeholders and departments.
- Fast track the policy review, grading system, create a dedicated Tourism Development Fund with leverage from the private sector funding for SMMEs.

### **7.2.2 Briefing by the Department on Infrastructure Projects on 21 June 2022**

Briefing by Department of Tourism on Infrastructure Projects highlighting both 99 existing and 10 discontinued projects. The Committee recommended the following for consideration by the Department:

- Infrastructure project reports should include evaluation, assessments and monitoring to enhance timeous completion of projects.
- Mandela House on Vilakazi Street in Soweto and the number of jobs created by conferencing in townships.
- The role of the Department in supporting provinces and SANParks.
- Strategy to support tourism potential in townships and rural areas and all community projects are in townships and rural areas.
- Sewer spillage into the port of Durban and requested the Department to engage both Transnet and the City of eThekweni.

### **7.2.3 Oversight by the Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism, Employment and Labour and the Select Committee of Transport and Public Works to the NC on 15-19 August 2022**

Oversight visit was undertaken and recommendations on Platfontein Lodge were submitted to the Department.

### **7.2.4 Briefing by the Department on the TSRP on 11 October 2022**

The Committee welcomed a briefing on progress in the implementation of TSRP including plans for the safety of tourists visiting South Africa. The Committee deliberated on the following:

- The safety of tourists in high crime areas such as the Numbi Gate including safety measures planned for the festive season.
- Promoting SADC as an ideal destination through various tourist packages.
- Implementation of the TSRP and challenges arising from non-reporting by provinces.

## 7.2.5 Briefing by the Department on the 2021/2022 APP on 22 November 2022

The Committee welcomed the briefing and deliberated on the following:

- Implementation of Consequence Management for prior year irregular expenditure.
- Departmental project plans to fast tracking the Policy Review.
- The Department's response on the murder of a German tourist in MP.
- Progress on the achievement of Employment Equity, vacancies targets including expenditure on Compensation of Employees.
- Maintenance of tourist sites and related infrastructure.
- Progress of litigation related to the TEF.

## 8. SCOPA RESOLUTIONS

None.

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

No prior modifications were done to audit reports.

## 10. INTERNAL CONTROL UNIT

The Internal Control Unit is responsible for facilitating the audit, managing the irregular, fruitless and wasteful expenditure register of the Department. The Unit is further responsible for maintaining the Office of the Chief Financial Officer policy register to ensure that all policies are in line with the latest practice notes.

During the period under review, a comprehensive Audit Action Plan was developed to address 2021/22 Audit findings. Progress was monitored on a weekly basis by the Internal Control Unit. The Director-General took the initiative to facilitate weekly Internal Audit Steering Committee meetings.

Based on the outcome of the 2021/22 Audit, 66 Actions were developed as part of the Audit Response in the Audit Action Plan. In all, 57 Actions (86%) were fully implemented and nine are in progress (14%) as at the end of the financial year.

During the financial year, the Sub-Directorate: Internal Control finalised 36 fruitless and wasteful expenditure cases.

During the year, no new instances of irregular expenditure were identified.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

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

Below are audits performed by the Internal Audit Unit during the 2022/23 financial year:

- Pre-determined objectives.
- ICT Governance.
- Review of Risk Management.
- Review of Annual Report 2021/22.
- ICT General Controls.
- ICT Assets Management.
- Procurement – Quotation.
- Follow-up on AGSA Management Report.
- Follow-up: Accounts Management.
- Follow-up: EPWP Infrastructure Assets Management.
- Follow-up: COVID-19 Compliance – OHS.
- Review of Financial Statements.
- Review of Tourism Relief Fund.
- Tourist Guide Relief Fund.
- Security Contract.
- Tourism Monitors Programme.
- Cook-off event in Tembisa.

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		01 August 2015 and re-appointed 04 April 2019.	31 March 2022	N/A
<b>Mr PR Mnisi</b>	LLB; Post Grad Certificate in Compliance Management	External		August 2015, re-appointed 20 October 2018, re-appointed 20 October 2021 to 30 September 2022, and re-appointed 05 March 2023.		3
<b>Ms HN Masedi</b>	B. Compt Hons; M Com (Computer Auditing); Higher Diploma in Computer Auditing and Post Graduate Diploma in Management	External		01 August 2015, re-appointed 20 October 2018, and re-appointed 20 October 2021 to September 2022.	30 September 2022	2
<b>Ms MP Ramutsheli</b>	CIA; Certified Ethics Officer; Masters in Internal Auditing	External		20 October 2018 and re-appointed 20 October 2021 to 30 September 2022, and re-appointed 05 March 2023.		3
<b>Mr Badat Suleman</b>	Chartered Accountant, CA (SA)	External		05 March 2023		1
<b>Ms Mmathabo Abigail Sukati</b>	CA(SA), CIA, CCSA, MBA	External		05 March 2023		1
<b>Mr Zola Luxolo Fihlani</b>	CA (SA)	External		05 March 2023		1

## 12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ending 31 March 2023.

### 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 strengthening, improving and monitoring the controls. Where control weaknesses and other matters were reported, the Audit Committee considered management's responses to address the matters and to facilitate corrective actions, improvements and monitoring of the controls and procedures. Implementation of such corrective actions is monitored through the implementation of an issue tracking report and the follow-up review reports submitted to the committee on a regular basis.

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

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

- Pre-determined objectives;
- ICT Governance;
- Review of Risk Management;
- Review of the draft Annual Report 2021/2022;
- ICT General Controls;
- ICT Assets Management;
- Procurement - Quotations;
- Follow-up on AGSA Management Report;
- Follow-up: Accounts Management;
- Follow-up: EPWP Infrastructure Assets Management.
- Follow-up: COVID 19 Compliance - OHS;
- Review of Financial Statements;
- Review of Tourism Relief Fund;
- Tourist Guide Relief Fund;
- Security Contract;
- Tourism Monitors Programme; and
- Cook-off event in Tembisa.

The Audit Committee advised the Department that strong steps be taken by Management 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 conducted its affairs in terms of an approved Internal Audit Charter, which is reviewed on an annual basis. The Internal Audit Unit followed a risk-based audit approach, whereby the Department's Risk Strategy and the Internal Audit Unit's assessment of the risks drivers were 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

The Audit Committee has reviewed the annual financial statements prepared by the Department.

### Auditor-General's Report

We have reviewed the department's implementation plan for audit issues raised in the previous year and are satisfied that the matters have been adequately resolved.

The Audit Committee concurs and accepts the conclusions of the Auditor-General South-Africa (AGSA) on the Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the AGSA.



**Mr Roy Mnisi**

**Chairperson of the Audit Committee**

Department of Tourism

Date: 07 August 2023

## 13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	The concession guideline is currently being developed for the tourism sector.
Developing and implementing a preferential procurement policy?	Yes	To contribute to Government's economic transformation agenda, the Procurement Policy of the Department uses B-BBEE as a lever. There is a minimum of a 40% procurement target spend from businesses owned by women. There is also a 30% procurement target set for buying goods and services from SMMEs.
Determining qualification criteria for the sale of SOEs?	No	N/A
Developing criteria for entering into partnerships with the private sector?	No	Partnerships criteria not yet developed. The gazetted Tourism B-BBEE Sector Code should be used.
Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE?	Yes	Inputs were made for applying the targets set under the gazetted Tourism B-BBEE Sector Code on the Tourism Equity Fund.

The background features a vibrant orange color with intricate, layered, wavy patterns in shades of white, light beige, and golden yellow. These patterns resemble topographical lines or organic, flowing shapes, creating a sense of depth and movement. The overall aesthetic is modern and dynamic.

**PART D**

**HUMAN RESOURCE  
MANAGEMENT**

## 1. INTRODUCTION

The Department is committed to its professionalisation, which is critical in building the capacity of the State. The Department implements strategic human resource management through the application of sound human resource practices. The Departmental MTEF HR Plan supports the requirements of the Public Service Act, 1994 as amended and the Public Service Regulations, 2016. The implementation of the Departmental Human Resource Plan seeks to ensure that the Department has the correct number of employees with the required skills in the correct positions. The Department has facilitated the implementation of all functional areas:

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

## 2. OVERVIEW OF HUMAN RESOURCES

As at 31 March 2023, the Departmental post establishment was at 521 with 480 positions filled and 51 positions vacant translating to a 7,9% vacancy rate. 2022/2023 was the first year where a vacancy rate below 10% was achieved. The Department

implemented a reprioritisation system for positions based on available funds resulting from terminations of other positions. The Department has consistently performed above 4% on employment of PWDs which is 2% above the national target.

In all, 40 employees were appointed to the Department while 31 employees exited the Department. There were 10 resignations at 32,2%, five transfers out of the Department at 16,1%, five retirements at 16,1% and two terminations on account of death at 6,4%.

Following the outcome of performance moderations, employees who performed outstandingly were afforded pay progressions in accordance with policy guidelines. The Department also initiated a Service Excellence Programme during the reporting period, which awards employees for exemplary implementation of the Batho Pele Principles.

The Department enforced the implementation and execution of OHS RiskAssessment to establish the level of occupational risk in the facility (Tourism House) and the following key areas were assessed per Section 8 of the OHS Act:

- Ergonomics.
- Air quality and ventilation.
- Hazardous biological agents.
- Illumination and lamps.
- Noise.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS

#### 3.1 Personnel-Related Expenditure

Table 3.1.1 Personnel Expenditure by Programme for the period 1 April 2022 to 31 March 2023

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
Programme 1: Administration	323 490	166 924	1 287	5 660	52	657
Programme 2: Tourism Research, Policy and International Relations	1 395 094	49 358	32	3 075	4	796
Programme 3: Destination Development	411 612	56 777	77	7 722	14	847
Programme 4: Tourism Sector Support Services	343 524	80 235	377	5 627	23	827
<b>Total</b>	<b>2 473 720</b>	<b>353 294</b>	<b>1 773</b>	<b>22 084</b>	<b>14</b>	<b>736</b>

Table 3.1.2 Personnel Costs by Salary Band for the Period 1 April 2022 to 31 March 2023

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)	146	1	1	146
Skilled (Levels 3-5)	10 712	3	44	243
Highly skilled production (Levels 6-8)	62 151	18	137	454
Highly skilled supervision (Levels 9-12)	188 259	53	236	798
Senior and Top Management (Levels 13-16)	92 026	25	62	1 484
<b>Total</b>	<b>353 294</b>	<b>100</b>	<b>480</b>	<b>736</b>

**Table 3.1.3 Salaries, Overtime, Home Owners' Allowance (HOA) and Medical Aid by Programme for the Period 1 April 2022 to 31 March 2023**

Programme	Salaries		Overtime		HOA		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	%
Programme 1: Administration	147 512	88	1 734	1	3 853	2	5 889	4
Programme 2: Tourism Research, Policy and International Relations	43 494	88	79	1	1 443	3	1 450	3
Programme 3: Destination Development	50 050	88	-	-	1 269	2	1 643	3
Programme 4: Tourism Sector Support Services	70 440	88	-	-	1 422	2	2 631	3
<b>Total</b>	<b>311 496</b>	<b>88</b>	<b>1 814</b>	<b>1</b>	<b>7 987</b>	<b>2</b>	<b>11 613</b>	<b>3</b>

**Table 3.1.4 Salaries, Overtime, HOA and Medical Aid by Salary Band for the Period 1 April 2022 to 31 March 2023**

Salary Band	Salaries		Overtime		HOA		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)	132	90	-	-	-	-	-	-
Skilled (Levels 3-5)	8 356	78	161	2	533	5	749	7
Highly skilled production (Levels 6-8)	48 200	78	1 042	2	2 348	4	4 958	8
Highly skilled supervision (Levels 9-12)	172 866	92	611	1	3 788	2	5 272	3
Senior Management (Levels 13-16)	81 942	89	-	-	1 318	1	634	1
<b>Total</b>	<b>311 496</b>	<b>88</b>	<b>1 814</b>	<b>1</b>	<b>7 987</b>	<b>2</b>	<b>11 613</b>	<b>3</b>

## 3.2 Employment and Vacancies

**Table 3.2.1 Employment and Vacancies by Programme as at 31 March 2023**

Programme	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate	Number of Employees Additional to the Establishment
Programme 1: Administration	274	254	7,3	14
Programme 2: Tourism Research, Policy and International Relations	70	62	11,4	0
Programme 3: Destination Development	73	67	8,2	0
Programme 4: Tourism Sector Support Services	104	97	6,7	1
<b>Total</b>	<b>521</b>	<b>480</b>	<b>7,9</b>	<b>15</b>

**Table 3.2.2 Employment and Vacancies by Salary Band as at 31 March 2023**

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)	2	1	50	0
Skilled (Levels 3 – 5)	45	44	2,2	8
Highly skilled production (Levels 6 – 8)	143	137	4,2	1
Highly skilled supervision (Levels 9 – 12)	259	236	8,9	3
Senior Management (Levels 13 – 16)	72	62	13,9	3
<b>Total</b>	<b>521</b>	<b>480</b>	<b>7,9</b>	<b>15</b>

**Table 3.2.3 Employment and Vacancies by Critical Occupations as at 31 March 2023**

Critical Occupation	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate	Number of Employees Additional to the Establishment
None	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.3 Filling of SMS Posts

**Table 3.3.1 SMS Post Information as at 31 March 2023**

SMS Level	Total Number of Funded SMS Posts	Total Number of SMS Posts Filled	% of SMS Posts Filled	Total Number of SMS Posts Vacant	% of SMS Posts Vacant
Director-General	1	1	100	0	0
Salary Level 16	2	0	0	2	100
Salary Level 15	4	4	100	0	0
Salary Level 14	16	13	81	3	19
Salary Level 13	46	40	87	6	13
<b>Total</b>	<b>69</b>	<b>58</b>	<b>84</b>	<b>11</b>	<b>16</b>

**Table 3.3.2 SMS Post Information as at 30 September 2022**

SMS Level	Total Number of Funded SMS Posts	Total Number of SMS Posts Filled	% of SMS Posts Filled	Total Number of SMS Posts Vacant	% of SMS Posts Vacant
Director-General	1	1	100	0	0
Salary Level 16	2	2	100	0	0
Salary Level 15	4	4	100	0	0
Salary Level 14	16	12	75	4	25
Salary Level 13	46	41	89	5	11
<b>Total</b>	<b>69</b>	<b>60</b>	<b>86</b>	<b>9</b>	<b>14</b>



**Table 3.3.3 Advertising and Filling of SMS Posts for the Period 1 April 2022 to 31 March 2023**

SMS Level	Advertising	Filling of Posts	
	Number of Vacancies per Level Advertised in 6 Months of Becoming Vacant	Number of Vacancies per Level Filled in 6 Months of Becoming Vacant	Number of Vacancies per Level Not Filled in 6 Months But Filled in 12 Months
Director-General	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	3	0	1
<b>Total</b>	<b>3</b>	<b>0</b>	<b>1</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 2022 to 31 March 2023**

Reasons for Vacancies Not Advertised within 6 Months
The filling of positions was delayed with due considerations of the implementation of the annual cost of living adjustment until a decision was made to provide additional funding by NT
Reasons for Vacancies Not Filled within 12 Months
The filling of positions was delayed with due considerations of the implementation of the annual cost of living adjustment until a decision was made to provide additional funding by NT

**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 2022 to 31 March 2023**

Reasons for Vacancies Not Advertised within 6 Months
None
Reasons for Vacancies Not Filled within 6 Months
None

### 3.4 Job Evaluation

**Table 3.4.1 Job Evaluation by Salary Band for the Period 1 April 2022 to 31 March 2023**

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)	45	0	0	0	0	0	0
Highly skilled production (Levels 6 – 8)	143	0	0	0	0	0	0
Highly skilled supervision (Levels 9 – 12)	259	0	0	0	0	0	0
SMS Band A	46	0	0	0	0	0	0
SMS Band B	17	0	0	0	0	0	0
SMS Band C	6	0	0	0	0	0	0
SMS Band D	3	0	0	0	0	0	0
<b>Total</b>	<b>521</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.4.2 Profile of Employees whose Positions were Upgraded due to their Posts being Upgraded for the Period 1 April 2022 to 31 March 2023**

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>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.4.3 Employees with Salary Levels Higher than those Determined by Job Evaluation by Occupation for the Period 1 April 2022 to 31 March 2023**

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation
None	0	0	0	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				<b>0</b>
<b>Percentage of total employed</b>				<b>0</b>

**Table 3.4.4 Profile of Employees who have Salary Levels Higher than those Determined by Job Evaluation for the Period 1 April 2022 to 31 March 2023**

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>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total number of Employees whose salaries exceeded the grades determined by job evaluation</b>					<b>None</b>

### 3.5 Employment Changes

**Table 3.5.1 Annual Turnover Rates by Salary Band for the Period 1 April 2022 to 31 March 2023**

Salary Band	Number of Employees at Beginning of Period - 1 April 2022	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Lower skilled (Levels 1 – 2)	1	0	0	0
Skilled (Levels 3 – 5)	34	13	10	29
Highly skilled production (Levels 6 – 8)	135	9	4	3
Highly skilled supervision (Levels 9 – 12)	227	14	9	4
SMS Band A	42	2	3	7
SMS Band B	15	1	1	6
SMS Band C	6	1	2	33
SMS Band D	4	0	2	50
<b>Total</b>	<b>464</b>	<b>40</b>	<b>31</b>	<b>6</b>

**Table 3.5.2 Annual Turnover Rates by Critical Occupation for the Period 1 April 2022 to 31 March 2023**

Critical Occupation	Number of Employees at Beginning of Period - 1 April 2022	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
None	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.5.3 Reasons why Staff Left the Department for the Period 1 April 2022 to 31 March 2023**

Termination Type	Number	% of Total Resignations
Death	2	6,4
Resignation	10	32,2
Expiry of contract	9	29
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	5	16,1
Transfer to other Public Service Departments	5	16,1
Other	0	0
<b>Total</b>	<b>31</b>	<b>100</b>
<b>Total Number of Employees who left as a % of Total Employment</b>	<b>31</b>	<b>6,4</b>

**Table 3.5.4 Promotions by Critical Occupation for the Period 1 April 2022 to 31 March 2023**

Occupation	Employees 1 April 2022	Promotions to Another Salary Level	Salary Level Promotions as a % of Employees by Occupation	Progressions to Another Notch within a Salary Level	Notch Progression as a % of Employees by Occupation
None	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.5.5 Promotions by Salary Band for the Period 1 April 2022 to 31 March 2023**

Salary Band	Employees 1 April 2022	Promotions to Another Salary Level	Salary Bands Promotions as a % of Employees by Salary Level	Progressions to Another Notch within a Salary Level	Notch Progression as a % of Employees by Salary Bands
Lower skilled (Levels 1 – 2)	1	0	0	0	0
Skilled (Levels 3 – 5)	34	0	0	28	82
Highly skilled production (Levels 6 – 8)	135	16	12	126	93
Highly skilled supervision (Levels 9 – 12)	227	16	7	212	93
Senior Management (Levels 13 – 16)	67	2	3	48	72
<b>Total</b>	<b>464</b>	<b>34</b>	<b>6</b>	<b>414</b>	<b>89</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 at 31 March 2023**

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	29	1	2	1	21	1	4	3	62
Professionals	98	1	3	4	111	9	2	4	232
Technicians and Associate Professionals	42	2	0	1	85	6	2	4	142
Clerks	26	0	0	1	15	0	1	0	43
Service and Sales Workers	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and Related Trades Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	1	0	0	0	1
<b>Total</b>	<b>195</b>	<b>4</b>	<b>5</b>	<b>7</b>	<b>233</b>	<b>16</b>	<b>9</b>	<b>11</b>	<b>480</b>
<b>Employees with Disabilities</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>21</b>

**Table 3.6.2 Total Number of Employees (Including Employees with Disabilities) in each of the following Occupational Bands as at 31 March 2023**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	4	0	0	0	2	0	1	1	8
Senior Management	25	1	2	1	19	1	3	2	54
Professionally Qualified and Experienced Specialists and Mid-management	84	1	3	4	91	9	3	5	200
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen and Superintendents	56	2	0	1	105	6	2	3	175
Semi-skilled and Discretionary Decision Making	26	0	0	1	15	0	0	0	42
Unskilled and Defined Decision Making	0	0	0	0	1	0	0	0	1
<b>Total</b>	<b>195</b>	<b>4</b>	<b>5</b>	<b>7</b>	<b>233</b>	<b>16</b>	<b>9</b>	<b>11</b>	<b>480</b>

**Table 3.6.3 Recruitment for the Period 1 April 2022 to 31 March 2023**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	0	0	2
Senior Management	1	0	0	0	1	0	0	0	2
Professionally Qualified and Experienced Specialists and Mid-management	11	0	0	0	3	0	0	0	14
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen and Superintendents	2	0	0	0	7	0	0	0	9
Semi-skilled and Discretionary Decision Making	8	0	0	1	4	0	0	0	13
Unskilled and Defined Decision Making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.6.4 Promotions for the Period 1 April 2022 to 31 March 2023**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	0	0	2
Senior Management	0	0	0	0	0	0	0	0	0
Professionally Qualified and Experienced Specialists and Mid-management	7	0	0	0	2	2	0	0	11
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen and Superintendents	1	0	0	0	3	0	0	0	4
Semi-skilled and Discretionary Decision Making	0	0	0	0	0	0	0	0	0
Unskilled and Defined Decision Making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>17</b>
<b>Employees with Disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.6.5 Terminations for the Period 1 April 2022 to 31 March 2023**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	0	0	0	1	0	0	0	4
Senior Management	2	0	0	0	0	0	0	2	4
Professionally Qualified and Experienced Specialists and Mid-management	3	0	0	0	6	0	0	0	9
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen and Superintendents	0	0	0	0	3	0	1	0	4
Semi-skilled and Discretionary Decision Making	5	0	0	0	5	0	0	0	10
Unskilled and Defined Decision Making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>31</b>
<b>Employees with Disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



**Table 3.6.6 Disciplinary Action for the Period 1 April 2022 to 31 March 2023**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissal	1	0	0	0	0	0	0	0	1

**Table 3.6.7 Skills Development for the Period 1 April 2022 to 31 March 2023**

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	6	0	0	0	3	0	0	0	9
Professionals	14	0	0	1	15	0	0	1	31
Technicians and Associate Professionals	17	0	0	0	22	2	0	1	42
Clerks	24	0	0	0	25	2	1	0	52
Service and Sales Workers	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and Related Trades Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>61</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>65</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>134</b>
<b>Employees with Disabilities</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>

### 3.7 Signing of Performance Agreements by SMS Members

**Table 3.7.1 Signing of Performance Agreements by SMS members as at 31 May 2022**

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	1	1	1	100%
Salary Level 16	2	1	1	100%
Salary Level 15	4	5	5	100%
Salary Level 14	16	15	14	93%
Salary Level 13	46	40	40	100%
<b>Total</b>	<b>69</b>	<b>62</b>	<b>61</b>	<b>100%</b>

**Table 3.7.2 Reasons for Not Having Concluded Performance Agreements for all SMS Members as at 31 March 2022**

Reasons
No reasons were provided by the employee

**Table 3.7.3 Disciplinary Steps Taken Against SMS Members for Not Having Concluded Performance Agreements as at 31 March 2023**

Reasons
Contract employment lapsed prior to the conclusion of the process

### 3.8 Performance Rewards

**Table 3.8.1 Performance Rewards by Race, Gender and Disability for the Period 1 April 2022 to 31 March 2023**

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of Total within Group	Cost	Average Cost per Employee
			%	R'000	
African					
Female	0	233	0	0	0
Male	0	195	0	0	0
Asian					
Female	0	9	0	0	0
Male	0	5	0	0	0
Coloured					
Female	0	16	0	0	0
Male	0	4	0	0	0
White					
Female	0	11	0	0	0
Male	0	7	0	0	0
Employees with a Disability	0	21	0	0	0
<b>Total</b>	<b>0</b>	<b>480</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.8.2 Performance Rewards by Salary Band for Personnel Below SMS for the Period 1 April 2022 to 31 March 2023**

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	R'000	%
Lower skilled (Levels 1 – 2)	0	1	0	0	0	0
Skilled (Levels 3 – 5)	0	42	0	0	0	0
Highly skilled production (Levels 6 – 8)	0	139	0	0	0	0
Highly skilled supervision (Levels 9– 12)	0	236	0	0	0	0
<b>Total</b>	<b>0</b>	<b>418</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.8.3 Performance Rewards by Critical Occupation for the Period 1 April 2022 to 31 March 2023**

Critical Occupation	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of Total within Occupation	Total Cost (R'000)	Average Cost per Employee
None	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.8.4 Performance-related Rewards (Cash Bonus), by Salary Band for SMS for the Period 1 April 2022 to 31 March 2023**

Salary Band	Beneficiary Profile			Cost		Total Cost as a % of the Total Personnel Expenditure
	Number of Beneficiaries	Number of Employees	% of Total within Salary Bands	Total Cost (R'000)	Average Cost per Employee	
Band A	0	42	0	0	0	0
Band B	0	13	0	0	0	0
Band C	0	5	0	0	0	0
Band D	0	2	0	0	0	0
<b>Total</b>	<b>0</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.9 Foreign Workers

**Table 3.9.1 Foreign Workers by Salary Band for the Period 1 April 2022 to 31 March 2023**

Salary Band	01 April 2022		31 March 2023		Change	
	Number	% of Total	Number	% of Total	Number	% Change
Lower skilled (Levels 1 – 2)	1	100	1	100	0	0
Skilled (Levels 3 – 5)	0	0	0	0	0	0
Highly skilled production (Levels 6 – 8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9– 12)	0	0	0	0	0	0
Senior Management (Levels 13 – 16)	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0</b>

**Table 3.9.2 Foreign Workers by Major Occupation for the Period 1 April 2022 to 31 March 2023**

Major Occupation	01 April 2022		31 March 2023		Change	
	Number	% of Total	Number	% of Total	Number	% Change
Elementary Occupation	1	100	1	100	0	0
<b>Total</b>	<b>1</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0</b>

### 3.10 Leave Utilisation

**Table 3.10.1 Sick Leave for the Period 1 January 2022 to 31 December 2022**

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)	0	0	0	0	0	0
Skilled (Levels 3 – 5)	128	78,10	22	62,90	6	120
Highly skilled production (Levels 6 – 8)	816	74,60	112	69,10	7	1 227
Highly skilled supervision (Levels 9 – 12)	1 403	86,40	156	68,70	9	4 246
Top and Senior management (Levels 13 – 16)	254	72,80	44	66,70	6	1 285
<b>Total</b>	<b>2 601</b>	<b>81</b>	<b>334</b>	<b>68</b>	<b>8</b>	<b>6 878</b>

**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022**

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost
		%		%		R'000
Lower Skills (Levels 1 – 2)	0	0	0	0	0	0
Skilled (Levels 3 – 5)	0	0	0	0	0	0
Highly skilled production (Levels 6 – 8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9 – 12)	32	100	4	1,7	8	98
Top and Senior Management (Levels 13 – 16)	0	0	0	0	0	0
<b>Total</b>	<b>32</b>	<b>100</b>	<b>4</b>	<b>1,7</b>	<b>8</b>	<b>98</b>

**Table 3.10.3 Annual Leave for the Period 1 January 2022 to 31 December 2022**

Salary Band	Total Days Taken	Number of Employees Using Annual Leave	Average per Employee
Lower skilled (Levels 1 – 2)	21	1	21
Skilled (Levels 3 – 5)	1 126	47	24
Highly skilled production (Levels 6 – 8)	5 676	173	33
Highly skilled supervision (Levels 9 – 12)	8 101	245	33
Top and Senior Management (Levels 13 – 16)	2 112	65	32
<b>Total</b>	<b>17 036</b>	<b>531</b>	<b>32</b>

**Table 3.10.4 Capped Leave for the Period 1 January 2022 to 31 December 2022**

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 at 31 March 2023
Lower skilled (Levels 1 – 2)	0	0	0	0
Skilled (Levels 3 – 5)	0	0	0	49
Highly skilled production (Levels 6 – 8)	0	0	0	13
Highly skilled supervision (Levels 9 – 12)	0	0	0	18
Top and Senior Management (Levels 13 – 16)	0	0	0	32
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25</b>

**Table 3.10.5 Leave Pay-outs for the Period 1 April 2022 to 31 March 2023**

Reason	Total Amount	Number of Employees	Average per Employee
	R'000		R'000
Leave Pay-outs for 2022/23 due to Non-utilisation of Leave for the Previous Cycle	43	1	43
Capped Leave Pay-outs on Termination of Service for 2022/23	275	4	68
Current Leave Pay-outs on Termination of Service for 2022/23	331	37	8,9
<b>Total</b>	<b>649</b>	<b>42</b>	<b>15</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
None	0

**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.	<b>x</b>		<ul style="list-style-type: none"> <li>• Ms A Potgieter – Director: HR Utilisation and Employee Health and Wellness (until 31 December 2022)</li> <li>• Ms N Songelwa – Acting Director: HR Utilisation and Employee Health and Wellness (Effective January 2023)</li> </ul>
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.	<b>x</b>		<p>The unit consist of two employees:</p> <ul style="list-style-type: none"> <li>• Mr S V Nkosi: Deputy Director – Employee Health and Wellness</li> <li>• Ms M Sibande: Assistant Director – Employee Health and Wellness.</li> <li>• The above mentioned employees are Social Workers and are both registered with the South African Social Service Council.</li> <li>• The allocated budget for this unit was R 437 000,00 for the financial year 2022/2023 .</li> </ul>



Question	Yes	No	Details, if yes
<p>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.</p>	<b>x</b>		<p>The Department implemented integrated Employee Health and Wellness Programme through internal services as well as external service providers. Key elements of the programme:</p> <p><b>Health and Productivity Management</b></p> <ul style="list-style-type: none"> <li>• Chronic Disease and Management.</li> <li>• Mental Health.</li> </ul> <p><b>Management of HIV, STI and TB</b></p> <ul style="list-style-type: none"> <li>• Voluntary Counselling and Testing.</li> <li>• Improving Access and eliminating stigma and discrimination.</li> </ul> <p><b>OHS</b></p> <ul style="list-style-type: none"> <li>• Injury on Duty.</li> <li>• Safety Health Environment Risk &amp; Quality (SHERQ) Management.</li> </ul> <p><b>Employee Wellness Programme</b></p> <ul style="list-style-type: none"> <li>• Physical Wellness.</li> <li>• Psycho-social Wellness.</li> <li>• Organisational Wellness.</li> <li>• Work-life Balance.</li> </ul>
<p>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.</p>	<b>x</b>		<p>Committee: The Department has established Consultative Forum where issues of Employee Health and Wellness including HIV, STIs and TB Management are discussed.</p> <ul style="list-style-type: none"> <li>• Advocate Mafanele / Mr Ngomane (Chairperson).</li> <li>• A Potgieter / N Songelwa.</li> <li>• D Monama.</li> <li>• F Naidoo.</li> <li>• J Jones.</li> <li>• P van Niekerk.</li> <li>• T Matolong.</li> <li>• B J Simelane.</li> <li>• V Reddy (resigned 2022).</li> <li>• P Tshabane.</li> <li>• N Mokoena - National Education, Health and Allied Workers' Union (NEHAWU).</li> <li>• M Molepo - Public Servants Association of South Africa (PSA).</li> <li>• M Phasha - PWDs Representative.</li> <li>• Secretariat:</li> <li>• J Olivier.</li> <li>• S Kunene.</li> </ul>

Question	Yes	No	Details, if yes
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		<p>Yes, the Department reviewed and approved its Wellness Management Policy in 2021.</p> <p>The HIV, STIs &amp; TB Management and Policy Health &amp; Productivity Management Policy are under review and will be finalised 2023/2024 financial year.</p>
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		<p>On a quarterly basis, the Department encourages employees to test and start treatment through the wellness day initiative. The Department also hosted HIV/AIDS candlelight events and observed the World Aids Day celebrations. During these events, information was shared on HIV/AIDS, prevention of stigma and discrimination.</p> <p>The HIV/AIDS policy furthermore has consequences for discriminating against employees with HIV and AIDS.</p>
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	x		<p>The Department implemented 4 interventions during the financial year 2022/2023, where staff members were encouraged to participate in Voluntary Counselling and Testing.</p> <p>This was implemented in collaboration with the Health Screening programme conducted through Government Employee Medical Scheme (GEMS).</p> <p>The outcome of the voluntary Counselling and Testing (HCT):</p> <ul style="list-style-type: none"> <li>• 1st quarter – 22 participants,</li> <li>• 2nd quarter – 35 participants,</li> <li>• 3rd quarter – 32 participants;</li> <li>• 4th quarter – 21 participants.</li> </ul>
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		<p>The Department has an operational plan for the year which is monitored and measured through departmental and DPSA Operational Plans including quarterly report and annual report. Key indicators are developed in line with four strategic pillars:</p> <ul style="list-style-type: none"> <li>• Health and productivity management</li> <li>• Management of HIV, STI and TB</li> <li>• OHS</li> <li>• Employee Wellness Programme</li> </ul>

### 3.12 Labour Relations

**Table 3.12.1 Collective Agreements for the Period 1 April 2022 to 31 March 2023**

Subject Matter	Date
Total number of Collective agreements	None

**Table 3.12.2 Misconduct and Disciplinary Hearings Finalised for the Period 1 April 2022 to 31 March 2023**

Outcomes of Disciplinary Hearings	Number	% of Total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	1	33,3
Not guilty	1	33,3
Case withdrawn	1	33,3
<b>Total</b>	<b>3</b>	<b>100</b>

<b>Total number of Disciplinary Hearings finalised</b>	<b>2</b>
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**Table 3.12.3 Types of Misconduct Addressed at Disciplinary Hearings for the Period 1 April 2022 to 31 March 2023**

Type of Misconduct	Number	% of Total
Misuse of departmental vehicle	1	50
Signing business plan relating to a project without authority to do so	1	50
<b>Total</b>	<b>2</b>	<b>100</b>

**Table 3.12.4 Grievances Logged for the Period 1 April 2022 to 31 March 2023**

Grievances	Number	% of Total
Number of grievances resolved	3	37,5
Number of grievances not resolved	5	62,5
<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 2022 to 31 March 2023**

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
<b>Total number of disputes lodged</b>	<b>0</b>	<b>0</b>

**Table 3.12.6 Strike Actions for the Period 1 April 2022 to 31 March 2023**

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

**Table 3.12.7 Precautionary Suspensions for the Period 1 April 2022 to 31 March 2023**

Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	93
<b>Cost of suspension (R'000)</b>	<b>669 724,95</b>

### 3.13 Skills Development

Table 3.13.1 Training Needs Identified for the Period 1 April 2022 to 31 March 2023

Occupational Category	Gender	Number of Employees as at 1 April 2022	Training Needs Identified at Start of the Reporting Period			
			Internships	Skills Programmes and other Short Courses	Other Forms of Training/Bursary	Total
Legislators, Senior Officials and Managers	Female	31	0	3	3	6
	Male	35	0	6	1	7
Professionals	Female	61	0	16	5	21
	Male	41	0	15	3	18
Technicians and Associate Professionals	Female	70	0	25	11	36
	Male	55	0	15	10	25
Clerks	Female	111	0	28	18	46
	Male	51	0	20	11	31
Service and Sales Workers	Female	15	0	0	0	0
	Male	20	0	6	0	6
Skilled Agriculture and Fishery Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and Related Trades Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and Machine Operators and Assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary Occupations	Female	1	0	0	0	0
	Male	0	0	0	0	0
Interns	Female	22	22	0	6	28
	Male	6	6	0	4	10
<b>Sub-Total</b>	<b>Female</b>	<b>311</b>	<b>22</b>	<b>72</b>	<b>43</b>	<b>137</b>
	<b>Male</b>	<b>208</b>	<b>6</b>	<b>62</b>	<b>29</b>	<b>97</b>
<b>Total</b>		<b>519</b>	<b>28</b>	<b>134</b>	<b>72</b>	<b>234</b>

**Table 3.13.2 Training Provided for the Period 1 April 2022 to 31 March 2023**

Occupational Category	Gender	Number of Employees as at 1 April 2022	Training Provided within the Reporting Period			
			Internships	Skills Programmes and other Short Courses	Other Forms of Training/ Bursary	Total
Legislators, Senior Officials and Managers	Female	31	0	3	3	6
	Male	35	0	6	1	7
Professionals	Female	61	0	16	5	21
	Male	41	0	15	3	18
Technicians and Associate Professionals	Female	70	0	25	11	36
	Male	55	0	15	10	25
Clerks	Female	111	0	28	18	46
	Male	51	0	20	11	31
Service and Sales Workers	Female	15	0	0	0	0
	Male	20	0	6	0	6
Skilled Agriculture and Fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and Related Trades Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and Machine Operators and Assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary Occupations	Female	1	0	0	0	0
	Male	0	0	0	0	0
Interns	Female	22	22	0	6	28
	Male	6	6	0	4	10
<b>Sub-Total</b>	<b>Female</b>	<b>311</b>	<b>22</b>	<b>72</b>	<b>43</b>	<b>137</b>
	<b>Male</b>	<b>208</b>	<b>6</b>	<b>62</b>	<b>29</b>	<b>97</b>
<b>Total</b>		<b>519</b>	<b>28</b>	<b>134</b>	<b>72</b>	<b>234</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 2022 to 31 March 2023**

Nature of Injury on Duty	Number	% of Total
Required basic medical attention only	3	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
<b>Total</b>	<b>3</b>	<b>100</b>

### 3.15 Utilisation of Consultants

**Table 3.15.1 Report on Consultant Appointments using Appropriated Funds for the Period 1 April 2022 to 31 March 2023**

Project Title	Total Number of Consultants that Worked on Project	Duration (Work Days)	Contract Value in Rand
Management and enhancement of an integrated Tourism Knowledge Management System: <b>OR-010462- Flow Communications</b>	Not indicated	12 months	994 520,00
Development of monthly digital domestic tourism material: <b>OR-010653-Nolo Communications</b>	3	12 months	538 000,00
Development of a tourism sector professionalisation strategy: <b>OR-010471-Urban Econ</b>	7	12 months	520 629,73
Risk assessment on SCM systems: <b>OR-010422-Altimax</b>	10	Once off	98 900,00
Development of tourism skills, employment and sentiments analysis portal: <b>OR-010464- Flow Communications</b>	2	6 months	989 900,00
<b>Total</b>			<b>3 141 949,73</b>

**Table 3.15.2 Analysis of Consultant Appointments using Appropriated Funds, in terms of Historically Disadvantaged Individuals (HDIs) for the Period 1 April 2022 to 31 March 2023**

Project Title	Percentage Ownership by HDI Groups	Percentage Management by HDI Groups	Number of Consultants from HDI Groups that Work on the Project
Management and enhancement of an integrated Tourism Knowledge Management System: <b>OR-010462- Flow Communications</b>	28%	28%	Not indicated
Development of monthly digital domestic tourism material: <b>OR-010653-Nolo Communications</b>	100%	100%	3
Development of a tourism sector professionalisation strategy: <b>OR-010471-Urban Econ</b>	51%	51%	2
Risk assessment on SCM systems: <b>OR-010422-Altimax</b>	51%	51%	Not indicated
Development of tourism skills, employment and sentiments analysis portal: <b>OR-010464- Flow Communications</b>	28%	28%	Not indicated
Management and enhancement of an integrated Tourism Knowledge Management System: <b>OR-010462- Flow Communications</b>	28%	28%	Not indicated

**Table 3.15.3 Report on Consultant Appointments using Donor Funds for the Period 1 April 2022 to 31 March 2023**

Project Title	Total Number of Consultants that Worked on Project	Duration (Work Days)	Donor and Contract Value in Rand
None	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Total Number of Projects	Total Individual Consultants	Total Duration (Work Days)	Total Contract Value in Rand
None	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>



**Table 3.15.4 Analysis of Consultant Appointments using Donor Funds, in terms of HDIs for the Period 1 April 2022 to 31 March 2023**

Project title	Percentage Ownership by HDI Groups	Percentage Management by HDI Groups	Number of Consultants from HDI Groups that Work on the Project
None	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.16 Severance Packages

**Table 3.16.1 Granting of Employee-initiated Severance Packages for the Period 1 April 2022 to 31 March 2023**

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
Top and Senior Management (Levels 13 – 16)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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**PART E**

**PFMA COMPLIANCE REPORT**

# 1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

## 1.1 Irregular Expenditure

### a) Reconciliation of Irregular Expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance.	2 861	36 155
Prior period error.		(35 096)
As restated.	2 861	1 059
➔ Add: Irregular expenditure confirmed.	4 701	1 802
Less: Irregular expenditure condoned.	-	-
Less: Irregular expenditure not condoned and removed.	-	-
Less: Irregular expenditure recoverable.	-	-
Less: Irregular expenditure not recovered and written off.	-	-
<b>Closing balance</b>	<b>7 562</b>	<b>2 861</b>

Irregular expenditure relates to non-compliance with SCM procedures and Human Resource Processes related to appointment of staff. The irregular expenditure prior period error of R35 096 million relates to irregular expenditure condoned related to the prior period (R34 932 million removed in 2021/22 plus R164 thousand condoned in 2022/23).

### Reconciling Notes

Description	2022/2023	2021/2022 <sup>1</sup>
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22.	-	-
➔ Irregular expenditure that relates to 2021/22 and identified in 2022/23.	-	-
Irregular expenditure for the current year.	4 701	1 802
<b>Total</b>	<b>4 701</b>	<b>1 802</b>

<sup>1</sup> Record amounts in the year in which it was incurred

## b) Details of Current and Previous Year Irregular Expenditure (Under Assessment, Determination, and Investigation)

Description <sup>2</sup>	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment.	-	-
Irregular expenditure under determination.	4 701	1802
Irregular expenditure under investigation.	-	-
<b>Total<sup>3</sup></b>	<b>4 701</b>	<b>1 802</b>

## c) Details of Current and Previous Year Irregular Expenditure Condoned

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned.	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## d) Details of Current and Previous Year Irregular Expenditure Removed - (Not Condoned)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed.	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## e) Details of Current and Previous Year Irregular Expenditure Recovered

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered.	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<sup>2</sup> Group similar items

<sup>3</sup> Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

#### f) Details of Current and Previous Year Irregular Expenditure Written Off (Irrecoverable)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off.	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### Additional Disclosure Relating to Inter-Institutional Arrangements

#### g) Details of Non-Compliance Cases where an Institution is Involved in an Inter-Institutional Arrangement (where such Institution Is Not Responsible for the Non-Compliance)

Description
<b>Total</b>

#### h) Details of Non-Compliance Cases where an Institution is Involved in an Inter-Institutional Arrangement (where such Institution Is Responsible for the Non-Compliance)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure for implementing Agent-supplier's tax matters were not declared to be in order at the time of awarding the work.	774	-
<b>Total</b>	<b>774</b>	<b>-</b>

The Implementing Agent appointed by the Department of Tourism requested quotations and awarded the work to a supplier whose tax matters had not been declared by the South African Revenue Services to be in order, as required by Treasury Regulation 16A9. 1(d). In terms of the provisions of the PFMA Compliance Framework on disclosure, the resultant Irregular expenditure was disclosed in the books of the Implementing Agent. The non-compliance falls with the Department of Tourism.

#### i) Details of Current and Previous Year Disciplinary or Criminal Steps Taken as a Result of Irregular Expenditure

Disciplinary Steps Taken
Verbal warnings were issued to officials that caused irregular expenditure.
N/A

## 1.2 Fruitless and Wasteful Expenditure

### a) Reconciliation of Fruitless and Wasteful Expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance.	194 751	194 751
Prior period error.		-
As restated.	194 751	194 751
→ Add: Fruitless and wasteful expenditure confirmed.	36	124
Less: Fruitless and wasteful expenditure written off.	(13)	(101)
Less: Fruitless and wasteful expenditure recoverable.	(22)	(23)
<b>Closing Balance</b>	<b>194 752</b>	<b>194 751</b>

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

### Reconciling Notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22.	-	3
Fruitless and wasteful expenditure that relates to 2021/2022 and identified in 2022/23.	-	-
Fruitless and wasteful expenditure for the current year.	36	121
<b>Total</b>	<b>36</b>	<b>124</b>

## b) Details of Current and Previous Year Fruitless and Wasteful Expenditure (Under Assessment, Determination, and Investigation)

Description <sup>4</sup>	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment.	1 109	59
Fruitless and wasteful expenditure under determination.	-	-
Fruitless and wasteful expenditure under investigation.	-	-
<b>Total<sup>5</sup></b>	<b>1 109</b>	<b>59</b>

The cases that remain under assessment are due to delays in responses from officials and services providers.

## c) Details of Current and Previous Year Fruitless and Wasteful Expenditure Recovered

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered.	22	23
<b>Total</b>	<b>22</b>	<b>23</b>

## d) Details of Current and Previous Year Fruitless and Wasteful Expenditure Not Recovered and Written Off

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off.	13	101
<b>Total</b>	<b>13</b>	<b>101</b>

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

<sup>4</sup> Group similar items

<sup>5</sup> Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

## e) Details of Current and Previous Year Disciplinary or Criminal Steps Taken as a Result of Fruitless and Wasteful Expenditure

### Disciplinary Steps Taken

No Fruitless and Wasteful Expenditure due to criminal conduct. 33 Cases have been referred to HR Labour Relations and are still in process..

**Total R 33 528,03**

## 1.3 Unauthorised Expenditure

The Department did not have any unauthorised expenditure in the reporting period.

## 1.4 Additional Disclosure Relating to Material Losses in Terms of PFMA Section 40(3)(b)(i) &(iii)

### a) Details of Current and Previous Year Material Losses through Criminal Conduct

	2022/2023	2021/2022
	R'000	R'000
<b>Material Losses through Criminal Conduct</b>		
Theft.	-	-
Other material losses.	-	-
Less: Recovered.	-	-
Less: Not recovered and written off.	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The Department did not incur any material losses through criminal conduct.

### b) Details of Other Material Losses

	2022/2023	2021/2022
	R'000	R'000
<b>Nature of other Material Losses</b>		
Fruitless and wasteful expenditure related to no shows, cancellations, waiting time, double bookings, after hours costs and amendments with regards to flight, shuttle and accommodation bookings.	36	125
<b>Total</b>	<b>36</b>	<b>125</b>



### c) Other Material Losses Recovered

Nature of Losses	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure related to no shows, cancellations, waiting time, double bookings, after hours costs and amendments with regards to flight, shuttle and accommodation bookings	25	22
<b>Total</b>	<b>25</b>	<b>22</b>

### d) Other Material Losses Written Off

Nature of losses	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure related to no shows, cancellations, waiting time, double bookings, after hours costs and amendments with regards to flight, shuttle and accommodation bookings.	13	105
<b>Total</b>	<b>13</b>	<b>105</b>

## 2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of Invoices	Consolidated Value
		R'000
Valid invoices received.	16 903	2 188 631
Invoices paid <b>within</b> 30 days or agreed period.	15 619	2 178 669
Invoices paid <b>after</b> 30 days or agreed period.	1 109	9 202
Invoices older than 30 days or agreed period ( <b>unpaid and without dispute</b> ).	83	307
Invoices older than 30 days or agreed period ( <b>unpaid and in dispute</b> ).	92	453

Required approved travel documents, including order, are not submitted on time by travellers which causes invoices not to be processed within 30 days.

The invoices that are in dispute relate to invoices that are incomplete with respect to certain mandatory details and in some cases the amounts invoiced are in dispute.

### 3. SUPPLY CHAIN MANAGEMENT

#### 3.1 Procurement by Other Means

Project Description	Name of Supplier	Type of Procurement by Other Means	Contract Number	Value of Contract R'000
Appointment of a service provider to provide Mandarin Language Training to 34 Tourism Guides for a period of six weeks	Chinese Cultural and International Exchange Centre (PTY) LTD.	Obtained less than three written price quotations.	OR-010057	R 337 410,00
Appointment of a service provider to render accommodation for Mandarin Language Training Programme of 34 learners for a period of six weeks.	Kopanong Hotel and Conference.	Impractical to conclude the procurement transaction through open bidding procedure.	OR-0010074	R 1 814 958,00
Appointment of a service provider to repair a shredding machine.	AZ Trading CC.	Obtained less than three written price quotations.	OR-0100091	R 9 612,85
Appointment of a service provider to render forensic investigation services.	TIC & Mend (Pty) Ltd.	Obtained less than three written price quotations.	OR-010124	R 487 255,00
Appointment of a tour operation company in Mthatha for 40 delegates from 21-23 November 2022.	Isimanye (Pty) Ltd.	Obtained less than three written price quotations.	OR-010421	R 120 000,00
Appointment of a service provider for ergonomics risk assessment.	Q-Risk Assessment Services.	Obtained less than three written price quotations.	OR-010034	R 150 000,00
Pilot and refine the domestic tourism re-modelling module.	University of Pretoria.	Obtained less than three written price quotations.	OR-010139	R 600 000,00
Pilot and refine the domestic tourism recovery framework.	University of KZN.	Obtained less than three written price quotations.	OR-010140	R 799 940,00
Service current Aqua coolers, replacement of filters and purchasing three rio via dispenser.	Kwantu Communications and Marketing (Pty) Ltd.	Obtained less than three written price quotations.	OR-010153	R 69 050,00
Training of SMMEs on cluster GP, LP and EC on the norms and standards for the safe operation of the tourism sector.	Elvis Koena Consulting (Pty) Ltd.	Obtained less than three written price quotations.	OR-010215	R 354 177,00
Conference venue for 70 delegates around Pretoria on 16 September 2022.	Hotel @ Hatfield (Pty) Ltd.	Obtained less than three written price quotations.	OR-010219	R 28 440,00

Project Description	Name of Supplier	Type of Procurement by Other Means	Contract Number	Value of Contract R'000
Conference venue for 10 delegates around Midrand or Sandton on 26 September 2022.	Hotel Quatermain Sandton (Pty) Ltd	Obtained less than three written price quotations.	OR-010261	R6 921,00
Conference venue for 75 delegates around OR Tambo District Municipality on 24-25 November 2022.	Hotel Savoy and Conference Centre (Pty) Ltd.	Obtained less than three written price quotations.	OR-010358	R 79 000,00
Conference venue for 50 delegates around Bloemfontein on 26-27 October 2022.	Bon Hotel Bloemfontein Central (Pty) Ltd.	Obtained less than three written price quotations.	OR-010267	R 43 220,00
Occupational Hygiene assessment: ventilation services.	OHS Solutions.	Obtained less than three written price quotations.	OR-010049	R27 713,77
Conference venue.	Maropeng A Afrika.	Obtained less than three written price quotations.	OR-010359	R8 400,00
Tour operator services (Hoedspruit).	Lola Travel & Tourism.	Obtained less than three written price quotations.	OR-010142	R 299 842,06
Time management course (training).	Le Mark Training and Development.	Obtained less than three written price quotations.	OR-010342	R25 040,00
Training service IT course.	Analytix Academy.	Obtained less than three written price quotations.	OR-010368	R27 600,00
Team building (Psychological).	ICAS.	Obtained less than three written price quotations.	OR-010375	R19 803,00
Appointment of a service provider to conduct employee suitability checks.	MIE Smart Vetting Solutions.	Obtained less than three written price quotations.	OR-010263	R450 000,00
Occupational Hygiene assessment: Allumination services.	Mashabas OHS.	Obtained less than three written price quotations.	OR-010032	R47 380,00
Piloting and refinement of the resilience model.	University of Venda.	Obtained less than three written price quotations.	OR-010195	R499 999,98
Piloting and refinement of the resilience model.	University of North West	Obtained less than three written price quotations.	OR-010193	R514 800,00
Tour operator services.	Lovisto Tours.	Obtained less than three written price quotations.	OR-010260	R298 000,00

Project Description	Name of Supplier	Type of Procurement by Other Means	Contract Number	Value of Contract R'000
Conference venue (lekgotla).	Premier Hotel Roodevalley.	Obtained less than three written price quotations.	OR-010292	R517 790,00
Catering service.	Gibite Holdings.	Obtained less than three written price quotations.	OR-010321	R25 190,00
Maintenance and enhancement of integrated Tourism Knowledge System with a tourist guide module.	Flow Communications.	Obtained less than three written price quotations.	OR-010462	R994 520,00
Appointment of an accredited training provider to manage the implementation of the wine training programme in the WC for 50 unemployed youth.	Tourism World.	Obtained less than three written price quotations.	OR-010500	R766 935,00
Appointment of an accredited training provider to manage the implementation of the wine training programme in the LP for 50 unemployed youth.	Tourism World.	Obtained less than three written price quotations.	OR-010497	R782 000,00
Appointment of an accredited training provider to manage the implementation of the wine training programme in the NW for 50 unemployed youth.	Tourism World.	Obtained less than three written price quotations.	OR-010495	R782 980,00
Appointment of an accredited training provider to manage the implementation of the wine training programme in KZN for 50 unemployed youth.	Tourism World.	Obtained less than three written price quotations.	OR-0010520	R740 945,00
Appointment of an accredited training provider to manage the implementation of the safety food assurers programme in the WC for 50 unemployed youth.	Tourism and Business Institute of Southern Africa (Pty)Ltd.	Obtained less than three written price quotations.	OR-010524	R862 500,00
<b>Total</b>				<b>R12 591 422,66</b>

### 3.2 Contract Variations and Expansions

Project Description	Name of Supplier	Contract Modification Type (Expansion or Variation)	Contract Number	Original Contract Value	Value of Previous Contract Expansion/s or Variation/s (if applicable)	Value of Current Contract Expansion or Variation
				R'000	R'000	R'000
Service provider to render transfer and shuttle services.	Mozee Tours and Transport.	Expand (duration).	NDT0007/18	Not applicable (Transaction fee model).	Not applicable (Transaction fee model).	Not applicable (Transaction fee model).
Travel management company to render travel and accommodation services.	XL Flywell Travel.	Expand (duration).	NDT0006/18	Not applicable (Transaction fee model).	Not applicable (Transaction fee model).	Not applicable (Transaction fee model).
Provision of services for Microsoft SharePoint Environment (Website/ Knowledge Management Portal).	Exponent PTY LTD.	Expansion – the original contract was from 05 May 2022 to 31 October 2022 and was extended till 28 February 2023 without financial implications.	OR-009911	R482 080,00	R0,00 (expansion was without financial implications only the duration was extended).	R0,00
<b>Total</b>				-	-	-

The background of the page is a vibrant orange color. On the left side, there are large, stylized, wavy patterns in shades of white, light beige, and golden yellow, resembling a topographical map or a liquid splash. These patterns have a layered, cut-out appearance with soft shadows.

**PART F**

**FINANCIAL INFORMATION**

## REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2023

### REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 38: NATIONAL DEPARTMENT OF TOURISM

#### Report on the audit of the financial statements

##### Opinion

1. I have audited the financial statements of the National Department of Tourism set out on pages 126 to 199, which comprise the appropriation statement, statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Department of Tourism as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2022 (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 responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the Department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South

Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### Other matters

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

#### National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework

7. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 22 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of National Department of Tourism. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

# REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2023

## Unaudited supplementary information

- The supplementary information set out in pages 200 to 213 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

## Responsibilities of the accounting officer for the financial statements

- 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.
- In preparing the financial statements, the accounting officer is responsible for assessing the Department’s ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the Department or to cease operations, or has no realistic alternative but to do so.

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

- 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.

- 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

- In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
- I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the Department’s performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Destination Development	43 - 47	Facilitate and coordinate tourism destination development
Tourism Sector Support Services	49 - 58	Enhance transformation, increase skill levels and support the development of the sector to ensure that South Africa is a competitive tourism destination

- I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the Department’s planning and delivery on its mandate and objectives.



## REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2023

16. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the Department's mandate and the achievement of its planned objectives.
  - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements.
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
  - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.
  - the reported performance information is presented in the annual performance report in the prescribed manner.
  - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
17. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.
18. I did not identify any material findings on the reported performance information of selected programmes.

### Other matter

19. I draw attention to the matter below.

### Achievement of planned targets

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under-achievements.

### Report on compliance with legislation

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

### Procurement and contract management

25. Some of the quotations were awarded by an implementing agent to suppliers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by Treasury Regulation 16A9.1(d).

### Other information in the annual report

26. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in

## REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2023

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

27. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
28. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. 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.
30. I have nothing to report in this regard.

### Internal control deficiencies

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

32. The matter reported below is limited to the significant internal control deficiencies that resulted in the material finding on compliance with legislation included in this report.

33. Senior management did not establish and implement sufficient procedures to review or monitor compliance with supply chain management prescripts and internal controls when procuring goods and services through an implementing agent.

*Auditor-General*

Pretoria

31 July 2023



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## ANNEXURE TO THE AUDITOR'S REPORT

for the year ended 31 March 2023

The annexure includes the following:

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

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

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

#### Financial statements

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a Department to cease operating as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

#### Communication with those charged with governance

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

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

Department of Tourism – Vote 38  
**ANNEXURE TO THE AUDITOR'S REPORT**  
for the year ended 31 March 2023

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 1 Section 38(1)(a)(iv); 38(1)(b); PFMA 38(1)(c); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); Section 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(4); 44; 44 (1) and (2) ; 45(b);
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury Regulation 6.3.1(a); 6.3.1(b); 6.3.1(c'); 6.3.1(d); 6.4.1(b) Treasury Regulation 7.2.1 Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2 Treasury Regulation 11.4.1; 11.4.2; 11.5.1 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c') Treasury Regulation 16A3.1 ; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) ,(b) & (e) ; 16A 6.3(a); 16A 6.3(a)(i);16A 6.3(b); 16A 6.3(c);16A6.3(d) ; 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A7.1; 16A.7.3; 16A.7.6; 16A.7.7;TR 16A8.2 (1) and (2); 16A 8.3 16A8.3 (d); 16A 8.4; 16A 9; 16A 9.1; 16A9.1(b)(ii);16A9.1 (c); 16A 9.1(d); 16A 9.1(e); 116A9.2; 16A9.2(a)(ii) &(iii); 16A9.1(f). Treasury Regulation 17.1.1 Treasury Regulation 18.2 Treasury Regulation 19.8.4
Division of Revenue Act No. 5 of 2022	Section 16(1)
Public service regulation	Public service regulation 13(c );18; 18 (1) and (2); 25(1)(e)(i); 25(1)(e)(iii)

**ANNEXURE TO THE AUDITOR'S REPORT**

for the year ended 31 March 2023

Legislation	Sections or regulations
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 29 Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
PPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
SITA ACT	Section 7(3) Section 7(6)(b) Section 20(1)(a)(i)
SITA regulations	Regulation 8.1.1 (b); 8.1.4; 8.1.7 Regulation 9.6; 9.4 Regulation 12.3 Regulation 13.1 (a) Regulation 14.1; 14.2
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c ); 3.3 (e ); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2

**ANNEXURE TO THE AUDITOR'S REPORT**

for the year ended 31 March 2023

Legislation	Sections or regulations
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4(a); 4.4(c) -(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2 and 4.3.3
Competition Act	Section 4(1)(b)(ii)
NT instruction note 4 of 2015/16	Paragraph 3.4
NT instruction 3 of 2019/20 - Annexure A	Section 5.5.1 (iv) and (x)
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 3.1 Paragraph 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1
Public Service Act	Section 30 (1)

# ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

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Department of Tourism – Vote 38  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2023

**Appropriation per programme**

Voted funds and Direct charges	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme</b>									
1. Administration	330 185	-	5 550	335 735	323 490	12 245	96.4%	288 496	288 496
2. Tourism Research, Policy and International Relations	1 417 467	-	(12 557)	1 404 910	1 395 094	9 816	99.3%	1 362 571	1 358 557
3. Destination Development	395 610	-	20 932	416 542	411 612	4 930	98.8%	530 524	527 185
4. Tourism Sector Support Services	359 095	-	(13 925)	345 170	343 524	1 646	99.5%	363 747	363 538
<b>TOTAL</b>	<b>2 502 357</b>	<b>-</b>	<b>-</b>	<b>2 502 357</b>	<b>2 473 720</b>	<b>28 637</b>	<b>98.9%</b>	<b>2 545 338</b>	<b>2 537 776</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				66 334				81 858	
NRF Receipts				-				-	
Aid assistance				-				34 810	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>2 568 691</b>				<b>2 662 006</b>	
<b>Add:</b>									
Aid assistance									34 810
Prior year unauthorised expenditure approved without funding									-
<b>ACTUAL AMOUNTS PER STATEMENT OF FINANCIAL PERFORMANCE EXPENDITURE</b>					<b>2 473 720</b>				<b>2 572 586</b>



Department of Tourism – Vote 38  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2023

**Appropriation per economic classification**

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Current payments</b>	<b>931 907</b>	<b>(108 277)</b>	<b>(35 438)</b>	<b>788 192</b>	<b>759 828</b>	<b>28 364</b>	<b>96.4%</b>	<b>761 082</b>	<b>754 713</b>
Compensation of employees	381 543	-	-	381 543	353 294	28 249	92.6%	340 793	337 452
Goods and services	550 364	(108 277)	(35 438)	406 649	406 534	115	100.0%	420 289	417 261
<b>Transfers and subsidies</b>	<b>1 565 615</b>	<b>(687)</b>	<b>75</b>	<b>1 565 003</b>	<b>1 564 730</b>	<b>273</b>	<b>100.0%</b>	<b>1 570 508</b>	<b>1 569 314</b>
Departmental agencies and accounts	1 333 682	90 430	-	1 424 112	1 424 105	7	100.0%	1 562 348	1 562 137
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	2 502	-	-	2 502	2 238	264	89.4%	2 641	2 437
Public corporations and private enterprises	225 172	(90 430)	-	134 742	134 742	-	100.0%	-	-
Non-profit institutions	443	-	-	443	443	-	100.0%	431	431
Households	3 816	(687)	75	3 204	3 202	2	99.9%	5 088	4 309
<b>Payments for capital assets</b>	<b>4 835</b>	<b>108 219</b>	<b>35 218</b>	<b>148 272</b>	<b>148 273</b>	<b>(1)</b>	<b>100.0%</b>	<b>213 501</b>	<b>213 502</b>
Buildings and other fixed structures	-	104 939	35 000	139 939	139 940	(1)	100.0%	206 256	206 256
Machinery and equipment	3 858	3 760	218	7 836	7 836	-	100.0%	7 245	7 246
Software and other intangible assets	977	(480)	-	497	497	-	100.0%	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>745</b>	<b>145</b>	<b>890</b>	<b>889</b>	<b>1</b>	<b>99.9%</b>	<b>247</b>	<b>247</b>
<b>TOTAL</b>	<b>2 502 357</b>	<b>-</b>	<b>-</b>	<b>2 502 357</b>	<b>2 473 720</b>	<b>28 637</b>	<b>98.9%</b>	<b>2 545 338</b>	<b>2 537 776</b>

Department of Tourism – Vote 38  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2023

**Programme 1: Administration**

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Sub programme</b>									
1. Ministry	40 676	10 807	5 236	56 719	53 007	3 712	93.5%	37 659	37 659
2. Management	3 351	789	-	4 140	4 140	-	100.0%	2 497	2 497
3. Corporate Management	185 421	(17 063)	32	168 390	160 235	8 155	95.2%	156 204	156 204
4. Financial Management	63 438	13 191	282	76 911	76 532	379	99.5%	63 841	63 841
5. Office Accommodation	37 299	(7 724)	-	29 575	29 576	(1)	100.0%	28 295	28 295
<b>TOTAL</b>	<b>330 185</b>	<b>-</b>	<b>5 550</b>	<b>335 735</b>	<b>323 490</b>	<b>12 245</b>	<b>96.4%</b>	<b>288 496</b>	<b>288 496</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>326 470</b>	<b>(4 104)</b>	<b>5 112</b>	<b>327 478</b>	<b>315 241</b>	<b>12 237</b>	<b>96.3%</b>	<b>278 328</b>	<b>278 328</b>
Compensation of employees	179 163	-	-	179 163	166 924	12 239	93.2%	158 385	158 385
Goods and services	147 307	(4 104)	5 112	148 315	148 317	(2)	100.0%	119 943	119 943
<b>Transfers and subsidies</b>	<b>188</b>	<b>1 702</b>	<b>75</b>	<b>1 965</b>	<b>1 956</b>	<b>9</b>	<b>99.5%</b>	<b>3 637</b>	<b>3 637</b>
Departmental agencies and accounts	188	-	-	188	181	7	96.3%	181	181
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-

Department of Tourism – Vote 38  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2023

**Programme 1: Administration - continued**

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	1 702	75	1 777	1 775	2	99.9%	3 456	3 456
<b>Payments for capital assets</b>	<b>3 527</b>	<b>2 391</b>	<b>218</b>	<b>6 136</b>	<b>6 138</b>	<b>(2)</b>	<b>100.0%</b>	<b>6 437</b>	<b>6 437</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 550	2 871	218	5 639	5 641	(2)	100.0%	6 437	6 437
Software and other intangible assets	977	(480)	-	497	497	-	100.0%	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>11</b>	<b>145</b>	<b>156</b>	<b>155</b>	<b>1</b>	<b>99.4%</b>	<b>94</b>	<b>94</b>
<b>TOTAL</b>	<b>330 185</b>	<b>-</b>	<b>5 550</b>	<b>335 735</b>	<b>323 490</b>	<b>12 245</b>	<b>96.4%</b>	<b>288 496</b>	<b>288 496</b>

Department of Tourism – Vote 38  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2023

**Programme 2: Tourism Research, Policy and International Relations**

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Sub programme</b>									
1. Tourism Research, Policy and International Relations Management	9 744	(106)	(2 002)	7 636	4 992	2 644	65.4%	6 246	5 441
2. Research and Knowledge Management	32 581	106	(2 515)	30 172	28 182	1 990	93.4%	27 346	26 230
3. Policy Planning and Strategy	15 746	-	(1 644)	14 102	12 102	2 000	85.8%	10 970	10 816
4. South African Tourism	1 329 206	-	-	1 329 206	1 329 206	-	100.0%	1 297 038	1 297 038
5. International Relations and Cooperation	30 190	-	(6 396)	23 794	20 612	3 182	86.6%	20 971	19 032
<b>TOTAL</b>	<b>1 417 467</b>	<b>-</b>	<b>(12 557)</b>	<b>1 404 910</b>	<b>1 395 094</b>	<b>9 816</b>	<b>99.3%</b>	<b>1 362 571</b>	<b>1 358 557</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>80 844</b>	<b>2 399</b>	<b>(12 242)</b>	<b>71 001</b>	<b>61 451</b>	<b>9 550</b>	<b>86.5%</b>	<b>61 027</b>	<b>57 996</b>
Compensation of employees	58 861	-	-	58 861	49 358	9 503	83.9%	51 116	49 089
Goods and services	21 983	2 399	(12 242)	12 140	12 093	47	99.6%	9 911	8 907
<b>Transfers and subsidies</b>	<b>1 335 524</b>	<b>(2 539)</b>		<b>1 332 985</b>	<b>1 332 721</b>	<b>264</b>	<b>100.0%</b>	<b>1 301 257</b>	<b>1 300 274</b>
Departmental agencies and accounts	1 329 206	-	-	1 329 206	1 329 206	-	100.0%	1 297 038	1 297 038
Higher education institutions	-	-	-	-	-	-	-	-	-

Department of Tourism – Vote 38  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2023

**Programme 2: Tourism Research, Policy and International Relations - continued**

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Foreign governments and international organisations	2 502	-	-	2 502	2 238	264	89.4%	2 641	2 437
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 816	(2 539)	-	1 277	1 277	-	100.0%	1 578	799
<b>Payments for capital assets</b>	<b>1 099</b>	<b>125</b>	<b>(315)</b>	<b>909</b>	<b>907</b>	<b>2</b>	<b>99.8%</b>	<b>266</b>	<b>266</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 099	125	(315)	909	907	2	99.8%	266	266
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>15</b>	<b>15</b>	<b>-</b>	<b>100.0%</b>	<b>21</b>	<b>21</b>
<b>TOTAL</b>	<b>1 417 467</b>	<b>-</b>	<b>(12 557)</b>	<b>1 404 910</b>	<b>1 395 094</b>	<b>9 816</b>	<b>99.3%</b>	<b>1 362 571</b>	<b>1 358 557</b>

Department of Tourism – Vote 38  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2023

**Programme 3: Destination Development**

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Sub programme</b>									
1. Destination Development Management	28 328	-	31 703	60 031	59 394	637	98.9%	115 207	114 654
2. Tourism Enhancement	23 654	-	(2 723)	20 931	18 230	2 701	87.1%	17 059	16 298
3. Destination Planning and Investment Coordination	31 200	-	(7 628)	23 572	22 892	680	97.1%	20 850	20 850
4. Working for Tourism	312 428	-	(420)	312 008	311 096	912	99.7%	377 408	375 383
<b>TOTAL</b>	<b>395 610</b>	<b>-</b>	<b>20 932</b>	<b>416 542</b>	<b>411 612</b>	<b>4 930</b>	<b>98.8%</b>	<b>530 524</b>	<b>527 185</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>395 470</b>	<b>(105 275)</b>	<b>(14 383)</b>	<b>275 812</b>	<b>270 882</b>	<b>4 930</b>	<b>98.2%</b>	<b>323 911</b>	<b>320 571</b>
Compensation of employees	61 661	-	-	61 661	56 777	4 884	92.1%	56 627	55 313
Goods and services	333 809	(105 275)	(14 383)	214 151	214 105	46	100.0%	267 284	265 258
<b>Transfers and subsidies</b>	<b>-</b>	<b>147</b>	<b>-</b>	<b>147</b>	<b>147</b>	<b>-</b>	<b>100.0%</b>	<b>54</b>	<b>54</b>
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-

Department of Tourism – Vote 38  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2023

**Programme 3: Destination Development - continued**

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	147	-	147	147	-	100.0%	54	54
<b>Payments for capital assets</b>	<b>140</b>	<b>105 070</b>	<b>35 315</b>	<b>140 525</b>	<b>140 525</b>		<b>100.0%</b>	<b>206 443</b>	<b>206 444</b>
Buildings and other fixed structures	-	104 939	35 000	139 939	139 940	(1)	100.0%	206 256	206 256
Machinery and equipment	140	131	315	586	585	1	99.8%	187	188
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>58</b>	<b>-</b>	<b>58</b>	<b>58</b>	<b>-</b>	<b>100.0%</b>	<b>116</b>	<b>116</b>
<b>TOTAL</b>	<b>395 610</b>	<b>-</b>	<b>20 932</b>	<b>416 542</b>	<b>411 612</b>	<b>4 930</b>	<b>98.8%</b>	<b>530 524</b>	<b>527 185</b>

Department of Tourism – Vote 38  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2023

**Programme 4: Tourism Sector Support Services**

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Sub programme</b>									
1. Tourism Sector Support Services Management	11 326	(4 941)	(1 630)	4 755	4 538	217	95.4%	4 258	4 259
2. Tourism Human Resource Development	30 679	1 800	-	32 479	32 479	-	100.0%	27 276	27 064
3. Enterprise Development and Transformation	48 204	(256)	(9 645)	38 303	38 180	123	99.7%	37 360	37 362
4. Tourism Visitor Services	26 068	3 397	-	29 465	28 402	1 063	96.4%	23 439	23 439
5. Tourism Incentive Programme	242 818	-	(2 650)	240 168	239 925	243	99.9%	271 414	271 414
<b>TOTAL</b>	<b>359 095</b>	<b>-</b>	<b>(13 925)</b>	<b>345 170</b>	<b>343 524</b>	<b>1 646</b>	<b>99.5%</b>	<b>363 747</b>	<b>363 538</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>129 123</b>	<b>(1 297)</b>	<b>(13 925)</b>	<b>113 901</b>	<b>112 254</b>	<b>1 647</b>	<b>98.6%</b>	<b>97 816</b>	<b>97 818</b>
Compensation of employees	81 858	-	-	81 858	80 235	1 623	98.0%	74 665	74 665
Goods and services	47 265	(1 297)	(13 925)	32 043	32 019	24	99.9%	23 151	23 153
<b>Transfers and subsidies</b>	<b>229 903</b>	<b>3</b>	<b>-</b>	<b>229 906</b>	<b>229 906</b>	<b>-</b>	<b>100.0%</b>	<b>265 560</b>	<b>265 349</b>
Departmental agencies and accounts	4 288	90 430	-	94 718	94 718	-	100.0%	265 129	264 918
Higher education institutions	-	-	-	-	-	-	-	-	-



**APPROPRIATION STATEMENT**

for the year ended 31 March 2023

**Programme 4: Tourism Sector Support Services - continued**

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	225 172	(90 430)	-	134 742	134 742	-	100.0%	-	-
Non-profit institutions	443	-	-	443	443	-	100.0%	431	431
Households	-	3	-	3	3	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>69</b>	<b>633</b>	<b>-</b>	<b>702</b>	<b>703</b>	<b>(1)</b>	<b>100.1%</b>	<b>355</b>	<b>355</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	69	633	-	702	703	(1)	100.1%	355	355
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>661</b>	<b>-</b>	<b>661</b>	<b>661</b>	<b>-</b>	<b>100.0%</b>	<b>16</b>	<b>16</b>
<b>TOTAL</b>	<b>359 095</b>	<b>-</b>	<b>(13 925)</b>	<b>345 170</b>	<b>343 524</b>	<b>1 646</b>	<b>99.5%</b>	<b>363 747</b>	<b>363 538</b>

**NOTES TO THE APPROPRIATION STATEMENT**

for the year ended 31 March 2023

**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 budget	Actual expenditure	Variance	Variance as a % of final budget
	R'000	R'000	R'000	R'000
<b>Administration</b>				
Compensation of employees	179 163	166 924	12 239	7%
Goods and services	148 315	148 317	(2)	0%
Transfers and subsidies	1 965	1 956	9	0%
Payment for capital assets	6 136	6 138	(2)	0%
Payment for financial assets	156	155	1	1%
<b>TOTAL</b>	<b>335 735</b>	<b>323 490</b>	<b>12 245</b>	<b>4%</b>

**Explanation of variance**

The bulk of the underspending lies within Compensation of Employees due to staff turnover and the slow filling of posts.

**NOTES TO THE APPROPRIATION STATEMENT**

for the year ended 31 March 2023

	Final budget	Actual expenditure	Variance	Variance as a % of final budget
	R'000	R'000	R'000	R'000
<b>Tourism Research, Policy and International Relations</b>				
Compensation of employees	58 861	49 358	9 503	16%
Goods and services	12 140	12 093	47	0%
Transfers and subsidies	1 332 985	1 332 721	264	0%
Payment for capital assets	909	907	2	0%
Payment for financial assets	15	15	-	0%
<b>TOTAL</b>	<b>1 404 910</b>	<b>1 395 094</b>	<b>9 816</b>	<b>1%</b>

**Explanation of variance**

The bulk of the underspending lies within the Compensation of Employees due to staff turnover and the slow filling of posts. The slight underspending on Goods and Services is due to international meetings being held virtually, resulting in unspent funds linked to travel and subsistence. A further underspending was realised under transfers and subsidies for the United Nations World Tourism Organisation (UNWTO) contributions due to foreign exchange rate fluctuations.

## NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2023

	Final budget	Actual expenditure	Variance	Variance as a % of final budget
	R'000	R'000	R'000	R'000
<b>Destination Development</b>				
Compensation of employees	61 661	56 777	4 884	8%
Goods and services	214 151	214 105	46	0%
Transfers and subsidies	147	147	-	0%
Payment for capital assets	140 525	140 525	-	0%
Payment for financial assets	58	58	-	0%
<b>TOTAL</b>	<b>416 542</b>	<b>411 612</b>	<b>4 930</b>	<b>1%</b>

### Explanation of variance

The bulk of this underspending lies within the Compensation of Employees due to staff turnover and the slow filling of posts. The slight underspending on Goods and Services was due to unspent funds within travel and subsistence due to the virtual attendance of meetings with stakeholders.

## NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2023

	Final budget	Actual expenditure	Variance	Variance as a % of final budget
	R'000	R'000	R'000	R'000
<b>Tourism Sector Support Services</b>				
Compensation of employees	81 858	80 235	1 623	2%
Goods and services	32 043	32 019	24	0%
Transfers and subsidies	229 906	229 906	-	0%
Payment for capital assets	702	703	(1)	0%
Payment for financial assets	661	661	-	0%
<b>TOTAL</b>	<b>345 170</b>	<b>343 524</b>	<b>1 646</b>	<b>1%</b>

### Explanation of variance

The bulk of this underspending lies within the Compensation of Employees due to staff turnover and the slow filling of posts. The slight underspending on Goods and Services is due to unspent funds within travel and subsistence due to the virtual attendance of meetings with stakeholders.

## NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2023

4.2 Per economic classification	Final budget	Actual expenditure	Variance	Variance as a % of final budget
	R'000	R'000	R'000	R'000
<b>Current expenditure</b>				
Compensation of employees	381 543	353 294	28 249	7%
Goods and services	406 649	406 534	115	0%
<b>Transfers and subsidies</b>				
Departmental agencies and accounts	1 424 112	1 424 105	7	0%
Public corporations and private enterprises	134 742	134 742	-	0%
Foreign governments and international organisations	2 502	2 238	264	11%
Non-profit institutions	443	443	-	0%
Households	3 204	3 202	2	0%
<b>Payments for capital assets</b>				
Buildings and other fixed structures	139 939	139 940	(1)	0%
Machinery and equipment	7 836	7 836	-	0%
Software and other intangible assets	497	497	-	0%
<b>Payment for financial assets</b>	<b>890</b>	<b>889</b>	<b>1</b>	<b>0%</b>
<b>TOTAL</b>				

**STATEMENT OF FINANCIAL PERFORMANCE**

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/2022 R'000
<b>REVENUE</b>			
Annual appropriation	1	2 502 357	2 545 338
Departmental revenue	2	66 334	81 858
Aid Assistance	3	-	34 810
<b>TOTAL REVENUE</b>		<b>2 568 691</b>	<b>2 662 006</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	353 294	337 452
Goods and services	5	406 534	417 261
<b>Total current expenditure</b>		<b>759 828</b>	<b>754 713</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	1 564 730	1 569 314
Aid Assistance	3	-	34 810
<b>Total transfers and subsidies</b>		<b>1 564 730</b>	<b>1 604 124</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	147 776	213 502
Intangible assets	8	497	-
<b>Total expenditure for capital assets</b>		<b>148 273</b>	<b>213 502</b>
<b>Payments for financial assets</b>	<b>6</b>	<b>889</b>	<b>247</b>
<b>TOTAL EXPENDITURE</b>		<b>2 473 720</b>	<b>2 572 586</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>94 971</b>	<b>89 420</b>
<b>Reconciliation of net surplus/(deficit) for the year</b>			
Voted funds		28 637	7 562
Annual appropriation		28 637	7 562
Departmental revenue	2	66 334	81 858
Aid assistance	3	-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>94 971</b>	<b>89 420</b>

## STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

	Note	2022/23 R'000	2021/2022 R'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	61 950	12 827
Prepayments and advances	10	1 114	83
Receivables	11	1 934	2 479
<b>Non-current assets</b>			
Receivables	11	488	386
<b>TOTAL ASSETS</b>		<b>65 486</b>	<b>15 775</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Voted funds to be surrendered to the revenue fund	12	28 637	7 562
Departmental revenue to be surrendered to the revenue fund	13	35 105	7 751
Payables	14	1 309	130
Aid assistance repayable	3	-	-
<b>TOTAL LIABILITIES</b>		<b>65 051</b>	<b>15 443</b>
<b>NET ASSETS</b>		<b>435</b>	<b>332</b>
<b>Represented by:</b>			
Recoverable revenue		435	332
<b>TOTAL</b>		<b>435</b>	<b>332</b>



## STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/2022 R'000
<b>NET ASSETS</b>			
<b>Recoverable revenue</b>			
Opening balance		332	287
<b>Transfers:</b>		<b>103</b>	<b>45</b>
Debts recovered (included in departmental receipts)		(117)	(91)
Debts raised		220	136
Closing balance		435	332
<b>TOTAL</b>		<b>435</b>	<b>332</b>

Department of Tourism – Vote 38  
**CASH FLOW STATEMENT**  
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/2022 R'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Annual appropriated funds received	1	2 502 357	2 545 338
Departmental revenue received	2	1 107	80 724
Interest received	2	65 157	60
Aid assistance received	3	-	34 810
Net (increase)/decrease in working capital		693	(1 218)
Surrendered to revenue fund		(46 542)	(108 999)
Surrendered to RDP fund/Donor		-	-
Current payments		(759 828)	(754 713)
Payments for financial assets		(889)	(247)
Transfers and subsidies paid		(1 564 730)	(1 604 124)
<b>Net cash flow available from operating activities</b>	15	<b>197 325</b>	<b>191 631</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(148 273)	(213 502)
Proceeds from sale of capital assets	2	70	1 074
(Increase)/decrease in non-current receivables	11	(102)	(122)
<b>Net cash flow from investing activities</b>		<b>(148 305)</b>	<b>(212 550)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		103	45
<b>Net cash flow from financing activities</b>		<b>103</b>	<b>45</b>
Net increase/(decrease) in cash and cash equivalents		49 123	(20 874)
Cash and cash equivalents at beginning of period		12 827	33 701
<b>Cash and cash equivalents at end of period</b>	16	<b>61 950</b>	<b>12 827</b>

Department of Tourism – Vote 38  
**ACCOUNTING POLICIES**  
for the year ended 31 March 2023

## Summary of significant accounting policies

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

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

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

### 1. Basis of preparation

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

### 2. Going concern

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

### 3. Presentation currency

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

### 4. Rounding

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

### 5. Foreign currency translation

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

### 6. Comparative information

#### 6.1 Prior period comparative information

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

#### 6.2 Current year comparison with budget

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

### 7. Revenue

#### 7.1 Appropriated funds

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

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

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**ACCOUNTING POLICIES**  
for the year ended 31 March 2023

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.

Departmental revenue is measured at the cash amount received.

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

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

### **7.3 Accrued departmental revenue**

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

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

The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

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

## **8. Expenditure**

### **8.1 Compensation of employees**

#### **8.1.1 Salaries and wages**

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

#### **8.1.2 Social contributions**

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

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

### **8.2 Other expenditure**

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

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

### **8.3 Accruals and payables not recognised**

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

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**ACCOUNTING POLICIES**  
for the year ended 31 March 2023

## 8.4 Leases

### 8.4.1 Operating leases

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

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

### 8.4.2 Finance leases

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

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

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

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

## 9. Aid Assistance

### 9.1 Aid assistance received

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

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

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

### 9.2 Aid assistance paid

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

## 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.

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**ACCOUNTING POLICIES**  
for the year ended 31 March 2023

## 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.

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**ACCOUNTING POLICIES**  
for the year ended 31 March 2023

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.

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**ACCOUNTING POLICIES**  
for the year ended 31 March 2023

## 18. Unauthorised expenditure

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

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

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

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

- unauthorised expenditure that was under assessment in the previous financial year;
- unauthorised expenditure relating to previous financial year and identified in the current year; and
- unauthorised expenditure incurred in the current year.

## 19. Fruitless and wasteful expenditure

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

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

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

## 20. Irregular expenditure

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

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

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

## 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.



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**ACCOUNTING POLICIES**  
for the year ended 31 March 2023

## 22. Events after the reporting date

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

## 23. Principal-Agent arrangements

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

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

## 24. Departures from the MCS requirements

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

## 25. Capitalisation reserve

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

## 26. Recoverable revenue

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

## 27. Related party transactions

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

The 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.

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**ACCOUNTING POLICIES**  
for the year ended 31 March 2023

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### **29. Public-Private Partnerships**

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

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

### **30. Key management personnel**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Department. The Special Advisor to the 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 recorded in the Employee benefits note.

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

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

### **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 2023

**1. Annual appropriation**

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

	2022/23			2021/22		
	Final Budget	Actual Funds Received	Funds not requested/ not received	Final budget	Appropriation received	Funds not requested/ not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	335 735	335 735	-	288 496	288 496	-
Tourism Research, Policy and International Relations	1 404 910	1 404 910	-	1 362 571	1 362 571	-
Destination Development	416 542	416 542	-	530 524	530 524	-
Tourism Sector Support Services	345 170	345 170	-	363 747	363 747	-
<b>TOTAL</b>	<b>2 502 357</b>	<b>2 502 357</b>	<b>-</b>	<b>2 545 338</b>	<b>2 545 338</b>	<b>-</b>

**2. Departmental revenue**

	Note	2022/23	2021/2022
		R'000	R'000
Sales of goods and services other than capital assets	2.1	188	206
Interest, dividends and rent on land	2.2	65 157	60
Sales of capital assets	2.3	70	1 074
Transactions in financial assets and liabilities	2.4	919	80 518
<b>TOTAL DEPARTMENTAL REVENUE COLLECTED</b>		<b>66 334</b>	<b>81 858</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

	Note	2022/23	2021/2022
		R'000	R'000
Sales of goods and services produced by the Department	2	186	206
Sales by market establishment		73	66
Other sales (Commissions and Sale of Assets<R5000)		113	140
Sales of scrap, waste and other used current goods		2	-
<b>TOTAL</b>		<b>188</b>	<b>206</b>

### 2.2 Interest, dividends and rent on land

	Note	2022/23	2021/2022
		R'000	R'000
Interest	2	65 157	60
<b>TOTAL</b>		<b>65 157</b>	<b>60</b>

**Note:**

Advances were made to public entities for the EPWP infrastructure projects. The high interest revenue in 2022/23 is attributable to interest refunds by public entities.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

**2.3 Sale of capital assets**

	<i>Note</i>	<b>2022/23</b>	<b>2021/2022</b>
		R'000	R'000
<b>Tangible assets</b>		<b>70</b>	<b>1 074</b>
Machinery and equipment	2	70	1 074
<b>TOTAL</b>		<b>70</b>	<b>1 074</b>

**2.4 Transactions in financial assets and liabilities**

	<i>Note</i>	<b>2022/23</b>	<b>2021/2022</b>
		R'000	R'000
Other receipts, including recoverable revenue (including project refunds)	2	919	80 518
<b>TOTAL</b>		<b>919</b>	<b>80 518</b>

**2.5 Donations received in kind**

	<i>Note</i>	<b>2022/23</b>	<b>2021/2022</b>
		R'000	R'000
Sponsorship from Seeza Tourism Growth Network for 3 officials to attend the International Federation for IT and Travel & Tourism (IFITT) ENTER 23 conference	2	38	-
<b>TOTAL</b>		<b>38</b>	<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 2.6 Cash received not recognised (not included in main note) 2022/23

	Amount received	Amount paid to Revenue Fund	Balance
Name of entity	R'000	R'000	R'000
Absa Bank	4	-	4
Development Bank of South Africa	36 351	-	36 351
Ms V Van Wyk	1	-	1
<b>TOTAL</b>	<b>36 356</b>	<b>-</b>	<b>36 356</b>

### Cash received not recognised (not included in main note) 2021/22

	Amount received	Amount paid to Revenue Fund	Balance
Name of entity	R'000	R'000	R'000
Various-Miscellaneous	30	-	30
<b>TOTAL</b>	<b>30</b>	<b>-</b>	<b>30</b>

**Note:**

In 2021/22 Note 2.6 *Cash Received Not Recognised* was not updated with R30 thousand received. This amount was however disclosed as a narrative note under Cash and Cash Equivalents note.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 3. Aid assistance

	<i>Note</i>	<b>2022/23</b>	<b>2021/2022</b>
		R'000	R'000
Opening balance		-	-
Prior period error		-	-
As restated		-	-
Transferred from statement of financial performance		-	-
Paid during the year		-	-
<b>CLOSING BALANCE</b>		<b>-</b>	<b>-</b>

#### 3.1 Analysis of balance by source

	<i>Note</i>	<b>2022/23</b>	<b>2021/2022</b>
		R'000	R'000
Aid assistance from RDP	3	-	-
<b>CLOSING BALANCE</b>		<b>-</b>	<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 3.2 Analysis of balance

	Note	2022/23	2021/2022
		R'000	R'000
Aid assistance repayable	3	-	-
<b>CLOSING BALANCE</b>		<b>-</b>	<b>-</b>

### 3.3 Aid assistance expenditure per economic classification

	Note	2022/23	2021/2022
		R'000	R'000
Transfers and subsidies		-	34 810
<b>TOTAL AID ASSISTANCE EXPENDITURE</b>		<b>-</b>	<b>34 810</b>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

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

	Note	2022/23	2021/2022
		R'000	R'000
Basic salary		239 169	229 881
Performance award		68	1 669
Service-based		284	163
Compensative/circumstantial		4 793	3 089
Periodic payments		1 814	79
Other non-pensionable allowances		65 368	62 417
<b>TOTAL</b>		<b>311 496</b>	<b>297 298</b>

**Note:**

While performance bonuses are no longer payable by the Department, R6 thousand of the R68 thousand paid in 2022/23 relates to an amount that was reimbursed to the National Prosecuting Authority (NPA) for one of the former employees of the Department that had qualified for a performance bonus and had been paid by NPA on behalf of the Department. There was a delay from the NPA in sending the claim for reimbursement.

The remaining R62 thousand relates to awards made for qualifications obtained.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 4.2 Social contributions

	Note	2022/23	2021/2022
		R'000	R'000
<b>Employer contributions</b>			
Pension		30 103	29 074
Medical		11 613	11 007
Bargaining council		54	51
Insurance		28	22
<b>TOTAL</b>		<b>41 798</b>	<b>40 154</b>
<b>TOTAL COMPENSATION OF EMPLOYEES</b>		<b>353 294</b>	<b>337 452</b>
<b>Average number of employees</b>		<b>484</b>	<b>494</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

**5. Goods and services**

	<i>Note</i>	<b>2022/23</b>	<b>2021/2022</b>
		R'000	R'000
Administrative fees		223	224
Advertising		6 345	4 988
Minor assets	5.1	1 370	505
Bursaries (employees)		1 145	1 173
Catering		2 581	2 752
Communication		34 503	24 047
Computer services	5.2	19 530	17 962
Consultants: Business and advisory services		22 084	25 182
Legal services		945	1 244
Contractors		14 729	9 113
Agency and support/outsourced services		110 190	79 179
Entertainment		12	15
Audit cost – external	5.3	8 665	7 718
Fleet services		2 336	1 910
Consumables	5.4	6 883	6 218
Operating leases		29 573	28 305
Rental and hiring		655	1 475
Property payments	5.5	23 852	122 703
Travel and subsistence	5.6	61 662	29 790
Venues and facilities		6 597	4 215
Training and development		51 125	47 010
Other operating expenditure	5.7	1 529	1 533
<b>TOTAL</b>		<b>406 534</b>	<b>417 261</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

**Note:**

- *Advertising* costs increased by 27% (R1,4 million). This is due firstly to increased expenditure in recruitment advertising as the Department embarked on filling vacant posts. Secondly, there was an increase in spending on Marketing and Promotional items as the Department increased activities on stakeholder engagements as COVID-19 restrictions were lifted.
- *Minor assets* expenditure increased by 171% (R865 thousand). The Department embarked on replacing office furniture (mainly chairs) that had become unserviceable due to normal “wear and tear”.
- *Communication* costs increased by 43% (R10,4 million). The Department continued providing data and airtime to staff as virtual meetings and engagements became a norm post-COVID-19.
- Expenditure on *contractors* increased by 62% (R5,6 million). This is attributable to an increase in payments for security services for the guarding of EPWP infrastructure and maintenance projects as these projects increased.
- *Agency and support / outsourced services* increased by 39% (R31 million). The increase is due to an increase in the payment of stipends to EPWP projects/workers. EPWP skills/training/infrastructure projects continued to increase in 2022/23 as Covid-19 restrictions were lifted.
- *Property payments* decreased by 81% (R98,9 million). EPWP maintenance projects received additional once-off funding through the PES job creation programme in 2021/22, which caused the expenditure in 2021/22 to be much higher than in 2022/23.
- *Travel and subsistence* expenditure increased by 107% (R31,9 million). As COVID-19 restrictions were lifted further, officials travelled more in 2022/23.
- *Venues and Facilities* expenditure increased 57% (R2,4 million). As COVID-19 restrictions were lifted further, more face-to-face meetings and events took place in 2022/23.

### 5.1 Minor assets

	Note	2022/23	2021/2022
		R'000	R'000
<b>Tangible assets</b>		<b>1 370</b>	<b>505</b>
Machinery and equipment		1 370	505
Transport Assets		-	-
<b>TOTAL</b>		<b>1 370</b>	<b>505</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 5.2 Computer services

	<i>Note</i>	<b>2022/23</b>	<b>2021/2022</b>
		R'000	R'000
State Information Technology Agency (SITA) computer services	5	14 091	7 777
External computer service providers		5 439	10 185
<b>TOTAL</b>		<b>19 530</b>	<b>17 962</b>

### 5.3 Audit cost – external

	<i>Note</i>	<b>2022/23</b>	<b>2021/2022</b>
		R'000	R'000
Regularity audits	5	7 035	7 277
Investigations		1 630	441
<b>TOTAL</b>		<b>8 665</b>	<b>7 718</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 5.4 Consumables

	Note	2022/23	2021/2022
		R'000	R'000
Consumable supplies	5	3 730	2 737
Uniform and clothing		1 617	850
Household supplies		1 522	281
Building material and supplies		24	115
Communication accessories		36	168
IT consumables		211	1 158
Other consumables		320	165
Stationery, printing and office supplies		3 153	3 481
<b>TOTAL</b>		<b>6 883</b>	<b>6 218</b>

### 5.5 Property payments

	Note	2022/23	2021/2022
		R'000	R'000
Municipal services	5	52	152
Property management fees		-	-
Property maintenance and repairs		23 568	122 322
Other		232	229
<b>TOTAL</b>		<b>23 852</b>	<b>122 703</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

**5.6 Travel and subsistence**

	<i>Note</i>	<b>2022/23</b>	<b>2021/2022</b>
		R'000	R'000
Local	5	51 974	25 841
Foreign		9 688	3 949
<b>TOTAL</b>		<b>61 662</b>	<b>29 790</b>

**5.7 Other operating expenditure**

	<i>Note</i>	<b>2022/23</b>	<b>2021/2022</b>
		R'000	R'000
Professional bodies, membership and subscription fees	5	464	790
Resettlement costs		-	-
Other		1 065	743
<b>TOTAL</b>		<b>1 529</b>	<b>1 533</b>

**6. Payments for financial assets**

	<i>Note</i>	<b>2022/23</b>	<b>2021/2022</b>
		R'000	R'000
Other material losses written off	6.1	339	187
Debts written off	6.2	550	60
<b>TOTAL</b>		<b>889</b>	<b>247</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

**6.1 Other material losses written off**

	<b>Note</b>	<b>2022/23</b>	<b>2021/2022</b>
<b>Nature of losses</b>	6	R'000	R'000
Losses (damage to vehicles due to accidents)		339	187
<b>TOTAL</b>		<b>339</b>	<b>187</b>

**6.2 Debts written off**

	<b>Note</b>	<b>2022/23</b>	<b>2021/2022</b>
<b>Nature of debts written off</b>	6	R'000	R'000
Other debt written off		550	60
<b>TOTAL</b>		<b>550</b>	<b>60</b>

**7. Transfers and subsidies**

	<b>Note</b>	<b>2022/23</b>	<b>2021/2022</b>
		R'000	R'000
Departmental agencies and accounts	<i>Annex 1A</i>	1 424 105	1 562 137
Public corporations and private enterprises	<i>Annex 1B</i>	134 742	-
Foreign governments and international organisations	<i>Annex 1C</i>	2 238	2 437
Non-profit institutions	<i>Annex 1D</i>	443	431
Households	<i>Annex 1E</i>	3 202	4 309
<b>TOTAL</b>		<b>1 564 730</b>	<b>1 569 314</b>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

**7.1 Donations made in kind (not included in the main note)**

<b>Note</b>	<b>2022/23</b>	<b>2021/2022</b>
	<b>R'000</b>	<b>R'000</b>
<i>Annex 1G</i>		
Gift to the Saudi Arabia UNWTO Executive Council as token of Goodwill	2	
Corporate Gifts as token of goodwill for high level Dignitaries-Philipines	8	
Corporate Gifts as token of goodwill for high level Dignitaries-Local Chiefs in the vicinity of Numbi Gate (MP)	2	
Donation of Laptop, Tablet, Computer Monitor, and Printers to Mr A Mafanele upon retirement	70	
Donation of Laptop, DeskTop Computer and Printer to Ms D Matsemela upon retirement	44	
Donations of Machinery and Equipment to Glorious Old Age Home (NPO)	147	
Donations of Machinery and Equipment to Moses Mabida Foundation (NPO)	19	
Donations of Machinery and Equipment to Nicholas Bhengu Foundation (NPO)	69	
Donations of Machinery and Equipment to Saulbent Project (NPO)	128	
<b>TOTAL</b>	<b>489</b>	

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 8. Expenditure for capital assets

	Note	2022/23 R'000	2021/2022 R'000
<b>Tangible assets</b>		<b>147 776</b>	<b>213 502</b>
Building and other fixed structures	28	139 940	206 256
Machinery and equipment	26	7 836	7 246
<b>Intangible assets</b>		<b>497</b>	<b>-</b>
Software	27	497	-
<b>TOTAL</b>		<b>148 273</b>	<b>213 502</b>

**Note:**

Expenditure of R139,940 million under Buildings and other fixed structures is for the Expanded Public Works Programme projects.

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

	Note	2022/23 R'000	2021/2022 R'000
<b>Tangible assets</b>		<b>147 776</b>	<b>213 502</b>
Building and other fixed structures		139 940	206 256
Machinery and equipment		7 836	7 246
<b>Intangible assets</b>		<b>497</b>	<b>-</b>
Software		497	-
<b>TOTAL</b>		<b>148 273</b>	<b>213 502</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

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

	<i>Note</i>	<b>2022/23</b>	<b>2021/2022</b>
		R'000	R'000
<b>Tangible assets</b>			
Machinery and equipment		954	902
<b>TOTAL</b>		<b>954</b>	<b>902</b>

**9. Cash and cash equivalents**

	<i>Note</i>	<b>2022/23</b>	<b>2021/2022</b>
		R'000	R'000
Consolidated Paymaster general account		64 875	15 059
Cash receipts		-	-
Disbursements		(3 000)	(2 307)
Cash on hand		75	75
<b>TOTAL</b>		<b>61 950</b>	<b>12 827</b>

**Note:**

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

An amount of R36,367 million was deposited into the departmental bank account (ABSA), and the interface with the Department's Paymaster General account took place in April 2023. As the Department is on modified cash accounting, this amount is not part of the cash and cash equivalents as stated above.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 10. Prepayments and advances

	Note	2022/23 R'000	2021/2022 R'000
Travel and subsistence		112	20
Advances paid (Not expensed)	10.1	1 002	63
<b>TOTAL</b>		<b>1 114</b>	<b>83</b>

### Analysis of total prepayments and advances

	Note	2022/23 R'000	2021/2022 R'000
Current prepayments and advances		1 114	83
Non-current prepayments and advances		-	-
<b>TOTAL</b>		<b>1 114</b>	<b>83</b>

### 10.1 Advances paid (Not expensed)-2022/23

Note	Amount as at 1 April 2022 R'000	Less: Amount expensed in current year R'000	Add or Less: Other R'000	Add: Current Year advance payments R'000	Amount as at 31 March 2023 R'000
10	R'000	R'000	R'000	R'000	R'000
National Departments	63	(1 429)	(1 123)	3 491	1 002
<b>TOTAL</b>	<b>63</b>	<b>(1 429)</b>	<b>(1 123)</b>	<b>3 491</b>	<b>1 002</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

**Advances paid (Not expensed)-2021/22**

<i>Note</i>	<b>Amount as at 1 April 2021</b>	<b>Less: Amount expensed in current year</b>	<b>Add or Less: Other</b>	<b>Add: Current Year advance payments</b>	<b>Amount as at 31 March 2022</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
10					
National Departments	-	(392)	-	455	63
<b>TOTAL</b>	<b>-</b>	<b>(392)</b>	<b>-</b>	<b>455</b>	<b>63</b>

**Note:**

Advance payments were made to the Department of International Relations and Cooperation for travel-related bookings for the Department as well as to the Department of Government Communications and Information Systems for procurement of media services.

**10.2 Prepayments (Expensed) - 2022/23**

	<b>Amount as at 1 April 2022</b>	<b>Less: Received in the current year</b>	<b>Add or Less: Other</b>	<b>Add: Current Year prepayments</b>	<b>Amount as at 31 March 2023</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Goods and services	2 034	(2 034)	-	-	-
Capital assets	-	-	-	-	-
<b>TOTAL</b>	<b>2 034</b>	<b>(2 034)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### Prepayments (Expensed ) - 2021/22

	Amount as at 1 April 2021	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Goods and services	2 544	(40 576)	-	40 066	2 034
Capital assets	-	-	-	-	-
<b>TOTAL</b>	<b>2 544</b>	<b>(40 576)</b>	<b>-</b>	<b>40 066</b>	<b>2 034</b>

**Note:**

Pre-payments are made to the service providers for the Expanded Public Works Programme and Destination Development projects as per contract terms.

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

Project Name	Amount as at 1 April 2022	Less: Received in the current year	Add: Current year prepayments	Amount as at 31 March 2023
	R'000	R'000	R'000	R'000
<b>Goods and Services</b>				
FS-Hospitality Youth Training (Fast Food)	1 943	(1 943)	-	-
MP-Tourism Monitors Training Programme Phase 2	91	(91)	-	-
<b>TOTAL</b>	<b>2 034</b>	<b>(2 034)</b>	<b>-</b>	<b>-</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

**10.3 Advances paid (Expensed) - 2022/23**

	Amount as at 1 April 2022	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Public entities	726 688	(268 868)	-	163 090	620 910
<b>TOTAL</b>	<b>726 688</b>	<b>(268 868)</b>	<b>-</b>	<b>163 090</b>	<b>620 910</b>

**Advances paid (Expensed) - 2021/22**

	Amount as at 1 April 2021	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Public entities	502 288	(102 153)	-	326 553	726 688
<b>TOTAL</b>	<b>502 288</b>	<b>(102 153)</b>	<b>-</b>	<b>326 553</b>	<b>726 688</b>

**Note:**

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

*Current Year advances* for 2021/22 was understated by R20 million. The amount was disclosed as R306,553 million and has been adjusted to R326,553 million. The total advances paid for 2021/22 increases by R20 million from R706,688 million to R726,688 million.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

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

	Amount as at 1 April 2022	Less: Received in the current year	Add: Current year advances	Amount as at 31 March 2023
Entity / Project Name	R'000	R'000	R'000	R'000
Ezemvelo KZN Wildlife – KZN-Wildlife Roofing of 5 resorts	-	(1 154)	6 761	5 607
Ezemvelo KZN Wildlife – KZN Ezemvelo Midmar Resort upgrade project	9 104	(1 339)	-	7 765
Trade and Investment KwaZulu-Natal (TIKZN)	30 125	(15 353)	-	14 772
South African National Biodiversity Institute (SANBI)	35 000	(12 806)	-	22 194
Eastern Cape Parks & Tourism Agency (ECPTA)	5 527	(3 605)	10 000	11 922
Constitutional Hill (CONHILL)	10 712	(5 188)	-	5 524
South African National Parks (SANParks)	21 121	(343)	-	20 778
CapeNature	15 419	(174)	-	15 245
Ezemvelo KZN Wildlife-Upgrade and expansion of Giant Castle	5 085	(653)	-	4 432
Maropeng a’Afrika	878	-	-	878
Tourism KwaZulu-Natal (TKZN)-Mandela Capture Site	8 464	(1)	-	8 463
SANPARKS - Pilot Infrastructure Maintenance	37 918	(36 512)	-	1 406
SANPARKS - Infrastructure Maintenance Phase 2	9 881	(9 881)	-	-
Mpumalanga Tourism and Parks Agency- Universal Access Project	7 730	(1)	-	7 729
Eastern Cape Parks and Tourism Agency- Universal Access Project	637	(131)	-	506
Ezemvelo KZN Wildlife - Universal Access Project	1 050	(63)	-	988
SANPARKS - Business Incubation of Emerging Maintenance Contractors	3 820	(2 942)	-	878
DBSA- Infrastructure and Maintenance Projects	523 834	(171 934)	137 187	489 087
DBSA- Security Project	383	(6 789)	9 142	2 736
<b>TOTAL</b>	<b>726 688</b>	<b>(268 868)</b>	<b>163 090</b>	<b>620 910</b>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

**11. Receivables**

	Note	2022/23			2021/22		
		Current	Non- Current	Total	Current	Non- Current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1 Annex 3	-	-	-	107	-	107
Recoverable expenditure	11.2	1 528	-	1 528	1 337	-	1 337
Staff debt	11.3	306	338	644	152	386	538
Other receivables	11.4	100	150	250	883	-	883
<b>TOTAL</b>		<b>1 934</b>	<b>488</b>	<b>2 422</b>	<b>2 479</b>	<b>386</b>	<b>2 865</b>

**11.1 Claims recoverable**

	Note	2022/23	2021/2022
		R'000	R'000
National Departments	11	-	107
<b>TOTAL</b>		<b>-</b>	<b>107</b>

**11.2 Recoverable expenditure (disallowance accounts)**

	Note	2022/23	2021/2022
		R'000	R'000
Departmental suspense accounts (Damage Vehicles & Disallowance account)	11	1 528	1 337
<b>TOTAL</b>		<b>1 528</b>	<b>1 337</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 11.3 Staff debt

	Note	2022/23	2021/2022
		R'000	R'000
Departmental debt account	11	644	538
<b>TOTAL</b>		<b>644</b>	<b>538</b>

### 11.4 Other receivables

	Note	2022/23	2021/2022
		R'000	R'000
Fruitless and wasteful expenditure	11	157	147
Tourist Relief Fund Debts		93	736
<b>TOTAL</b>		<b>250</b>	<b>883</b>

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

	Note	2022/23	2021/2022
		R'000	R'000
Opening balance		7 562	34 611
Prior period error		-	-
As restated		7 562	34 611
Transfer from statement of financial performance (as restated)		28 637	7 562
Paid during the year		(7 562)	(34 611)
<b>CLOSING BALANCE</b>		<b>28 637</b>	<b>7 562</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

	Note	2022/23	2021/2022
		R'000	R'000
Opening balance		7 751	281
Prior period error			-
As restated		7 751	281
Transfer from statement of financial performance		66 334	81 858
Paid during the year		(38 980)	(74 388)
<b>CLOSING BALANCE</b>		<b>35 105</b>	<b>7 751</b>

### 14. Payables – current

	Note	2022/23	2021/2022
		R'000	R'000
Amounts owing to other entities		1 199	-
Other payables	14.1	110	130
<b>TOTAL</b>		<b>1 309</b>	<b>130</b>

#### 14.1 Other payables

	Note	2022/23	2021/2022
		R'000	R'000
Salary-related payables	14	110	130
<b>TOTAL</b>		<b>110</b>	<b>130</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 15 Net cash flow available from operating activities

Note	2022/23	2021/2022
	R'000	R'000
Net surplus/(deficit) as per statement of financial performance	94 971	89 420
Add back non-cash/cash movements not deemed operating activities	102 354	102 211
(Increase)/decrease in receivables – current	545	(1 097)
(Increase)/decrease in prepayments and advances	(1 031)	(61)
Increase/(decrease) in payables – current	1 179	(60)
Proceeds from sale of capital assets	(70)	(1 074)
Expenditure on capital assets	148 273	213 502
Surrendered to revenue fund	(46 542)	(108 999)
Surrenders to RDP Fund/Donor	-	-
<b>NET CASH FLOW GENERATED BY OPERATING ACTIVITIES</b>	<b>197 325</b>	<b>191 631</b>

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

Note	2022/23	2021/2022
	R'000	R'000
Consolidated Paymaster general account	64 875	15 059
Cash receipts	-	-
Disbursements	(3 000)	(2 307)
Cash on hand	75	75
<b>TOTAL</b>	<b>61 950</b>	<b>12 827</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

**17. Contingent liabilities and contingent assets****17.1 Contingent liabilities**

	<i>Note</i>	2022/23	2021/2022
		R'000	R'000
<b>Liable to</b>			
	<b>Nature</b>		
Housing loan guarantees	Employees	26	26
Claims against the Department		7 248	7 248
Intergovernmental payables (unconfirmed balances)		-	-
<b>TOTAL</b>		<b>7 274</b>	<b>7 274</b>

**Note:**

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

Due to the sensitivity of claims against the Department that are currently within the legal domain, no indication can be provided on the possible outflow or reimbursement.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 17.2 Contingent assets

Nature of contingent asset	Note	2022/23	2021/2022
		R'000	R'000
MBB Consulting-Claim for damages - Breach of contract		12 215	-
Bonwelong Skills Development CC, Mr. Inama and Nedbank (Pty) Ltd – refund of money advanced for training projects.		9 930	9 930
Second Generation Consulting CC - Claim for damages - Breach of contract		68	68
Amathemaba Skills (Pty) Ltd-Refund of money advanced for project		3 193	3 193
Wayne Smith & Associates-Claim for damages		9	9
Samuel Malesela Mogale Business Enterprise-Refund of money overpaid		-	50
Umbuso Training Services (Pty)Ltd - Refund of money owed to the Department		169	169
<b>TOTAL</b>		<b>25 584</b>	<b>13 419</b>

### 18. Capital Commitments

	Note	2022/23	2021/2022
		R'000	R'000
Machinery and Equipment		1 765	996
Buildings and other fixed structures		548 481	438 686
Intangible Assets		-	-
<b>TOTAL</b>		<b>550 246</b>	<b>439 682</b>

**Note:**

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

**19. Accruals and payables not recognised****19.1 Accruals**

			2022/23	2021/2022
			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	5 519	3 214	8 733	6 555
Transfers and subsidies	229	-	229	-
Capital assets	508	-	508	-
Other (assets and liabilities)	-	-	-	-
<b>TOTAL</b>	<b>6 256</b>	<b>3 214</b>	<b>9 470</b>	<b>6 555</b>

		2022/23	2021/2022
	<i>Note</i>	R'000	R'000
<b>Listed by programme level</b>			
Administration		4 527	3 418
Tourism Research, Policy and International Relations		3 127	1 104
Destination Development		588	611
Tourism Sector Support Services		1 228	1 253
Other (assets and liabilities)		-	169
<b>TOTAL</b>		<b>9 470</b>	<b>6 555</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 19.2 Payables not recognised

				2022/23	2021/2022
				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	2 798	265	3 063		10 514
Capital	266	10	276		-
Other (compensation of employees)	-	-	-		-
<b>TOTAL</b>	<b>3 064</b>	<b>275</b>	<b>3 339</b>		<b>10 514</b>

	<i>Note</i>	2022/23	2021/2022
		R'000	R'000
<b>Listed by programme level</b>			
Administration		1 959	245
Tourism Research, Policy and International Relations		657	74
Destination Development		360	10 157
Tourism Sector Support Services		363	38
<b>TOTAL</b>		<b>3 339</b>	<b>10 514</b>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

	<b>Note</b>	<b>2022/23</b>	<b>2021/2022</b>
		<b>R'000</b>	<b>R'000</b>
Confirmed balances with other Departments	<i>Annex 4</i>	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>

**Material accruals (above R200 000) relate to the following:**

Advertising - R279 thousand; External Audit Cost - R629 thousand; Catering: Departmental Activities - R403 thousand; Consultants - R663 thousand; Communication: Airtime & Data - R449 thousand; Comp Hardware & Systems Tablet PC - R292 thousand; Contractors: Security Services - R268 thousand; Subscription Fees: UNWTO R2,6 million; Venues and Facilities - R339 thousand; Minor Assets: Office Furniture - R273 thousand; Travel & Accommodation - R654 thousand; T & S Air Transport - R528 thousand; T & S Car Rental - R299 thousand; and T & S Other transport - R227 thousand.

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**20. Employee benefits**

	<b>Note</b>	<b>2022/23</b>	<b>2021/2022</b>
		<b>R'000</b>	<b>R'000</b>
Leave entitlement		19 399	21 609
Service bonus		8 709	8 410
Performance awards		-	-
Capped leave commitments		2 532	2 956
Provision for long service awards		160	262
<b>TOTAL</b>		<b>30 800</b>	<b>33 237</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 R170 thousand.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 21. Finance lease expenditure

<b>2022/23</b>	<b>Machinery and equipment</b>	<b>Total</b>
Not later than 1 year	933	933
Later than 1 year but not later than 5 years	755	755
<b>TOTAL LEASE COMMITMENTS</b>	<b>1 688</b>	<b>1 688</b>

<b>2021/22</b>	<b>Machinery and equipment</b>	<b>Total</b>
Not later than 1 year	833	833
Later than 1 year but not later than 5 years	744	744
<b>TOTAL LEASE COMMITMENTS</b>	<b>1 577</b>	<b>1 577</b>

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

Finance lease commitments include photocopy machines. The lease periods for photocopiers are usually 36 months.

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

**22. Unauthorised, Irregular and Fruitless and Wasteful expenditure**

<i>Note</i>	<b>2022/23</b>	<b>2021/2022</b>
	R'000	R'000
Unauthorised expenditure	-	-
Irregular expenditure	4 701	1 802
Fruitless and wasteful expenditure	36	124
<b>TOTAL</b>	<b>4 737</b>	<b>1 926</b>

**Note:**

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

Irregular expenditure relates to non-compliance with Supply Chain Management procedures in respect of a contract that was disclosed as irregular in previous years as well as the irregular appointment of staff.

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

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 23. Related-party transactions

	<b>Note</b>	<b>2022/23</b>	<b>2021/2022</b>
		<b>R'000</b>	<b>R'000</b>
<b>Payments made to South African Tourism</b>			
Transfers and subsidies		2 154	15 200
Goods and Services		-	-
<b>TOTAL</b>		<b>2 154</b>	<b>15 200</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; sub programme South African Tourism. Transfer payments to South African Tourism have been included in Annexure 1A and 1B to the financial statements.

### 24. Key management personnel

	<b>Note</b>	<b>2022/23</b>	<b>2021/2022</b>
		<b>R'000</b>	<b>R'000</b>
Political office-bearers		4 391	4 350
Officials:			
Level 15 to 16		9 251	8 523
Level 14		19 845	19 477
<b>TOTAL</b>		<b>33 487</b>	<b>32 350</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 25. Provisions

<i>Note</i>	<b>2022/23</b>	<b>2021/2022</b>
	R'000	R'000
	EPWP	EPWP
	Programme	Programme
Expanded Public Works Programme – Final completion report not submitted or signed off. Retention fees outstanding.	6 483	6 468
<b>TOTAL</b>	<b>6 483</b>	<b>6 468</b>

#### 25.1 Reconciliation of movement in provisions

<i>Note</i>	<b>2022/23</b>	<b>2021/2022</b>
	R'000	R'000
Opening balance	6 468	5 257
Increase in provision	15	1 211
Unused amounts reversed	-	-
<b>CLOSING BALANCE</b>	<b>6 483</b>	<b>6 468</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 is 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 2023

**26. Movable tangible capital assets****MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023**

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>70 722</b>	<b>-</b>	<b>6 912</b>	<b>(4 672)</b>	<b>72 962</b>
Transport assets	11 036	-	2 694	(119)	13 611
Computer equipment	38 273	-	4 020	(4 264)	38 029
Furniture and office equipment	13 322	-	70	(99)	13 293
Other machinery and equipment	8 091	-	128	(190)	8 029
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>70 722</b>	<b>-</b>	<b>6 912</b>	<b>(4 672)</b>	<b>72 962</b>

**26.1 Movement for 2021/22****MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

	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>69 299</b>	<b>-</b>	<b>6 744</b>	<b>(5 321)</b>	<b>70 722</b>
Transport assets	12 564	-	1 800	(3 328)	11 036
Computer equipment	35 466	-	4 438	(1 631)	38 273
Furniture and office equipment	13 262	-	139	(79)	13 322
Other machinery and equipment	8 007	-	367	(283)	8 091
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>69 299</b>	<b>-</b>	<b>6 744</b>	<b>(5 321)</b>	<b>70 722</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

**26.2 Minor assets****MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023**

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	-	11 783	11 783
Additions	-	1 635	1 635
Disposals	-	(214)	(214)
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>13 204</b>	<b>13 204</b>

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	513	513
Number of minor assets at cost	-	6 509	6 509
<b>TOTAL NUMBER MINOR ASSETS</b>	<b>-</b>	<b>7 022</b>	<b>7 022</b>

**Minor Capital Assets under investigation**

	Number	Value
<b>Included in the above total of the minor capital assets per the asset register are assets that are under investigation:</b>		
Machinery and equipment	143	-

**Note:**

143 minor assets are under investigation. These are assets that were identified during the physical asset verification. Some of these assets were recorded as disposed in prior years, and others cannot be traced back to the Asset Register. The investigation into these assets was not concluded at the time of finalising the financial statements. The value could also not be determined.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	-	12 073	12 073
Prior period error	-	(497)	(497)
Additions	-	268	268
Disposals	-	(61)	(61)
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>11 783</b>	<b>11 783</b>

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	941	941
Number of minor assets at cost	-	6 183	6 183
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>7 124</b>	<b>7 124</b>

### 26.2.1 Prior period error

	Note	2021/2022
		R'000
<b>Nature of prior period error</b>		
<b>Relating to 2020/21</b>		<b>(497)</b>
Minor Machinery and Equipment-2020/21- Overstated		(497)
<b>TOTAL PRIOR PERIOD ERRORS</b>		<b>(497)</b>

**Note:**

The opening balance of library books, classified as Minor Machinery and Equipment, in the 2021/22 financial year was overstated by R497 thousand.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

**26.3 Movable assets written off****MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023**

	Machinery and equipment	Total
	R'000	R'000
Movable assets written off	-	-
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>

**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2022**

	Machinery and equipment	Total
	R'000	R'000
Movable assets written off	281	281
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>281</b>	<b>281</b>

**27. Intangible capital assets****MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023**

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Software	-	497	-	497
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>497</b>	<b>-</b>	<b>497</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 27.1 Movement for 2021/22

#### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Prior-period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Software	-	-	-	-	-
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 28. Immovable tangible capital assets

#### MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>Buildings and other fixed structures</b>				
Other fixed structures	32 847	-	(14 892)	17 955
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>32 847</b>	<b>-</b>	<b>(14 892)</b>	<b>17 955</b>

#### Expanded Public Works Programme infrastructure projects completed (Additions)

	2022/23
	R'000
-	-
<b>TOTAL</b>	<b>-</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

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

	<b>2022/23</b>
	<b>R'000</b>
EC - Bulhoek Massacre Heritage Site-Ph 2	10 384
EC - Maluti Hiking Trail	4 508
<b>TOTAL</b>	<b>14 892</b>

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

	<b>2022/23</b>
	<b>R'000</b>
GP - Alexandra Mandela Yard Project	6 158
LP - Ngove Cultural Centre & Theatre	9 434
NW - Lehurutshe Bird & Supingstad Trophy Hunting	2 363
<b>TOTAL</b>	<b>17 955</b>

**28.1 Movement for 2021/22****MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

	<b>Opening balance</b>	<b>Prior period error</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing balance</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Other fixed structures	80 362	-	1 907	(49 422)	32 847
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>80 362</b>	<b>-</b>	<b>1 907</b>	<b>(49 422)</b>	<b>32 847</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 28.2 Capital Work-in-progress

#### CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2023

	<b>Note</b>	<b>Opening balance 1 April 2022</b>	<b>Current Year WIP</b>	<b>Ready for use (Assets to the AR) / Contracts terminated</b>	<b>Closing balance 31 March 2023</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
	<i>Annex 5</i>				
Buildings and other fixed structures		250 644	190 480	-	441 124
<b>TOTAL</b>		<b>250 644</b>	<b>190 480</b>	<b>-</b>	<b>441 124</b>

#### CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2022

	<b>Note</b>	<b>Opening balance 1 April 2021</b>	<b>Prior period error</b>	<b>Current Year WIP</b>	<b>Ready for use (Assets to the AR) / Contracts terminated</b>	<b>Closing balance 31 March 2022</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
	<i>Annex 5</i>					
Buildings and other fixed structures		213 060		39 491	(1 907)	250 644
<b>TOTAL</b>		<b>213 060</b>		<b>39 491</b>	<b>(1 907)</b>	<b>250 644</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 28.3 Immovable assets written-off

#### IMMOVABLE ASSETS WRITTEN-OFF FOR THE YEAR ENDED 31 MARCH 2023

	Buildings and other fixed structures	Total
	R'000	R'000
Immovable assets written-off	4 508	4 508
<b>TOTAL IMMOVABLE ASSETS WRITTEN-OFF</b>	<b>4 508</b>	<b>4 508</b>

#### IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2022

	Buildings and other fixed structures	Total
	R'000	R'000
Immovable assets written-off	1 134	1 134
<b>TOTAL IMMOVABLE ASSETS WRITTEN-OFF</b>	<b>1 134</b>	<b>1 134</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 29. Principal-agent arrangements

#### 29.1 Department acting as the principal for Tourism Incentive Programme Projects

Projects	Agent	2022/23	2021/2022
		R'000	R'000
Tourism Equity Fund (TEF)	Small Enterprise Finance Agency (SEFA)	-	-
Tourism Transformation Fund (TTF)	National Empowerment Fund (NEF)	-	-
Green Tourism Incentive Programme (GTIP)	Industrial Development Corporation (IDC)	-	-
<b>TOTAL</b>		-	-

**Note:**

The relationship with the three entities listed is regulated by contracts/MOAs between the Department and the entities. In terms of the contracts, the entities (agents) act on behalf of the Department to manage incentive programmes/funds that benefit third parties. The agents receive a fee for managing the programme on behalf of the Department. The agents account for money transferred into the fund, which is held in dedicated bank accounts. Should the fund cease to exist, all unused funds are payable back to the Department. The Department is involved in directing the activities of the agents/funds through the Project Steering Committees that are in place, which provide policy direction and management oversight over the projects/funds. The Agents are expected to provide reports to the Department at least quarterly on the progress of the projects.

There were no changes to the terms of the agreements with the agents during the reporting period.

The significant risks associated with the Principal-Agent arrangement are:

- The Agent reneges on the contractual obligations that may result in a new agent being appointed at a significant cost to the Department.
- Non-performance by agent.

These risks are mitigated through standard contractual provisions for breach of contract. Furthermore, there is continuous reporting and monitoring through the Project Steering Committee.

The primary benefit of using the agents to implement the TIP programmes is that we leverage their institutional capacity and expertise, which the Department does not have, to implement these programmes.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### 30. Prior period errors

#### 30.1 Correction of prior period errors

	Note	Amount before error correction	Prior period error 2020/21	Restated Amount
		R'000	R'000	R'000
Revenue:				
Cash received not recognised - 2021/22	2.6	-	30	30
<b>NET EFFECT</b>		-	<b>30</b>	<b>30</b>

**Note:**

Note 2.6 Cash Received Not Recognised was not updated with R30 thousand received. This amount was, however, disclosed as a narrative note under Cash and Cash Equivalents note.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	<b>Note</b>	<b>Amount before error correction</b>	<b>Prior period error 2020/21</b>	<b>Restated Amount</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Assets:</b>				
Advances	10.3	706 688	20 000	726 688
Minor Machinery and Equipment	26.2	12 073	(497)	11 576
<b>NET EFFECT</b>		<b>718 761</b>	<b>19 503</b>	<b>738 264</b>

**Note:**

*Current Year advances* in note 10.3 for 2021/22 was understated by R20 million. The amount was disclosed as R306,553 million and has been adjusted to R326,553 million. The total advances paid for 2021/22 increased by R20 million from R706,688 million to R726,688 million.

The opening balance of library books, classified as Minor Machinery and Equipment, in the 2020/21 financial year in note 26.2 was overstated by R497 thousand.

### 31. COVID 19 Response Expenditure

	<b>Note</b>	<b>2022/23</b>	<b>2021/2022</b>
		<b>R'000</b>	<b>R'000</b>
Goods and services	Annexure 7	2	50
<b>TOTAL</b>		<b>2</b>	<b>50</b>



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

**ANNEXURE 1A****STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2021/22	
	Adjusted budget	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
South African Tourism	1 329 206	-	-	1 329 206	1 329 206	100%	1 297 038	1 297 038
National Tourism Careers Expo	4 288	-	-	4 288	4 288	100%	4 129	3 918
Culture Art Tourism Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	188	-	-	188	181	96%	181	181
Technology Innovation Agency	-	-	-	-	-	-	3 000	3 000
Tourism Grading Support	-	-	-	-	-	-	15 200	15 200
Tourism Equity Fund	-	-	90 430	90 430	90 430	100%	242 800	242 800
<b>TOTAL</b>	<b>1 333 682</b>	<b>-</b>	<b>90 430</b>	<b>1 424 112</b>	<b>1 424 105</b>		<b>1 562 348</b>	<b>1 562 137</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### ANNEXURE 1B

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

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2021/22	
	Adjusted budget	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Capital	Current	Final budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
<b>Private enterprises</b>										
<b>Transfers</b>										
Tourism Incentive Programme	225 172	-	(90 430)	134 742	134 742	100.0%	-	134 742	-	-
<b>Subtotal: Private enterprises</b>	<b>225 172</b>		<b>(90 430)</b>	<b>134 742</b>	<b>134 742</b>	<b>100.0%</b>	<b>-</b>	<b>134 742</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>225 172</b>	<b>-</b>	<b>(90 430)</b>	<b>134 742</b>	<b>134 742</b>	<b>100.0%</b>	<b>-</b>	<b>134 742</b>	<b>-</b>	<b>-</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### ANNEXURE 1C

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

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2021/22	
	Adjusted budget	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers</b>								
United Nations World Tourism Organisation (UNWTO)	2 502	-	-	2 502	2 238	89%	2 641	2 437
<b>TOTAL</b>	<b>2 502</b>	<b>-</b>	<b>-</b>	<b>2 502</b>	<b>2 238</b>		<b>2 641</b>	<b>2 437</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### ANNEXURE 1D

#### STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2021/22	
	Adjusted budget	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final budget	Actual transfer
NON-PROFIT INSTITUTIONS	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers</b>								
Federated Hospitality Association of Southern Africa (Fedhasa)	443	-	-	443	443	100%	431	431
<b>TOTAL</b>	<b>443</b>	<b>-</b>	<b>-</b>	<b>443</b>	<b>443</b>		<b>431</b>	<b>431</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### ANNEXURE 1E

#### STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2021/22	
	Adjusted budget	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final budget	Actual transfer
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers</b>								
Bursaries (Non-Employee)	3 816	-	(2 066)	1 750	1 750	100%	2 149	1 370
Employee Social Benefits	-	-	1 414	1 414	1 412	100%	2 929	2 929
Donations (Gifts)	-	-	40	40	40	100%	10	10
<b>TOTAL</b>	<b>3 816</b>	<b>-</b>	<b>(612)</b>	<b>3 204</b>	<b>3 202</b>		<b>5 088</b>	<b>4 309</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### ANNEXURE 1F

#### STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23	2021/22
		R'000	R'000
<b>Received in kind</b>			
Seeza Tourism Growth Network	Sponsorship for 3 officials to attend the International Federation for IT and Travel & Tourism (IFITT) ENTER 23 conference	38	-
<b>TOTAL</b>		<b>38</b>	<b>-</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2023

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

	2022/23	2021/22
NATURE OF GIFT, DONATION OR SPONSORSHIP	R'000	R'000
<b>Made in kind</b>		
Donation of Laptop, Computer Monitor, and Printers to Mr RH Ackermann upon retirement	-	8
Gift to a Minister from the Kenyan Government as a token of goodwill	-	1
Gift to the Swaziland Minister of Tourism as a token of goodwill	-	2
Gift to the Saudi Arabia UNWTO Executive Council as token of Goodwill.	2	-
Corporate Gifts as token of goodwill for high level Dignitaries-Philipines	8	-
Corporate Gifts as token of goodwill for high level Dignitaries-Local Chiefs in the vicinity of Numbi Gate (MP)	2	-
Donation of Laptop, Tablet, Computer Monitor, and Printers to Mr A Mafanele upon retirement	70	-
Donation of Laptop, DeskTop Computer and Printer to Ms D Matsemela upon retirement	44	-
Donations of Machinery and Equipment to Glorious Old Age Home (NPO)	147	-
Donations of Machinery and Equipment to Moses Mabida Foundation (NPO)	19	-
Donations of Machinery and Equipment to Nicholas Bhengu Foundation (NPO)	69	-
Donations of Machinery and Equipment to Saulbent Project (NPO)	128	-
<b>TOTAL</b>	<b>489</b>	<b>11</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### ANNEXURE 2A

#### STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2023 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2022	Guarantees draw-downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations due to foreign currency movements	Closing balance 31 March 2023	Revaluations due to foreign currency movements	Accrued guaranteed interest for year ended 31 March 2023
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	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 2023

**ANNEXURE 2B****STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023**

	Opening Balance 1 April 2022	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (provide details hereunder)	Closing balance 31 March 2023
Nature of liability	R'000	R'000	R'000	R'000	R'000
<b>Claims against the Department</b>					
Jean-Pierrie Klein t/a SA Online and Entertainment – Claim against the Department for damages suffered as a result of breach of contract.	41	-	-	-	41
Umbuso Training Services (Pty)Ltd - Claim against the Department for payment of retention fees and administration costs due.	1 072	-	-	-	1 072
G Nevari – Claim due to unfair dismissal	6 000	-	-	-	6 000
K Morritti – Claim against the Department for accident damages	135	-	-	-	135
<b>TOTAL</b>	<b>7 248</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 248</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### ANNEXURE 3

#### CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year-end 2022/23	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Receipt date up to six (6) working days after year-end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENT</b>								
Department of Human Settlements	-	45	-	-	-	45	-	-
Department of Science & Technology	-	9	-	-	-	9	-	-
Department of Water & Sanitation	-	41	-	-	-	41	-	-
Office of the Public Service Commission	-	12	-	-	-	12	-	-
<b>TOTAL</b>	-	<b>107</b>	-	-	-	<b>107</b>		-

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### ANNEXURE 4

#### INTERGOVERNMENTAL PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year-end 2022/23	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Payment date up to six (6) working days before year-end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENT</b>								
<b>Current</b>								
	-	-	-	-	-	-	-	-
<b>SUB TOTAL</b>	-	-	-	-	-	-	-	-
<b>Non-current</b>								
	-	-	-	-	-	-	-	-
<b>SUB TOTAL</b>	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	-

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### ANNEXURE 5

#### Movement of Capital Work-in-Progress

##### MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED 31 MARCH 2023

	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	250 644	190 480	-	441 124
<b>TOTAL</b>	<b>250 644</b>	<b>190 480</b>	<b>-</b>	<b>441 124</b>

##### MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED 31 MARCH 2022

	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	213 060	39 491	(1 907)	250 644
<b>TOTAL</b>	<b>213 060</b>	<b>39 491</b>	<b>(1 907)</b>	<b>250 644</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### ANNEXURE 6A

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

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
Department of Government Communication and Information systems	-	63	-	-	-	63
Department of International Relations and Cooperation	1 002	-	-	-	1 002	-
<b>TOTAL</b>	<b>1 002</b>	<b>63</b>	<b>-</b>	<b>-</b>	<b>1 002</b>	<b>63</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

### ANNEXURE 7

#### COVID-19 RESPONSE EXPENDITURE PER QUARTER TOTAL

	2022/23					2021/22
	Q1	Q2	Q3	Q4	Total	Total
Expenditure per economic classification	R'000	R'000	R'000	R'000	R'000	R'000
<b>Goods and Services</b>						
Consumable Supplies	2	-	-	-	2	50
<b>TOTAL</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>50</b>



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B-BBEE RATING AGENCY

## MEASURED ENTITY

Registered Name	: Department of Tourism
Trading Name	: Department of Tourism
Registration Number	: N/A
VAT Number	: N/A
Empowering Supplier	: YES
Physical Address	: 17 Trevenna Street, Nedpark Building, Sunnyside , Pretoria, 0002

B-BBEE Status Level	LEVEL 8	Certificate Number	ID-G DM 8931-290922
Procurement Recognition	10.00%	Issue Date	29 September 2022
Applicable B-BBEE Codes	Specialised Sector Scorecard	Re-Issue Date	N/A
Applicable Score Card	Generic	Expiry Date	28 September 2023
Gazette Notice Number	38766	Black New Entrant	N/A
Black Shareholding	N/A	Modified Flow-Through Applied	N/A
Black Female Shareholding	N/A	Designated Group Supplier	N/A
Designated Group Ownership	N/A	Discounting Principle Applied	Yes
Black Youth	N/A	Exclusion Principle Applied	No
Black Disabled	N/A	Y.E.S Initiative Applied	No
Black Unemployed	N/A	Y.E.S Target and 2.5% Absorption	No
Black People living in Rural areas	N/A	1.5 x Y.E.S Target and 5% Absorption	No
Black Military Veterans	N/A	Double Y.E.S Target and 5% Absorption	No

ELEMENTS	ACTUAL SCORE	TARGET SCORE
Management Control	19.23	20.00
Skills Development	14.96	25.00
Enterprise and Supplier Development	28.65	50.00
Socio Economic Development	0.57	5.00
<b>TOTAL POINTS</b>	<b>63.41</b>	<b>100.00</b>
FINANCIAL PERIOD APPLIED		01 April 2021 - 31 March 2022

**Technical Signatory**

 Thabo Mofokeng  
 29 September 2022

**Date**

**BVA 249**

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**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

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