

# ANNUAL REPORT 2014/15



**tourism**

Department:  
Tourism  
**REPUBLIC OF SOUTH AFRICA**



*Inspiring new ways*

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- *Umhlanga Beach in Durban KwaZulu-Natal.*
- *Tourists walking to and from the Cape Point in the Western Cape.*
- *The Purple Onion Café in Clarens, Free State.*
- *Richtersveld Cultural and Botanical Landscape in the Northern Cape*  
- *Photo by Richard Veillon, Copyright: UNESCO.*



# PART A

## GENERAL INFORMATION

*Department of Tourism Receptionist, Mabel Masemola assisting a client.*

# I. GENERAL INFORMATION ABOUT THE DEPARTMENT

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## National office

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**Twitter:** @Tourism\_gov\_za

## 2. LIST OF ACRONYMS AND ABBREVIATIONS

<b>AGSA</b>	Auditor-General of South Africa
<b>APDT</b>	Air Passenger Departure Tax
<b>APP</b>	Annual Performance Plan
<b>AU</b>	African Union
<b>BBBEE</b>	Broad-Based Black Economic Empowerment
<b>BRICS</b>	Brazil, Russia, India, China and South Africa
<b>CATHSSETA</b>	Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority
<b>DG</b>	Director-General
<b>DHA</b>	Department of Home Affairs
<b>DPSA</b>	Department of Public Service and Administration
<b>DPW</b>	Department of Public Works
<b>the dti</b>	Department of Trade and Industry
<b>EHW</b>	Employee Health and Wellness
<b>EPWP</b>	Expanded Public Works Programme
<b>Fedhasa</b>	Federated Hospitality Association of Southern Africa
<b>FOSAD</b>	Forum of South African Directors-General
<b>FTE</b>	Full-Time Equivalent
<b>GCGP</b>	Generic Code of Good Practice
<b>GDP</b>	Gross Domestic Product
<b>HDE</b>	Historically Disadvantaged Enterprise
<b>ICT</b>	Information and Communications Technology
<b>ICTSP</b>	Information and Communications Technology Strategic Plan
<b>IDP</b>	Integrated Development Plan
<b>IT</b>	Information Technology
<b>J2SE</b>	Journey to Service Excellence
<b>KMF</b>	Knowledge Management Framework
<b>KZN</b>	KwaZulu-Natal
<b>MINMEC</b>	Minister and Members of the Executive Council (meeting)
<b>MIPTECH</b>	MinMec Interprovincial Technical Committee
<b>MoU</b>	Memorandum of Understanding
<b>NCOP</b>	National Council of Provinces
<b>NDP</b>	National Development Plan

<b>NGP</b>	New Growth Path
<b>NRF</b>	National Revenue Fund
<b>NTCE</b>	National Tourism Careers Expo
<b>NTIG</b>	National Tourism Information Gateway
<b>NTSS</b>	National Tourism Sector Strategy
<b>NVIF</b>	National Visitor Information Framework
<b>ORTIA</b>	OR Tambo International Airport
<b>PAC</b>	Project Advisory Committee
<b>PFMA</b>	Public Finance Management Act
<b>PMDS</b>	Performance Management Development System
<b>PSETA</b>	Public Service Sector Education and Training Authority
<b>RETOSA</b>	Regional Tourism Organisation of Southern Africa
<b>RMC</b>	Risk Management Committee
<b>RTMC</b>	Road Traffic Management Corporation
<b>SADC</b>	Southern African Development Community
<b>SA Tourism</b>	South African Tourism
<b>SCM</b>	Supply Chain Management
<b>SIPs</b>	Strategic Integrated Projects
<b>SITA</b>	State Information Technology Agency
<b>SMMEs</b>	Small, Medium and Micro-sized Enterprises
<b>SMS</b>	Senior Management Service
<b>SP</b>	Strategic Plan
<b>SRI</b>	Social Responsibility Implementation
<b>STR</b>	State of Tourism Report
<b>TEP</b>	Tourism Enterprise Partnership
<b>TGCSA</b>	Tourism Grading Council of South Africa
<b>TIP</b>	Tourism Incentive Programme
<b>TKP</b>	Tourism Knowledge Portal
<b>TOMSA</b>	Tourism Marketing South Africa
<b>UA</b>	Universal Accessibility
<b>UNWTO</b>	United Nations World Tourism Organization
<b>WSP</b>	Workplace Skills Plan

### 3. FOREWORD BY THE MINISTER OF TOURISM

Tourism's total contribution to the national economy for the period under review was R323 billion, supporting over 1,4 million jobs.

This performance firmly entrenches the tourism sector as a major contributor to national economic development. It reinforces tourism's position as one of the six pillars of economic growth in our country.

The Department of Tourism's Annual Report for 2014/15 demonstrates how the Department is delivering on its mandate to develop and promote responsible tourism for the benefit and the enjoyment of all our residents and visitors, as required by the Tourism Act, 2014 (Act 3 of 2014).

We are determined to build on the gains achieved in the past, implement innovative programmes in response to emerging challenges, and review key areas of our policy and operations to keep them aligned with the vision spelled out in the National Development Plan.

I am pleased that the Department continues on its path of good governance, with no unauthorised expenditure reported in the period under review. Management is also commended for recording a low vacancy rate of 6%.

The Department has achieved 85.62% of its targets for the period under review. Significant work was accomplished on a further 13.85% of the targets, with only 1.54% of targets not achieved.

These achievements are underpinned by a strategy that promotes the economic, social and environmental sustainability of tourism.

Transformation of the sector remains a fundamental objective. The Department has aligned the Tourism B-BBEE Codes with **the dti's** revised Generic Codes of Good Practice.

To protect tourists and maintain ethical behaviour throughout the industry, a Tourism Complaints Officer was appointed, as required by the Tourism Act (Act 3 of 2014) to provide consumer protection.

The Department continues to provide skills training and product development, quality assurance and business support for Small, Medium and Micro-sized Enterprises. This programme has created 2 701 jobs and trained 1 203 enterprises during the period under review.

The strategy to use online platforms to provide information at Visitor Information Centres, to provide establishments with self-assessment tools for responsible tourism and to support municipal tourism development is innovative and effective. It recognises that our resources do not allow us to provide hands-on technical support in all areas of the country, and significantly increases access to information while reducing costs.

The Department is strengthening regional integration and cooperation with neighbouring countries. The inaugural Ministerial Session at Indaba 2014 included 16 African Tourism Ministers, who discussed the state of tourism in Africa and charted a path for the progressive growth of the sector on the continent.

The world is changing rapidly around us. The internet and mobile communications have fundamentally shifted the way in which tourism information is shared, destinations are marketed and transactions are concluded. To keep pace with this change, and to ride the wave of opportunity that comes with it, we must continuously review the way the tourism sector conducts business.

A panel was appointed to conduct an institutional review of South African Tourism by assessing the entity's alignment with the public and private sector tourism landscape. The panel's insights will be used to inform the entity's direction in the years ahead, ensuring that it keeps pace with global trends and satisfies the country's domestic and international marketing needs.



**DEREK HANEKOM, MP**  
*Minister of Tourism*

The Department has commenced the process of reviewing the National Tourism Sector Strategy to ensure that this strategy retains its relevance and responds to the constant global trends affecting the performance of the tourism industry. The review will strengthen strategic alignment with the Tourism Act, the broader economic government imperatives outlined in the National Development Plan, and the Medium-Term Strategic Framework.

I acknowledge the assistance and the valuable insights provided by stakeholders as we got to grips with the strategic issues affecting tourism in the first year of this term. We have developed many sound relationships, which will stand us in good stead as we move into the future.

I also appreciate our relationships with other government departments, especially those whose work has an impact on tourism. By working together, we can overcome the challenges we face as we forge ahead with growing our economy, developing our country and uplifting our people.

The commitment of the departmental management and staff, combined with stakeholder and inter-governmental liaison, contributed to the relatively good performance of the sector over this period.

I value the guidance and oversight role of the chairpersons and members of the Portfolio Committee in the National Assembly and the Select Committee on Trade and International Relations in the National Council of Provinces.

In the months ahead, we will accelerate the pace of transformation, review and adjust policy and operations where we are required to, and continue to seek out and implement best practice for the benefit of the sector and all who derive a livelihood from it.

We will continue promoting sustainable and responsible tourism to enhance South Africa's competitive advantage as a destination, building on the recent international accolades achieved by several establishments. The Tourism Incentive Programme will help establishments become more sustainable, and our efforts to get more South Africans to enjoy the country will be invigorated through SA Tourism's domestic marketing campaign.

As we strive to transform tourism, we rely on effective engagement and collaboration with all our partners to continue growing the sector sustainably, supporting jobs and creating a better life for all.



**Derek Hanekom, MP**  
Minister of Tourism



## 4. STATEMENT BY THE DEPUTY MINISTER OF TOURISM

Our first priority at the Department of Tourism will always be empowering the people of South Africa to participate productively and profitably in the economy, because people development is at the heart of socio-economic transformation in this dynamic sector.

We are working towards creating a symbiotic relationship between the development of our people and the growth of the sector. Knowledgeable and well-trained staff with a service excellence mindset will continue to create a positive experience for tourists, strengthening the brand reputation of South Africa and making this a desirable destination to visit.

In the year under review, we have made great strides in our journey towards an expanded tourism sector that builds incrementally, year-on-year, towards an inclusive and prosperous South Africa. We recognise that there can be no economic development without people development. By empowering our people, we give them the tools with which to participate in the economy in a meaningful way and take advantage of what South Africa has to offer.

At the coalface of the sector are our tourist guides, who are our chief ambassadors in translating South Africa in all its diversity for tourists. Registration with the relevant Provincial Registrar binds the guides to a prescribed code of conduct and ethics. We will continue our work in setting the agenda for service excellence amongst tourist guides in 2015/16.

Tourism has rightly been earmarked as a key sector for economic growth, transformation and job creation, as it is still one of the few sectors in the country that is human-capital-intensive. With this in mind, we escalated our focus on skills development in 2014/15 to further unlock the potential within tourism.

An innovative Food Safety Programme pilot has introduced a new career path within the hospitality sector. Unemployed hospitality and tourism graduates are being trained as Food Safety Assurers (FSAs) in hygienic food-handling, preparation and storage.

The Tourism Buddies, Chefs Who Share and Sommelier Programmes have all shown great success with the number of learners placed in experiential training positions in the sector.

Equally, we are empowering women in the tourism space to make their voices heard and prepare them to take the lead in driving the sector forward.

In 2014, the inaugural conference of what has become known as "Women in Tourism" was held. Stemming from this, a national mobilisation campaign has started that will see provincial chapters of the Women in Tourism Forum established, aimed at engaging women on issues such as economic empowerment (addressing funding constraints), the establishment of support structures and incentives for women, as well as creating a platform to celebrate women achievers. In 2015/16, we will continue to lobby the United Nations World Tourism Organization to collaborate with us on the development of women in our sector.



**MSTOKOZILE XASA, MP**  
*Deputy Minister of Tourism*

In collaboration with our stakeholder CATHSSETA, our successful National Tourism Careers Expo (NTCE) has become a best-practice example of exposing learners to career-streaming, entering its seventh sustainable year in existence in 2015/16.

The 2014/15 event held in East London, Eastern Cape, from 2-4 October 2014 expanded on the success of previous years with new platforms introduced. These included an aviation centre manned by South African Airways, an adventure corner and a student-preneur, which was facilitated by South African Youth in Travel, Tourism and Hospitality, with the support of the National Youth Development Agency and the South African Bureau of Standards. A total of 8 617 people participated in the NTCE.

Certainly one of our outstanding success stories in 2014 has been the pilot of the Journey to Service Excellence programme, which caused great excitement in the Upington area of the

Northern Cape province. Work in this town included workshops to shape a service excellence culture, applying community development principles. We looked at the extended value chain of tourism, including sectors that interface with tourists, such as banks, petrol stations and taxis. The initiative culminated with the presentation of a Service Hero Award to recognise community members with a service excellence mindset.

We now also have a Service Excellence Forum, which meets on a quarterly basis to share best practices, a Framework for Service Excellence, and a Service Excellence self-assessment tool for tourism product owners to measure themselves against the SANS 1197 standards.

Our Tourism Grading Council of South Africa is ensuring that both domestic and international tourists have a wide choice of quality-graded establishments that enhance their experience.

In 2014, our Department identified Universal Accessibility as an important initiative to enhance South Africa's competitiveness in the global tourism quest to win tourist arrivals. We consulted widely with the tourism and hospitality sector and national disability organisations to come up with a set of minimum entry requirements and grading criteria to activate Universal Accessibility as part of our grading framework.

In addition to ensuring that current products and services in the sector live up to service excellence standards, the creation of new products and attractions takes centre stage. The approach we take is a collaborative process of working with our marketing implementation agency, SA Tourism, and a variety of industry stakeholders. Our rich liberation heritage provides

largely untapped niche tourism potential. We will be working closely with the Department of Arts and Culture and our provincial and local stakeholders to identify sites that can be leveraged in this way. Social Tourism is also a niche area that is currently being developed.

Another niche tourism opportunity lies in business and events tourism. This is enabled by the fact that South Africa provides cost-competitive options, while simultaneously providing a wealth of leisure, recreation and hospitality opportunities. The SA National Conventions Bureau (SANCB) focuses its efforts on attracting business events in economic sectors aligned with the NDP. The South African industry along with the SANCB also secured 177 business events for the country over the next five years with an estimated economic impact of R3,5 billion.

The year 2014/15 has been a busy and fruitful year in the tourism sector. The gains made in engineering long-term sustainable growth for our industry have been a collaborative effort. We appreciate the dedication of stakeholders in the sector who have so willingly partnered with us in driving our mandate, and especially that of the staff and management of the National Department of Tourism and South African Tourism, working diligently towards the goals we set ourselves in our 2014/15 strategy.



**Ms Tokozile Xasa, MP**

Deputy Minister of Tourism

## 5. REPORT BY THE ACCOUNTING OFFICER

### 5.1 Overview of the operations of the Department

The legislative mandate of the Department of Tourism is the Tourism Act, 2014 (Act 3 of 2014), which aims to promote the practising 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 the development of the tourism sector; and enhance cooperation and coordination between all spheres of government in developing and managing tourism.

The policy mandates of the Department are as follows:

- The National Development Plan (NDP) is the 2030 vision for the country. It envisions rising employment, productivity and incomes as a way of ensuring a long-term solution to achieve a reduction in inequality, an improvement in living standards and a dignified existence for all South Africans. The NDP recognises tourism as one of the main drivers of employment and economic growth;
- The New Growth Path (NGP) includes tourism as one of the six pillars of economic growth;
- The National Tourism Sector Strategy (NTSS) provides a blueprint for the tourism sector in the pursuit of growth targets contained in the (NGP); and
- 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.

Tourism already contributes to considerable economic growth, services exports and social development. Tourist arrivals to South Africa continue to grow every year. Its direct and indirect contribution to our gross domestic product (GDP) is now R323 billion annually, which constitutes approximately 9.5% of total GDP. The tourism sector supports over 1,4 million jobs, representing some 10% of total employment in the country.

#### 5.1.1 Achievements of the Department

The Minister has appointed the South African Tourism Board Review Panel to conduct an extensive review of SA Tourism. The panel will review SA Tourism's institutional alignment and strategic focus in the context of the broader public and private-sector landscape for tourism marketing and tourism-sector governance.

The Tourism Incentive Programme (TIP) pilot was launched on 10 March 2015. This new incentive scheme aims to help tourism establishments become graded, seek out new markets and encourage establishments to retrofit themselves with renewable energy sources and diversifying and enhancing the product offering at iconic attractions to improve the overall destination competitiveness.

In respect of tourism protection, the Minister has in terms of section 45(1) of the Tourism Act, 2014 (Act 3 of 2014) designated an official of the Department as the tourism Complaints Officer, whose name was published in the Government Gazette. The mandate of the tourism complaints officer includes making recommendations to the Minister for the accreditation of schemes or arrangements within the tourism sector; resolving tourism complaints in terms of section 46 of the Tourism Act, referring complaints received in respect of tourism services, facilities or products to authorities who have jurisdiction to resolve them in the manner provided for in section 47 of the act, and integrating tourism protection with the broader spectrum of consumer protection. Working relationships with the National Consumer Commission and Provincial Consumer Affairs Offices have been established.

The Tourism B-BBEE Charter Council has undertaken a process to align the tourism B-BBEE codes with the Department of Trade and Industry's (**the dti**) revised generic codes of good practice (GCGP). The codes have been finalised and submitted to **the dti** for gazetting.

The Department has continued implementing its agreement with the Tourism Enterprise Partnership (TEP) to ensure that small, medium and micro-sized enterprises (SMMEs) are supported to improve their performance and increase their profitability. The focus in the past financial year was on skills and product development, quality assurance and access to finance in order to actively support the creation of new jobs and the maintenance of existing ones. Through the partnership, 2 701 jobs were created, 466 rural enterprises supported, 35 enterprises mentored, 282 businesses supported with market access, 1 363 historically disadvantaged enterprises (HDEs) supported and 1 203 enterprises trained during the period under review. The Inaugural Indaba Ministerial Session was held in Durban in 2014 under the theme "Africa: Open for Tourism Business". The ministerial session provided a platform for politicians and key industry players, whose mandate is to grow and develop travel and tourism on the African continent, to deliberate on emerging tourism trends, opportunities and challenges facing the tourism sector in Africa.

To empower tourism educators, seminars were hosted in nine provinces and a pilot placement programme was introduced. The programme places educators at tourism establishments with a view to exposing them to tourism operations, thereby enhancing their practical teaching.

The National Tourism Careers Expo (NTCE) was held in East London in 2014. The NTCE created platforms to stimulate the interest of learners, students and graduates in the tourism and hospitality industry.

The 2014 Journey to Service Excellence (J2SE) celebration was the final stage of a three-phase pilot programme that began in November 2013. The programme was aimed at improving service levels and creating a service-oriented culture in South Africa.

The Tourism Month and Tourism Day celebrations for the year 2014 were held in Kimberley. The celebrations focused on domestic tourism with the aim of encouraging South Africans to travel and explore their country.

## 5.2 Overview of the financial results of the Department

Programme	Adjusted appropriation	Virement	Final appropriation	Expenditure	Over/(under) expenditure
	R'000	R'000	R'000	R'000	R'000
Administration	224 619	342	224 961	219 783	(5 178)
Policy and Knowledge Services	928 862	831	929 693	929 647	(46)
International Tourism	45 416	(247)	45 169	45 094	(75)
Domestic Tourism	384 363	(926)	383 437	363 070	(20 367)
<b>Total</b>	<b>1 583 260</b>	<b>-</b>	<b>1 583 260</b>	<b>1 557 594</b>	<b>(25 666)</b>

The virement was approved by the Accounting Officer in terms of section 43 of the Public Finance Management Act, 1999. In accordance with this section of the Act, the amount of a saving under a main division of a vote that may be utilised may not exceed 8% of the amount appropriated under that main division.

The Department carried out virements between its four programmes after National Treasury approval had been obtained to establish a transfer payment for tourism interpretive signage as well as to provide for the increase in the compensation of employees to accommodate the salary adjustments of assistant directors and deputy directors as per the Department of Public Service and Administration's (DPSA) Circular 4 of 2014. Programme 2, Policy and Knowledge Services, received an additional allocation to assist with the tourism local government conference. National Treasury also granted approval to increase the transfer payment to the Regional Tourism Organisation of Southern Africa (RETOSA) to settle the outstanding membership fees which formed part of the implementation of corrective actions. The amount shifted from Programme 3, International Tourism, was R247 000, which represented 0,54% of the appropriated funds. The amount shifted from programme 4, Domestic Tourism, was R926 000, which totalled 0,24% of the appropriated funds.

### Forensic investigations

A forensic investigation was conducted on 13 SRI projects. The Department is currently considering the recommendations.

### Underspending

Programme 1, Administration, underspent by R5 178 000 due to the application of cost-saving measures as introduced by National Treasury. Programme 3, International Tourism, underspent by R75 000. Programme 4, Domestic Tourism underspent, by R20 367 000, which included an amount of R18 750 000 linked to incentives for performance against Expanded Public Works Programme (EPWP) targets. As the Department had not reached the third-quarter EPWP targets, it could not access the incentive.

### Roll-overs

No request for roll-overs was submitted to National Treasury.

## 5.3 Reasons for unauthorised, fruitless and wasteful expenditure, the amounts involved, as well as steps taken to address and prevent a recurrence

The Department had no unauthorised expenditure and disclosed all fruitless and wasteful expenditure. The majority of this relates to travel expenses (amended bookings and "no-

shows”), which are reported as fruitless and wasteful expenditure pending an investigation. Once investigated, the expenditure will be either accepted as valid or transferred to the departmental debt account for recovery.

## 5.4 Future plans of the Department

The Department has reviewed its programme performance indicators to strengthen monitoring and evaluation of its strategic plan as well as to enable oversight. The 2015/16 review of the Strategic Plan and Annual Performance Plan builds on the Department’s strengths to ensure that we continue to develop a sustainable and inclusive tourism sector in South Africa. These plans establish priorities in tourism, and align the means to address these, informed by the lessons learned in the past financial cycle. The Department will continue to assert tourism’s position as a key economic growth driver in South Africa, as recognised by the NDP.

The Department will focus on the following initiatives in the period ahead:

- Review of the NTSS in the 2015/16 financial year. This review will inter alia allow for alignment with the NDP, ensuring that the departmental priorities for 2015/16 also contribute to the achievement of the NDP objectives;
- Provision of a policy framework, stakeholder management, planning-related and capacity-building support services to provincial and local government;
- Promotion of sector transformation as well as the development and growth of SMMEs in the tourism sector;
- Provision of tourism sector knowledge and information services;
- Examine best practices and ensure proper execution of research for tourism growth and development;
- Promotion of sustainable and responsible tourism as a way of strengthening South Africa’s competitive advantage as a tourism destination of choice;
- Implementation of the TIP to support tourism enterprises in the three priority areas of market access, resource efficiency and tourism grading;
- Implementation of the Domestic Tourism Growth Strategy to inculcate a culture of travel among South Africans;
- Conducting a tourism-sector skills audit in order to review the Tourism Human Resource Development Strategy (THRDS) and improve skills development in the tourism sector; and

- Implementation of the Social Responsibility Implementation (SRI) Programme to contribute to government’s EPWP. SRI involves tourism infrastructure and skills development programmes and creates full-time equivalent (FTE) jobs.

## 5.5 Public-private partnerships

The Department has no public-private partnerships registered with National Treasury.

## 5.6 Activities discontinued / to be discontinued

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

## 5.7 New or proposed activities

The Department is implementing programmes to support sustainability of major tourism attractions, such as South Africa’s World Heritage Sites. It will also roll out the Tourism Incentive Programme to support investment and transformation in the tourism sector. The Department will conduct a sector skills audit to inform the revision of the Tourism Sector Human Resource Development Strategy. It will also review emerging needs of small businesses in the tourism sector to inform adaptation of responsive programmes for SMME support.

## 5.8 Supply Chain Management

The Department received no unsolicited bids in the 2014/15 financial year. In order to avoid any irregular expenditure relating to supply chain management, the Department has established bid specification, bid evaluation and bid adjudication committees to conclude bidding administration. These committees have been capacitated to deal with the functions assigned.

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

The European Union donated R120 million via National Treasury for the Golden Gate Highlands National Park interpretive centre over a three-year period. The allocation of R9,6 million for the 2014/15 financial year is intended for the planning phase of the construction

of an interpretive centre featuring dinosaur relics found in the park. The centre will also be a tourist destination.

### 5.10 Exemptions and deviations granted by National Treasury

National Treasury's approval was obtained in accordance with Treasury Regulation 6.3.1(a) to increase the transfer payment to RETOSA for the payment of outstanding membership contributions. Approval was also obtained to increase the allocation for compensation of employees in line with salary adjustments of assistant and deputy directors. In addition, approval was granted for the establishment of a transfer payment for tourism interpretive signage.

In the 2014/15 financial year, the Department received permission from the Accountant-General within National Treasury to continue with the classification of expenditure and budget relating to EPWP infrastructure projects as transfer payments.

### 5.11 Events after the reporting date

None.

### 5.12 Other

There are no other material facts or circumstances on which to report.

### 5.13 Acknowledgements and appreciation

The Accounting Officer appreciates the leadership and support provided by the Minister and Deputy Minister of Tourism. The work, commitment and professionalism of the management

and staff of the Department in the implementation of the plans are noted with gratitude. The Department extends its appreciation to the chairpersons and all members of our oversight committees in both the National Assembly and the National Council of Provinces for their continued support. We also appreciate the contribution of the Audit and Risk Management Committees in providing assurance on the effectiveness of the Department's control environment. Finally, the Department extends its appreciation to the broader tourism stakeholders, both in the private and public sector, for their continued support and cooperation.

### 5.14 Conclusion

The Department has achieved fairly good results and maintained good governance during the reporting period. We will continue to work with our partners to ensure continuous improvement of our efforts towards better service delivery.

### 5.15 Approval and sign-off

The annual financial statements set out on page 97 to 174 have been approved by the Accounting Officer:



**Mr Victor Tharage**  
Accounting Officer (Acting)  
Department of Tourism  
Date: 29 May 2015

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

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

- All information and amounts disclosed throughout the Annual Report are consistent;
- The Annual Report is complete, accurate and free from any omissions;
- The Annual Report has been prepared in accordance with the guidelines on the Annual Reports as issued by National Treasury;
- The annual financial statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by National Treasury;
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information; and
- The Accounting Officer is responsible for establishing and implementing a system of internal control, which has been designed to provide reasonable assurance of the integrity and reliability of the performance information, the human resource 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, performance information, human resource information and financial affairs of the Department for the financial year ended 31 March 2015.



**Mr Victor Tharage**

Accounting Officer (Acting)

Department of Tourism

Date: 29 May 2015

# 7. STRATEGIC OVERVIEW<sup>1</sup>

## 7.1 Vision

A catalyst for tourism growth and development in South Africa

## 7.2 Mission

A strategy-focused department, committed to create an environment conducive to growing and developing tourism through:

- innovation;
- strategic partnerships and collaboration;
- providing an information and knowledge management service; and
- strengthening institutional capacity.

## 7.3 Values

Performance values and descriptions

- **Innovative:** Leveraging of resources and partnerships to optimise delivery to our stakeholders, and being responsive to change.
- **Ethical (good corporate governance):** Encapsulates principles of integrity, transparency and accountability.
- **Customer focus:** Efficiently providing services and solutions that are effective and responsive.

### Peoples' values and descriptions

- **Empowerment (growth, training and development skills):** Creating an environment conducive to our people's growth and development.
- **Integrity:** Acting with integrity by being accountable, showing respect and serving with honesty, respect and trustworthiness.
- **Recognition (being appreciated, getting support, and fairness):** Being an organisation that values its own people by ensuring fairness of its systems and processes, being supportive and recognising and rewarding performance.

<sup>1</sup> As aligned with the Strategic Plan of the reporting period. The Department has since revised its vision, mission and values.



## 8. LEGISLATIVE AND OTHER MANDATES

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### 8.1 Constitutional mandates

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

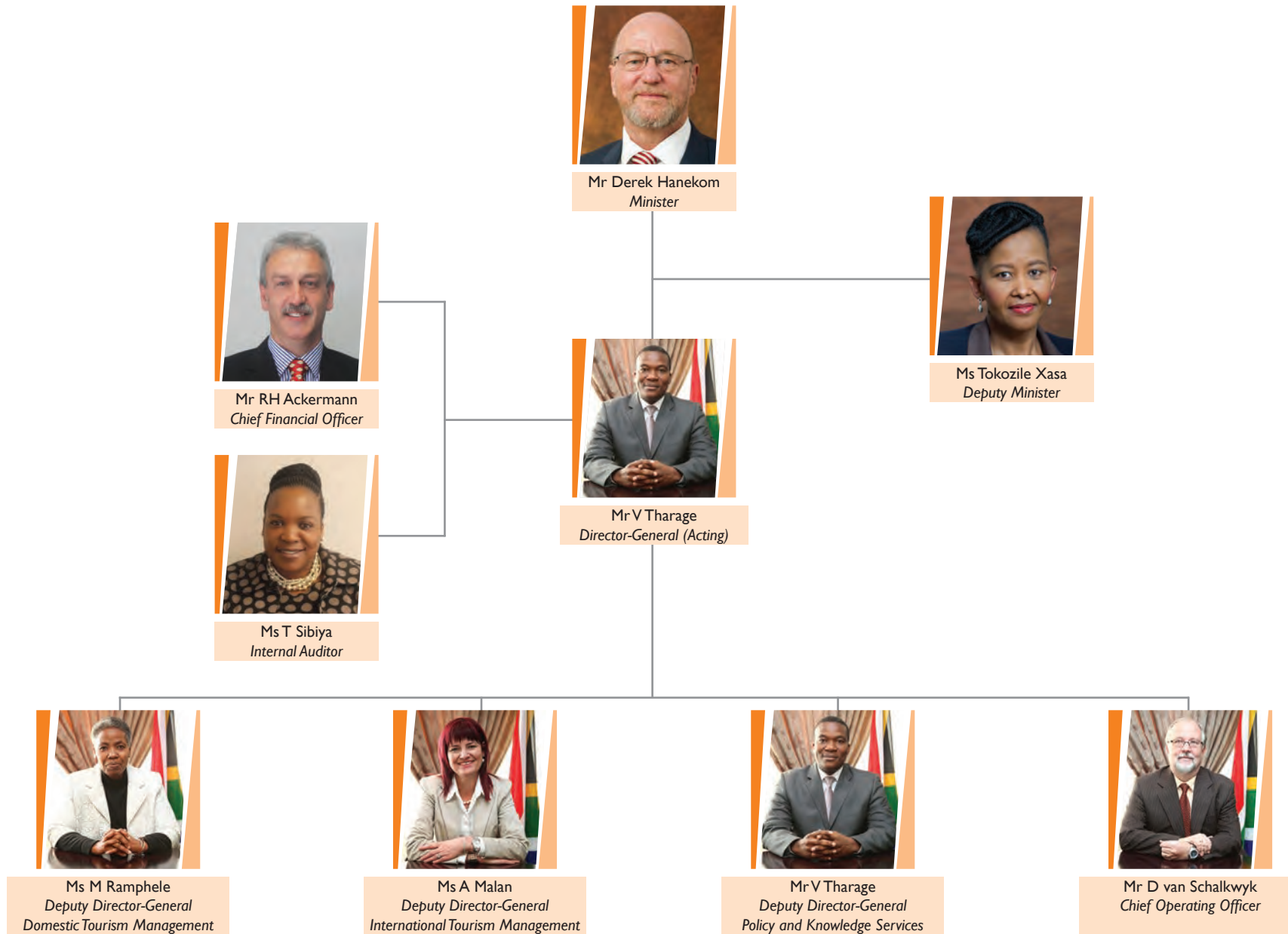
### 8.2 Legislative mandates

The Tourism Act, 2014 (Act 3 of 2014) aims to promote the practising 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 the development of the tourism sector; and enhance cooperation and coordination between all spheres of government in developing and managing tourism.

### 8.3 Policy mandates

- The 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.
- The NTSS provides a blueprint for the tourism sector in the pursuit of growth targets contained in the NGP.
- The NDP is government's blueprint and recognises tourism as one of the main drivers of employment and economic growth.

# 9. ORGANISATIONAL STRUCTURE



## 10. ENTITY REPORTING TO THE MINISTER

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

Name of entity	Legislative mandate	Financial relationship	Nature of operations
<b>SOUTH AFRICAN TOURISM (SA TOURISM)</b>	To promote tourism by encouraging persons to undertake travels to and in the Republic, and taking measures to attempt to ensure that services rendered and facilities made available to tourists comply with the highest attainable standards according to the Tourism Act, Act 3 of 2014.	Transfer payment.	<ul style="list-style-type: none"> <li>• Increase foreign tourist arrivals to South Africa.</li> <li>• Increase domestic tourism in South Africa.</li> <li>• Increase tourism's trended revenue contribution to the economy.</li> <li>• Increase South African brand awareness.</li> <li>• Provide quality assurance by having graded establishments.</li> <li>• Increase the size of South Africa's business events industry.</li> </ul>



# PART B

## PERFORMANCE

## INFORMATION

*The Witsieshoek Mountain Lodge & Sentinel Peak situated in the Northern Drakensberg - one of the Social Responsibility Implementation (SRI) projects by the Department of Tourism.*

# I. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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The Auditor-General South Africa (AGSA) currently performs the necessary audit procedure on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against the predetermined objectives is included in the report to management, and there were no material findings reported under the 'Predetermined objectives' heading in the report on other legal and regulatory requirements section of the Auditor's Report. Refer to page 95 of the Report of the Auditor-General, published as Part E: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service delivery environment

Tourism's potential to stimulate economic growth and create jobs has been demonstrated globally. The South African government has recognised the capacity of tourism to contribute to equitable economic growth, and has therefore prioritised the tourism sector. This provides political and administrative support to the tourism agenda, allowing the government machinery to collectively work to put in place elements that support tourism growth. The Department is optimistic that this will also encourage a flow of resources into tourism development.

As a politically stable country since the advent of democracy in 1994, South Africa is regarded as being fully aligned with the United Nations international conventions and an integral part of the international community. Our foreign policy earns our country a good reputation globally. The country's involvement in the Brazil, Russia, India, China and South Africa (BRICS) grouping presents opportunities not only in terms of South-South economic, political and social relations, but also growth in tourism to South Africa. This can contribute to an increase in arrivals and support the Department's objective of increasing tourism's contribution to the South African economy.

South Africa's approach to cooperative governance, within and across all spheres of government, provides an important vehicle for the tourism mandate. Coordination between government departments that have mandates with a direct and indirect effect on tourism growth has recently improved. This, along with the capacity of the different spheres of government to develop tourism, can however be improved even further.

There is a need for strong political and economic regional coordinating structures to ensure the long-term growth of tourism on the African continent. Currently, there is limited support and coordination within the African Union (AU) agenda and other structures for tourism on the continent. Improved tourism coordination within Africa can provide benefits for tourism growth in the region, which can in turn benefit South Africa's tourism agenda.

South Africa has established trade relations with important global tourism markets. This provides an opportunity to expand the country's share of global outbound tourists. The sustained growth

in Africa's economy in recent years is positive for the development of regional tourism. The notable increases in tourist arrivals from the African continent will present an added boon to economic growth and investment in South Africa. With an outbound market of more than 80 million tourists annually, other emerging economies, including China, represent a growing focus for tourism in South Africa. The capturing of a sizeable percentage of this market for tourism to South Africa may lead to an increased tourist spend in the national economy, thereby boosting tourism's contribution to the country's GDP.

The tourism sector's relatively low barriers for entry by new entrepreneurs gives effect to government's policy of expanding access to economic opportunities for previously disadvantaged individuals. This, coupled with the multiplier effect of tourism, provides opportunities for job creation in other sectors of the country's economy as well, thereby supporting government's mission of reducing poverty and unemployment. Supportive programmes such as the NDP place more emphasis on growth and jobs, education and skills, and a capable and developmental state. The NGP, which emphasises the creation of decent work, will be at the centre of our economic policies and will influence our investment attraction and job-creation initiatives. The manner in which the tourism sector has been organised (tourism associations) enables the development of a common approach and synergies when implementing tourism projects.

South Africa boasts a broad and exceptional natural and cultural resource base for leisure and business tourism, which provides further opportunities for product development. This has enabled SA Tourism to create a strong focus on marketing South Africa as a preferred tourist destination.

South Africa's economic infrastructure provides the necessary supporting platform for the development of tourism and allows the sector to provide essential services to tourists. Areas for further infrastructure development to enable tourism growth have been identified. Infrastructure will be affected if maintenance and capacity do not keep pace with population growth. This can have an impact on the quality of tourists' experience in South Africa. Where tourism infrastructure is lacking, the growth and spread of tourism is negatively affected.

Tourists' decision to travel to and within South Africa is affected by perceptions about safety, crime and security in the country. Negative travel advisories add to these perceptions,

thus reducing South Africa's competitiveness as a tourist destination. The upward trend in cross-border international crime makes it challenging to strike a balance between maintaining adequate security and encouraging growth in inbound tourists to South Africa through enabling visa facilitation conditions. The global economy, which has shown signs of weakness in some of our key markets, also affects the travel decisions of tourists, who may now tend to take shorter trips or stay for shorter periods, thus affecting tourism earnings for South Africa.

The unemployment rate in South Africa and a poorly developed culture of travel amongst South Africans themselves reduce the size of the domestic market, which affects its growth. The perceived lack of tourism skills affects the perception of the quality of service the sector is able to provide, thereby influencing tourists' decision to travel to and within South Africa. Skills development is a crucial contributor to tourism growth. There is a need to improve the skills development initiatives within the sector. This can be strengthened by expanding the quality assurance system in the tourism service value chain.

South Africa's cultural diversity and spirit provide a unique selling point for both international and domestic tourism. However, the cultural resources of our country remain little-known and are not adequately integrated with tourism products and experiences. This is the focus of the departmental Domestic Tourism Strategy. The strategy continues to build a culture of increased awareness of tourism and its value for the country. It also aims to increase the levels of community participation in the tourism sector. Through the implementation plan of this strategy, the Department seeks to direct a consolidated and integrated approach to address the challenges of geographic spread and seasonality, which offers opportunities for enhanced levels of domestic tourism.

Tourists' use of the internet for online travel arrangements is growing worldwide. As South Africa is advanced in the provision of internet and communications technology (ICT), it is able to migrate to services such as electronic permitting for tourists in the medium to long term, which could see positive developments in arrivals, especially from the advanced industrial Western and Asian countries. The spread of social media increases our capacity to reach our markets. It provides a marketing platform and may also serve as an information platform – a

critical service for tourists. Despite having experienced advancement in ICT provision, the cost of access to broadband in South Africa still hampers the development of faster and quicker cross-border travel arrangements. In addition, incidents of cybercrime affect tourists using internet platforms, particularly in respect of tourism-related transacting.

Technologies that are becoming available for tourism establishments to reduce their environmental footprint support the Department's objective of responsible tourism development. However, the multiple and varying data sources on the same indicators result in negative perceptions of data and information integrity.

South Africa's policy on the management of natural resources and protected areas, as well as the growing interest in responsible tourism and eco-tourism, increases our competitive edge compared to other destinations. Natural disasters, climate change and irregular weather patterns can have a dramatic effect on tourist arrivals to a country. Climate change and South Africa's positioning as a long-haul destination in key markets do discourage some international tourists from travelling to South Africa. The unsustainable use of natural resources (such as deforestation and rhino poaching) could further damage South Africa's image and erode the diversity of South African tourism products.

Tax, legal and travel restrictions imposed on citizens prevent the unhindered flow of tourists across countries. Pollution-related taxes such as carbon taxes, aviation costs, increases in the air passenger departure tax (APDT) and the pricing of oil contribute to increases in the overall cost of travel. These trends may have a negative impact on tourism to developing countries and emerging industrial economies such as South Africa.

Since the establishment of the Department of Tourism, essential tourism development policies and strategies have been developed to guide our choices and focus our actions. Recently, the focus has been on the implementation of these strategies and the monitoring of progress to inform our decisions. The Department continues to enjoy a good working relationship with our stakeholders. The National Tourism Stakeholder Forum provides an invaluable platform for coordinating the implementation of the NTSS. Our capacity to implement the NTSS can however be further strengthened.

Established systems for performance management allow the Department to measure its performance and progress towards its objectives. This is further supported by the political and executive oversight over governance systems. The Department has the organisational design, human resource capacity and skills for the functional areas that support tourism growth and development. The regular review of the Department's training programme strengthens our ability to bridge gaps and improve professionalism and managerial competence.

## 2.2 Service delivery improvement plan

The Department has compiled a service delivery improvement plan. The tables below highlight the key features of this plan and the achievements to date.

### Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Creation of job opportunities through the Social Responsibility Implementation Programme, which is essentially the Department's EPWP initiative.	Communities, local government and provincial departments responsible for tourism.	5 173 full-time equivalent (FTE) jobs created.  Calls or requests for projects to be funded are dealt with via the responsible provincial departments as well as through the provincial tourism authorities.	5 625 FTE jobs created.  Strengthen project owners' involvement in the planning and implementation of projects.  Involve the stakeholders that are key to ensuring the sustainability of the tourism projects throughout the project cycle.	3 037 FTE jobs created.  Project owners were involved in planning and implementation.  Stakeholders were involved in the process.
Provision for policy and strategic direction for domestic tourism growth and stakeholder management.	Communities.  Tourism associations.  Provinces.  Local government/municipalities.  Tourism businesses.	Consultation takes place on a formal and informal level.	50% participation by stakeholders.	The Department has established platforms such as: <ul style="list-style-type: none"> <li>• Working Group meetings;</li> <li>• National Tourism Planning and Coordinating Forum; and</li> <li>• National Tourism Stakeholders Forum.</li> </ul> <p>Going forward, the Department is still to measure the percentage participation in these platforms.</p>



### Batho Pele arrangements with beneficiaries (consultation, access, etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation to take place at a formal and informal communication level.	Provision of information to beneficiaries in advance.	<ul style="list-style-type: none"> <li>Project Advisory Committee (PACs) meetings were held with stakeholders in provinces to discuss the SRI Programme.</li> <li>Site visits to SRI projects took place with Director-General (DG) to interact with beneficiary communities.</li> <li>Provincial stakeholder meetings were held with project implementers, municipalities and provinces.</li> </ul>

### Service delivery information tools

Current/actual information tools	Desired information tools	Actual achievements
97% up-time of services.	97% up-time of services and 3% service time.	97% up-time achieved.
Updated content.	Updated content.	Content updated regularly.
Maintain 95% performance in addressing enquiries.	Maintain 95% performance in addressing enquiries.	100% of enquiries addressed.
Two national information gateways operational.	Three national information gateways operational.	One national information gateway operational.

### Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Maintain 100% performance in addressing enquiries.	Publication of Department's contact details.	Queries/complaints received from call centre were attended to in time.

## 2.3 Organisational environment

Initially, the Department's establishment was structured around existing functions, which were largely designed so as to serve the tourism industry. The new strategic direction of government, however, required a review of the Department's composition.

In the period under review, the Department continued to implement the NTSS and the Tourism Act, 2014 (Act 3 of 2014). The mission of the NTSS is to grow a sustainable tourism economy in South Africa, with domestic, regional and international components and based on innovation, service excellence, meaningful participation and partnerships.

The following new focal areas have also been included in the Tourism Act:

- (i) The NTSS;
- (ii) The national tourism information and monitoring system;
- (iii) Information by tourism businesses;
- (iv) Norms and standards for tourism;
- (v) Codes of good practice for tourism; and
- (vi) Tourism complaints.

These can only be implemented and/or developed through proper collaboration between the Department and the provinces.

The organisational structure was therefore redesigned to improve access to the various regions of the world through the International Tourism Management Branch and to provide guidance and coordination for the development of the tourism sector, focusing on each of the nine provinces, through the Domestic Tourism Management Branch.

During the period under review, the Department set out to implement the Tourism Incentive Programme (TIP) to support and help tourism establishments and enterprises to grow, become graded and seek out new markets. The programme was partially implemented in that the milestones relating to the call for applications, the receipt of applications and the adjudication and awarding of incentives were not achieved.

During mid-year, the management of the TIP function was transferred from Programme 4 to Programme 2. This was due to operational reasons, as the delays in the implementation of the TIP were due to capacity constraints. However, by the end of March 2015, the following had been developed:

- Stakeholder engagement plan;
- Concept document;
- Draft operational plan;
- Draft guidelines for international trade exhibitor and trade mission assistance programmes.
- Draft application forms;
- Draft Monitoring and Evaluation Framework for Market Access Support Programme;
- Guidelines to the Tourism Grading Support Programme; and
- Terms of Reference for the TIP Adjudication Committee.

In order to ensure full implementation, the TIP was redesigned and capacity created under Programme 2 through reprioritisation of resources. Its implementation had commenced with the launch in March 2015.

## 2.4 Key policy developments and legislative changes

The Tourism Act of 1993, as amended, was repealed by the Tourism Act of 2014.

### 3. STRATEGIC OUTCOME-ORIENTED GOALS

Strategic outcome-oriented goals	Goal statements	Government outcomes
Achieve good corporate and cooperative governance.	Provide a comprehensive corporate support service to the Department to ensure good governance.	<b>Outcome 12:</b> An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship.
Integration of tourism priorities within private sector stakeholders and the three spheres of government's planning.	Render policy frameworks, stakeholder management and planning-related support services at local government level by analysing and participating in their planning processes.	<b>Outcome 12:</b> An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship.
Improved levels of competitiveness and sustainability in the tourism sector.	To promote responsible tourism best practices to inculcate a culture of responsible tourism in South Africa.	<b>Outcome 4:</b> Decent employment through inclusive economic growth. <b>Outcome 10:</b> Environmental assets and natural resources that are well protected and continually enhanced.
Improved tourism sector knowledge services.	To advance research, information and knowledge management within the tourism sector.	<b>Outcome 4:</b> Decent employment through inclusive economic growth.
Increased contribution of tourism sector to inclusive economic growth.	Facilitation of compliance to the gazetted tourism charter by identified tourism sub-sectors.	<b>Outcome 7:</b> Vibrant, equitable and sustainable rural communities and food security for all. <b>Outcome 4:</b> Decent employment through inclusive economic growth.
	Provide international tourism market (country and / or region) analysis to inform strategic intervention.	
	Profile regions and develop appropriate integrated support packages that respond to tourism development and growth needs.	
Strengthened regional, Africa and international collaboration and partnerships.	Strengthen regional, Africa and international collaboration and partnerships through bilateral and multilateral engagements.	<b>Outcome 11:</b> Creating a better South Africa and contributing to a better and safer Africa in a better world.

## 4. PERFORMANCE INFORMATION BY PROGRAMME

The activities of the Department of Tourism are organised in the following programmes:

Programme 1: Administration

Programme 2: Policy and Knowledge Services

Programme 3: International Tourism

Programme 4: Domestic Tourism

### 4.1 Programme 1: Administration

**Purpose:** To provide strategic leadership, centralised administration, executive support and corporate services.

**Sub-Programmes:** Governance Support; Chief Financial Officer; Corporate Affairs; Communications; Information Communications Technology; Internal Audit; Legal Services.

Strategic objective	Performance indicator	Actual achievement 2013/2014	Actual performance against target		Deviation from planned target to actual achievement	Comment on deviations	Strategy to overcome under performance
			Planned target 2014/2015	Actual achievement 2014/2015			
<b>Strategic outcome-oriented goal: achieve good corporate and cooperative governance</b>							
Provide effective organisational performance management system.	1. Number of strategic documents developed and implemented.	Annual Performance Report for 2012/13 developed and four quarterly reports on the implementation of the Strategic Plan and Annual Performance Plan.	Annual Performance Report for 2013/14 developed.  Four quarterly reports on the implementation of the Strategic Plan and Annual Performance Plan.	Annual Performance Report for 2013/14 was developed.  Four quarterly reports on the implementation of the Strategic Plan and Annual Performance Plan were developed.	None	None	N/A
		Strategic Plan and APP for 2014/15 reviewed.	Review of the Strategic Plan and APP for 2015/16.	Strategic Plan and APP for 2015/16 reviewed.			

Strategic objective	Performance indicator	Actual achievement 2013/2014	Actual performance against target		Deviation from planned target to actual achievement	Comment on deviations	Strategy to overcome under performance
			Planned target 2014/2015	Actual achievement 2014/2015			
<b>Strategic outcome-oriented goal: achieve good corporate and cooperative governance</b>							
		One quarterly Risk Mitigation Report analysed and submitted to Risk Management Committee.	Four quarterly Risk Mitigation Reports analysed and submitted to Audit and Risk Committees.  Secretariat for the Risk Management Committee (RMC).	Three quarterly Risk Mitigation Reports were analysed and submitted to Risk Management Committee.  Secretariat provided for the Risk Management Committee (RMC).	Fourth quarter Risk Mitigation Report not analysed and submitted to Risk Management Committee.	Fourth quarter Risk Mitigation Report fell outside of the reporting period.	As at 31 May 2015 the Fourth quarter Risk Mitigation Report has been developed, analysed and submitted to Risk Management Committee.
	2. NDT FOSAD and CABINET coordination and support system reviewed and implemented.	Internal protocol was reviewed and implemented.	Review and implement internal protocol.	Protocol was reviewed and implemented.	None	None	N/A
	3. System for South African Tourism (SAT) oversight developed and implemented.	Four SAT reports developed.	Four SAT oversight reports.	Four SAT oversight reports were prepared.	None	None	N/A
Provide corporate legal support.	4. Percentage compliance with legal services litigation protocol.	New indicator.	100% compliance with legal services litigation protocol.	100% compliance with Legal Services Litigation Protocol.	None	None	N/A
	5. Percentage compliance with Legal Service Delivery Charter.	100% compliance with Services Service Delivery Charter.	100% compliance with Legal Services Delivery Charter.	100% compliance with Legal Services Service Delivery Charter.	None	None	N/A

Strategic objective	Performance indicator	Actual achievement 2013/2014	Actual performance against target		Deviation from planned target to actual achievement	Comment on deviations	Strategy to overcome under performance
			Planned target 2014/2015	Actual achievement 2014/2015			
<b>Strategic outcome-oriented goal: achieve good corporate and cooperative governance</b>							
	6. Percentage compliance with Legislative programme of the Department.	100% compliance with the Legislative Programme of the department.	100% implementation of legislative programme.	100% implementation of legislative programme.	None	None	N/A
	7. Percentage of tourists' complaints referred to appropriate authorities for a resolution within agreed time frame.	100% of tourists' complaints referred to appropriate authorities for a resolution within the agreed time frame.	100% of tourists' complaints referred to appropriate authorities for resolution within agreed time frame.	100% of complaints referred to appropriate authorities for resolution within agreed time frame.	None	None	N/A
Provide a capable and skilled workforce.	8. Maximum vacancy rate of 8% maintained.	Vacancy rate maintained at 8.6%.	Maintain a maximum vacancy rate at 8%.	Vacancy rate as at 31 March 2015 was at 6%.	None	None	N/A
	9. Percentage representation of designated groups.	Maintained 54% women representation.	Maintain minimum 50% women representation.	Women representation as at 31 March 2015 was at 53%.	None	None	N/A
		Maintained 4.5% disability rate.	Maintain minimum 5% rate of people with disability.	Rate of people with disabilities as at 31 March 2015 was at 5.3%.	None	None	N/A
		Maintained minimum 93.9% black representation.	Maintain minimum 91% black representation.	Black representation as at 31 March 2015 was a 95.1%.	None	None	N/A

Strategic objective	Performance indicator	Actual achievement 2013/2014	Actual performance against target		Deviation from planned target to actual achievement	Comment on deviations	Strategy to overcome under performance
			Planned target 2014/2015	Actual achievement 2014/2015			
<b>Strategic outcome-oriented goal: achieve good corporate and cooperative governance</b>							
	10. Percentage implementation of Performance Management Development System (PMDS).	100% implementation of PMDS.	100% implementation of PMDS.	100% implementation of PMDS.	None	None	N/A
	11. Percentage implementation of Workplace Skills Plan (WSP).	100% development and implementation of WSP.	Development and 100% implementation of WSP.	100% development and implementation of WSP.	None	None	N/A
	12. Percentage compliance on management of Labour Relations matters in line with prescripts.	100% compliance on management and handling of grievances, misconduct, and disputes.	100% compliance on management and handling of grievances, misconduct, disputes collective bargaining.	100% compliance on management and handling of grievances, misconduct, disputes and collective bargaining.	None	None	N/A
	13. Number of Employee Health and Wellness (EHW) programmes facilitated.	Four EHW programmes facilitated.	Four EHW programmes facilitated.	Four EHW programmes facilitated.	None	None	N/A
Provide and maintain measures to protect people, property and information.	14. Number of security threats and risks assessments conducted.	Four security threats and risks assessments conducted.	Four security threat and risk assessments conducted.	Four security threat and risk assessments conducted.	None	None	N/A

Strategic objective	Performance indicator	Actual achievement 2013/2014	Actual performance against target		Deviation from planned target to actual achievement	Comment on deviations	Strategy to overcome under performance
			Planned target 2014/2015	Actual achievement 2014/2015			
<b>Strategic outcome-oriented goal: achieve good corporate and cooperative governance</b>							
Provide effective governance of Information Communication Technology (ICT)	15. Ensure maximum uptime ICT services.	Up-time maintained at 97%.  Maintained a maximum of 2.4% service time.	97% uptime on all ICT services and maximum of 3% service time.	Maintained 98.75% uptime on all ICT services and maximum 1.25% service time.	None	None	N/A
	16. Development of Information Communications Technology Strategic Plan (ICTSP).	New indicator.	2014-2018 ICTSP developed.	2014-2018 ICTSP developed.	None	None	N/A
Ensure economic, efficient and effective use of departmental resources.	17. Number of quarterly and annual financial statements compiled and submitted.	Submission of four quarterly and one annual financial statements.	Submission of four quarterly and one annual financial statement to National Treasury and Auditor-General South Africa.	Submission of four quarterly and one annual financial statement to National Treasury and Auditor-General South Africa.	None	None	N/A
	18. Percentage of expenditure on procurement from enterprises with Broad-Based Black Economic Empowerment (BBBEE) status level of contributor 1-8 (excluding government entities).	100% of expenditure on procurement from B-BBEE status level of contributor 1 to 8 enterprises achieved.	100% of expenditure on procurement from B-BBEE status level of contributor 1 to 8 enterprises.	100% of expenditure on procurement from B-BBEE status level of contributor 1 to 8 enterprises achieved.	None	None	N/A



Strategic objective	Performance indicator	Actual achievement 2013/2014	Actual performance against target		Deviation from planned target to actual achievement	Comment on deviations	Strategy to overcome under performance
			Planned target 2014/2015	Actual achievement 2014/2015			
<b>Strategic outcome-oriented goal: achieve good corporate and cooperative governance</b>							
Provide effective Internal Audit Services	19. Percentage implementation of the annual Internal Audit plan.	100% implementation.	100% implementation of the annual internal audit plan.	100% implementation of the annual internal audit plan.	None	None	N/A
Reach out to tourism stakeholders through targeted communication.	20. Percentage implementation of the Communication Strategy (media engagement, branding, events management, internal, intergovernmental communications).	100% implementation of the Communication Strategy (media, engagement, branding, events management, internal, intergovernmental communication).	100% implementation of the Communication Strategy.	91% implementation of the Communication Strategy.	9% implementation of the Communication Strategy.	Inadequate integration and coordination of events calendar led to a deviation from full achievement of targets.	The review of the Communication Strategy will address identified weaknesses and challenges in fully achieving planned targets

## Changes to planned targets

None.

## Sub-programme expenditure

Sub-programme name	2014/15			2013/14		
	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	30 851	30 834	17	35 567	35 567	-
Management	16 830	14 543	2 287	16 456	16 259	197
Corporate Affairs	142 874	140 000	2 874	131 539	131 325	214
Office Accommodation	34 406	34 406	-	29 084	28 849	235
<b>Total</b>	<b>224 961</b>	<b>219 783</b>	<b>5 178</b>	<b>212 646</b>	<b>212 000</b>	<b>646</b>

## 4.2 Programme 2: Policy and Knowledge Services

**Purpose:** To support sector policy development and evaluation, research and knowledge management, promotion of transformation and responsible tourism.

**Sub-Programmes:** Policy Development and Evaluation; Research, Information and Knowledge Management.

Strategic objective	Performance indicator	Actual achievement 2013 / 2014	Actual performance against target		Deviation from planned target to actual achievement	Comment on deviations	Strategy to overcome under performance
			Planned target 2014 / 2015	Actual achievement 2014/2015			
<b>Strategic outcome-oriented goal: integration of tourism priorities within private sector stakeholders and the three spheres of government's planning.</b>							
Develop, implement and update tourism policies, strategies, programmes and plans.	1. Number of initiatives aimed at implementing local government support programmes.	Training of Municipalities done.	Two Initiatives:		None	None	N/A
			1. Capacity building for tourism practitioners and policy makers at local government.	Capacity building of policy-makers at local government was conducted.			
			2. Local government conference.	Local government tourism conference was hosted.			
<b>Strategic outcome-oriented goal: improved levels of competitiveness and sustainability in the tourism sector.</b>							
Develop, implement and update tourism policies, strategies, programmes and plans.	2. Number of programmes implemented to support compliance with tourist guiding legislation and regulation.	<ul style="list-style-type: none"> <li>• Three awareness programmes implemented.</li> <li>• Strategy to professionalise Tourism Guiding (Report on progress CATHSSETA implementation) implemented.</li> <li>• Quarterly report on the implementation of signed agreements with key stakeholders (RTMC and CATHSSETA) developed.</li> </ul>	One (Development of Annual Tourism Guiding Report on the current status of the tourist guiding sector).	Annual Tourist Guiding report on the current status of tourist guiding sector was finalised.	None	None	N/A

Strategic objective	Performance indicator	Actual achievement 2013 / 2014	Actual performance against target		Deviation from planned target to actual achievement	Comment on deviations	Strategy to overcome under performance
			Planned target 2014 / 2015	Actual achievement 2014/2015			
Promote Responsible Tourism best practice.	3. Report on the implementation of the National Responsible Tourism Strategy	<ul style="list-style-type: none"> <li>Progress report on UA compliance framework in one city destination developed.</li> <li>Report on the state of UA in provincial parks developed.</li> </ul>	Report and implementation Plan for Universal Accessibility (UA) in Provincial Parks.	Report and implementation Plan for Universal Accessibility (UA) in Provincial Parks was developed.	None	None	N/A
<b>Strategic outcome-oriented goal: improved tourism sector knowledge services.</b>							
Monitoring and evaluation of tourism sector performance, strategies, policies and initiatives.	4. Number of tourism monitoring reports developed.	<ul style="list-style-type: none"> <li>2012 State of Tourism Report (STR) finalised.</li> <li>2012/13 NTSS Report finalised.</li> </ul>	Two Reports developed:				
			1. 2013 State of Tourism Report (STR).	2013 State of Tourism Report (STR) was developed.	None	None	N/A
			2. 2013/14 NTSS Implementation Report.	2013/14 NTSS Annual Implementation Report was developed.	None	None	
	5. Number of evaluation reports on tourism projects and initiatives developed.	<ul style="list-style-type: none"> <li>NTCE Evaluation Report finalised.</li> <li>Evaluation report on the impact of local municipal by-laws on tourism.</li> </ul>	Two Evaluation reports:				
			1. Chef Training Programme (CTP).	Report on the evaluation of the Chef Training Programme (CTP) was developed.	None	None	N/A
			2. Report on tourism sustainability post land settlement.	Report on tourism sustainability post land settlement was developed.	None	None	N/A

Strategic objective	Performance indicator	Actual achievement 2013 / 2014	Actual performance against target		Deviation from planned target to actual achievement	Comment on deviations	Strategy to overcome under performance
			Planned target 2014 / 2015	Actual achievement 2014/2015			
Provide research and knowledge management services to inform policy and decision making.	6. Number of information and knowledge system, services and frameworks developed, implemented and maintained.	<ul style="list-style-type: none"> <li>• Online self-assessment tool for Responsible Tourism developed and maintained.</li> <li>• Self-assessment tool for local government developed.</li> <li>• Tourism Local Government Support online portal developed.</li> <li>• (To be housed within the TKP) developed, approved and 'live'. <a href="https://tkp.tourism.gov.za">https://tkp.tourism.gov.za</a></li> <li>• NVIF Implementation Report developed and approved.</li> <li>• KMF Implementation Report developed and approved.</li> <li>• 2 NTIGs maintained:</li> <li>• ORTIA and Beitbridge report developed and approved.</li> </ul>	Two Knowledge Systems developed.				
			1. Visitor information Knowledge Centre Database Tool.	Visitor information Knowledge Centre Database Tool was developed.	None	None	N/A
			2. Tourist Guide Central Database.	Tourist Guide Central Database was developed.	None	None	N/A
			National Visitor Information Framework (NVIF) implementation (Visitor Information Centre national directory and operational guidelines developed).	National Visitor Information Framework (NVIF) implementation (Visitor Information Centre national directory and operational guidelines developed).	None	None	N/A
			Two NTIGs maintained: One land port of entry (Beitbridge) One airport of entry (ORTIA).	One NTIG maintained: One airport of entry (ORTIA) was developed.	One NTIG not maintained: One landport of entry (Beitbridge) was not developed.	The development of the Beitbridge Gateway could not materialise due to the restructuring at the Border post. This, combined with the changes to the management processes for border operations rendered the initiative infeasible.	The infrastructure will be used for the establishment of the Fezile Dabi District Municipality Visitor Information Centre.

Strategic objective	Performance indicator	Actual achievement 2013 / 2014	Actual performance against target		Deviation from planned target to actual achievement	Comment on deviations	Strategy to overcome under performance	
			Planned target 2014 / 2015	Actual achievement 2014/2015				
	7. Number of research studies conducted.	Four research studies conducted in collaboration with universities were initiated.	Six Research studies conducted in collaboration with universities completed. Phase 2: <ul style="list-style-type: none"> <li>• Services Excellence</li> <li>• Cross-border tourist guiding</li> <li>• Events impact evaluation</li> <li>• Tourism competitiveness</li> <li>• Religious tourism</li> </ul> New study: <ul style="list-style-type: none"> <li>• Facilities within municipal parks.</li> </ul>	Five Research reports of studies in collaboration with universities finalised.	One Research study conducted in collaboration with universities was not completed.	One of the universities that signed MoU with the department was unable to finalise the report on time due to capacity constraint.	The university to appoint a service provider to finalise the study and the report is due to the department during 2015/16.	
<b>Strategic outcome-oriented goal: Increased contribution of tourism sector to inclusive economic growth.</b>								
To promote compliance with the Tourism Sector B-BBEE Codes.	8. Number of programmes implemented to promote compliance with the Tourism Sector Specific B-BBEE Scorecard and verification	Quarterly reports on the implementation of the Tourism BBBEE Charter Council Plan of Action developed.	Two Programmes Implemented:					
			1. Amendment of Tourism B-BBEE Codes.	Amendment of Tourism B-BBEE Codes implemented.	None	None	N/A	
			2. Feasibility assessment of creating a database of black owned enterprises in the tourism sector.	Feasibility assessment of creating a database of black owned enterprises in the tourism sector was done.	None	None	N/A	

## Changes to planned targets

None.

## Sub-programme expenditure

Sub- programme name	2014/15			2013/14		
	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
Policy and Knowledge Services Management	4 070	4 024	46	5 794	4 460	1 334
Policy Development and Evaluation	23 490	23 490	-	19 466	17 963	1 503
Research and Knowledge Management	22 124	22 124	-	20 250	20 034	216
South African Tourism	880 009	880 009	-	866 333	866 333	-
<b>Total</b>	<b>929 693</b>	<b>929 647</b>	<b>46</b>	<b>911 843</b>	<b>908 790</b>	<b>3 053</b>

### 4.3 Programme 3: International Tourism

**Purpose:** To provide strategic political and policy direction for the development of South Africa's tourism potential throughout various regions of the world.

**Sub-Programmes:** Americas and Caribbean; Europe; Africa & Middle East; Asia & Australasia

Strategic Objective	Performance Indicator	Actual Achievement 2013/2014	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2014/2015	Actual Achievement 2014/2015			
<b>Strategic outcome-oriented goal: Increased contribution of the tourism sector to inclusive economic growth</b>							
To provide international tourism market (country and/or region) analysis to inform strategic intervention.	1. Number of response plans on markets (country & region) per year.	16 Briefing reports on markets (country and regional) have been developed.	Three response plans for priority areas in markets developed and implemented:				
			1. Potential benefits of sports tourism for South Africa from the Brazil & Argentina hub.	Potential benefits of sports tourism for South Africa from the Brazil & Argentina hub identified.	None	None	N/A
			2. Policy directive for expanded market penetration in North Americas.	Policy directive for expanded market penetration in North Americas communicated.	None	None	N/A
	3. Strategic political interventions for the Nordic region, Russia, Indonesia and the GCC region developed & piloted.	Strategic political interventions for Russia, Indonesia, and GCC region piloted.	Strategic political intervention for the Nordic region not piloted.	Further analysis showed that the focus of the selected platform in the Nordic Region would not meet the strategic intent.	The department will participate in a Nordic region road show 2015/16 financial year. It is included in the APP.		
2. Number of Initiatives facilitated to institutionalise tourism in SA Missions abroad.	126 missions supported on business planning model for institutionalising tourism.	Two Initiatives to support SA Missions abroad undertaken:					
		1. Provision of marketing collateral in foreign languages.	1. Provision of marketing collateral in foreign languages done.	None	None	N/A	



Strategic Objective	Performance Indicator	Actual Achievement 2013/2014	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2014/2015	Actual Achievement 2014/2015			
			2. Capacity Building on the tourism functions as part of Economic Diplomacy training for officials of SA Missions abroad.	2. Capacity Building on the tourism functions as part of Economic Diplomacy training for officials of SA Missions abroad conducted.	None	None	N/A
To reduce barriers to tourism growth to enhance tourism competitiveness.	3. Number of initiatives facilitated to reduce barriers to tourism growth per year.	One: Implementation of the MoU with the DHA done.	One initiative undertaken:		None	None	N/A
			Policy direction on situational reporting for segmented tourism markets.	Policy direction on situational reporting for segmented tourism markets done.			
	4. Number of policy positions or initiatives developed to enhance tourism competitiveness per year.	One: E-visas.	One initiative:		None	None	N/A
Assessment of the potential for tourism in positioning South Africa as an aviation hub for the Southern Corridor to enhance tourism competitiveness one conducted.			Assessment of the potential for tourism in positioning South Africa as an aviation hub for the Southern Corridor to enhance tourism competitiveness one conducted.				

Strategic Objective	Performance Indicator	Actual Achievement 2013/2014	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2014/2015	Actual Achievement 2014/2015			
<b>Strategic outcome-oriented goal: strengthen regional, Africa and international collaboration and partnership.</b>							
Strategic Objective: To utilise bilateral and multilateral engagements to advance the tourism national, regional, Africa and global agenda.	5. Number of strategic national priorities facilitated to implement International Agreements per year.	One Annual Report on international agreements and strategic national priorities facilitated developed.	Two National Priorities facilitated.		None	None	N/A
			1. Regional Integration:	1. Regional Integration:			
			<ul style="list-style-type: none"> <li>Capacity Building Workshop on grading and statistics targeted at African countries that South Africa signed Agreement with.</li> <li>Review of the implementation of the Indaba expansion policy.</li> </ul>	<ul style="list-style-type: none"> <li>Capacity Building Workshop on grading and statistics targeted at African countries that South Africa signed Agreement with conducted.</li> <li>Review of the implementation of the Indaba expansion policy finalised.</li> </ul>			
			2. Training: Policy framework for international placement for skills development.	2. Training: Policy framework for international placement for skills development developed.			
6. Number of national priorities driven through strategic engagements in multilateral fora.	Participation in eight multilateral fora supported.	Implementation of one national priority:	1. Regional integration: Development of South Africa's policy position on tourism within SADC & AU.	1. Regional integration: Development of South Africa's policy position on tourism within SADC & AU done.	None	None	N/A

## Changes to planned targets

None.

## Sub-programme expenditure

Sub- programme name	2014/15			2013/14		
	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
International Tourism Management	3 582	3 582	-	4 094	4 020	74
Americas and Caribbean	11 622	11 562	60	9 953	9 046	907
Europe	6 901	6 901	-	7 951	7 950	1
Africa and Middle East	15 495	15 495	-	11 736	10 063	1 673
Asia and Australasia	7 569	7 554	15	7 279	6 807	472
<b>Total</b>	<b>45 169</b>	<b>45 094</b>	<b>75</b>	<b>41 013</b>	<b>37 886</b>	<b>3 127</b>

## 4.4 Programme 4: Domestic Tourism

**Purpose:** To provide political, policy and strategic direction for the development and growth of sustainable domestic tourism throughout South Africa.

**Sub-Programmes:** Domestic Tourism Management: Southern Region; Domestic Tourism Management: Northern Region; Social Responsibility Implementation.

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2014/2015	Actual Achievement 2014/2015			
<b>Strategic outcome-oriented goal: Increase contribution of the tourism sector to inclusive economic growth.</b>							
To implement tourism growth and development strategies in order to increase tourism's contribution to inclusive economic growth.	1. Number of national tourism programmes activated from the approved Domestic Tourism Growth Strategy's action plan (4 National Programmes).		Four programmes:				
		National Tourism Career Expo (NTCE) 2013/14 hosted.	1. National Tourism Career Expo (NTCE) hosted.	National Tourism Career Expo (NTCE) hosted.	None	None	N/A
		N/A	2. Nine (9) educators' seminars held.	Nine educators' seminars held.	None	None	N/A
		Tourism Month events calendar done.	3. Annual Tourism Month hosted.	Annual Tourism Month hosted.	None	None	N/A
	Service Excellence Strategy implemented.	4. Implement prioritised programmes for Pillars 2,3 and 4 of the National Tourism Service Excellence Strategy:	Prioritised programmes for Pillars 2, 3 and 4 of the National Tourism Service Excellence Strategy implemented:	None	None	N/A	
		4.1 Up-skilling Service Delivery. 4.2 Public Awareness. 4.3 Service Standards and Norms.	4.1 Up-skilling Service Delivery. 4.2 Public Awareness. 4.3 Service Standards and Norms.				

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2014/2015	Actual Achievement 2014/2015			
<b>Strategic outcome-oriented goal: Increase contribution of the tourism sector to inclusive economic growth.</b>							
To coordinate and facilitate the development and implementation of integrated Support Packages to enhance destination competitiveness.	2. Number of projects implemented from the approved tourism development strategies action plan for the development of integrated support packages (e.g. access, amenities, attractions, accommodation).	Two integrated support packages developed. <ul style="list-style-type: none"> <li>• Eight needs assessment of the World Heritage Sites done.</li> <li>• World Heritage Sites Pavilion at Indaba.</li> </ul>	Two Projects implemented:				
			1. Capacity Building Workshop hosted.	Capacity Building Workshop hosted.	None	None	N/A
			2. Implementation of tourism interpretation signage in 04 WHS. <ul style="list-style-type: none"> <li>• Mapungubwe</li> <li>• Richeterveld</li> <li>• uKhahlamba Drakensberg</li> <li>• Cape Floral (Baavianskloof) WHS.</li> </ul>	<ul style="list-style-type: none"> <li>• The department did not physically implement the tourism signage, instead it transferred funds to the four management authorities and one NGO to implement.</li> <li>• Treasury agreed to the department's request to transfer the funds to the four management authorities and one NGO. The implementation will continue into the new financial year.</li> </ul>	The target was not correctly formulated as a result the department could not implement tourism signage directly in the WHS, hence the transfer of funds to the management authorities and the NGO.	In the 2015/16 financial year the target has been reformulated to transfer funds to the management authorities to implement tourism signage.	N/A

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2014/2015	Actual Achievement 2014/2015			
<b>Strategic outcome-oriented goal: Increase contribution of the tourism sector to inclusive economic growth.</b>							
To provide support to tourism businesses through funding and capacity building in order to grow tourism's contribution to Gross Domestic Product (GDP).	3. Incentive programme implemented to support enterprises to grow.	Concept incentive programme and draft programme guidelines developed.	Tourism Incentive Programme (TIP) Implemented <sup>2</sup> .	TIP was partially implemented: <ul style="list-style-type: none"> <li>The system was designed and developed.</li> <li>The programme was launched.</li> </ul>	<ul style="list-style-type: none"> <li>Call for applications.</li> <li>The receipt of applications.</li> <li>Adjudication and awarding of incentives.</li> </ul>	The delays in the implementation of the TIP were due to capacity constraints.	TIP was redesigned and capacity was created under Programme 2.  The implementation of TIP commenced with the launch in March 2015.
	4. Number of rural enterprises supported per year.	891	489	*466	23	Rural enterprises experienced financial constraints in relation to attending TEP interventions at centralised locations. This has impacted on achieving the planned target.	The department is undertaking a comprehensive study to determine how best to support SMMEs over the long-term.
	5. Number of enterprises supported to grow through mentorship.	119	34	*35	1	One additional enterprise was accommodated in the programme.	N/A

<sup>2</sup> The management of Tourism Incentive Programme function was transferred from Programme 4 to Programme 2 at mid-year.

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2014/2015	Actual Achievement 2014/2015			
<b>Strategic outcome-oriented goal: Increase contribution of the tourism sector to inclusive economic growth.</b>							
	6. Number of businesses supported with market access.	977	450	*282	168	The market access programme was more costly than anticipated, due to high exchange rate for international platforms. As a result TEP has focused more funding where sustainability and quality could best be achieved.	The department is undertaking a comprehensive study to determine how best to support SMMEs over the long-term. The department is focusing on supporting 100 rural enterprises during 2015/16 financial year.
	7. Number of Historically Disadvantaged Enterprises (HDE) supported per year.	3 569	1 263	*1 363	100	The demand exceeded the planned target for support to HDEs which TEP could accommodate within allocated resources.	N/A
	8. Number of enterprises trained (industry workshops, customer service, toolkits and business skills).	2 757	975	*1 203	228	The demand exceeded the planned target for support to enterprises to be trained which TEP could accommodate within allocated resources.	N/A

Strategic Objective	Performance Indicator	Actual Achievement 2012/2013	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2014/2015	Actual Achievement 2014/2015			
<b>Strategic outcome-oriented goal: Increase contribution of the tourism sector to inclusive economic growth.</b>							
	9. Number of full-time equivalent (FTE) jobs supported through Tourism Enterprise Partnership per year.	4 040	2 475	*2 701	226	The interventions provided by TEP encouraged enterprises to create more full-time equivalent (FTE) jobs.	N/A
Create employment opportunities by implementing tourism projects targeted at the unemployed through the Expanded Public Works Programme (EPWP).	10. Number of Full Time Equivalent (FTE) jobs created through the social responsibility Implementation programme (EPWP) per year.	2 797	4 369	3 037	1 332	Procurement challenges and delays in appointing service providers for the high labour intensity and training projects.	Appointment of Service providers will be done well in advance during the planning phase.

\*TEP figures are based on the audited report of the Independent Auditor (Herman Leach Chartered Accountants (SA)) to the Board of Directors of the Strategic Partners in Tourism (Operating as Tourism Enterprise Partnership).



## Changes to planned targets

During mid-year, the management of the TIP function was transferred from programme 4 to programme 2. By the end of March 2015, the following had been achieved:

- Stakeholder engagement plan.
- Concept document developed.
- Draft operational plan developed.
- Draft guidelines for international trade exhibitor and trade mission assistance programmes developed.
- Draft application forms developed.
- TIP launched.
- Draft monitoring and evaluation framework for market access support programme developed.
- Guidelines for the tourism-grading support programme developed.
- Terms of reference for the TIP adjudication committee developed.

The TIP milestones related to the call for applications the receipt of applications and the adjudication and awarding of incentives were not achieved.

## Sub-programme expenditure

Sub- programme name	2014/15			2013/14		
	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
Domestic Tourism Management	8 300	8 300	-	9 473	9 428	45
Domestic Tourism Management: Southern Region	14 976	14 976	-	13 001	12 541	460
Domestic Tourism Management: Northern Region	16 556	16 513	43	16 234	15 973	261
Social Responsibility Implementation	318 605	298 281	20 324	291 364	291 049	315
Strategic Partners in Tourism	25 000	25 000	-	25 000	25 000	-
<b>Total</b>	<b>383 437</b>	<b>363 070</b>	<b>20 367</b>	<b>355 072</b>	<b>353 991</b>	<b>1 081</b>

## 5. TRANSFER PAYMENTS

### 5.1 Transfer payment to public entity: South African Tourism

In terms of the Tourism Act (2014), South African Tourism (SA Tourism) is mandated to market South Africa internationally and domestically as a preferred tourism destination and to ensure that tourist facilities and services aim to be of the highest standard. The organisation is also required to monitor and evaluate the performance of the tourism sector.

The main goal of SA Tourism is to ensure that the tourism sector makes an increasing contribution to economic growth. Other goals include increasing the annual volume of international tourists visiting the country, growing the trended revenue contribution from tourists to the economy through their spending while visiting, growing international brand awareness of South Africa as a travel and business destination, and increasing the number of graded accommodation establishments.

Services rendered by the public entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity (R'000)	Achievements of the public entity
Market South Africa internationally and domestically.	880 009	880 009	<ul style="list-style-type: none"> <li>• Number of foreign visitor arrivals coming to South Africa: 15 403 266.</li> <li>• Number of buyers hosted at Meetings Africa and Indaba: 451.</li> <li>• Number of domestic travellers: 12,0 million.</li> <li>• Number of total domestic trips: 28,0 million.</li> <li>• Number of trips during which holiday will be the primary objective: 2,776 million.</li> <li>• Number of reports which include data on seasonality: 1.</li> <li>• Amount of tourism trended revenue contribution to the economy: R119,18 billion.</li> <li>• Average SA brand awareness percentage: 80%.</li> <li>• Number of graded accommodation establishment members: 5 369.</li> <li>• Number of international business events delegates in South Africa: 69 955.</li> <li>• Number of bids supported: 52.</li> </ul>

### 5.2 Transfer payments to all organisations other than public entity

Transfer payments were made to departmental agencies (excluding the public entity, SA Tourism), higher-education institutions, foreign governments, non-profit institutions and households.

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

The table below reflects the transfer payments made for the period 1 April 2014 to 31 March 2015:

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 (R'000)	Reasons for unspent funds
<b>Foreign governments and international organisations</b>						
United Nations World Tourism Organization (UNWTO)	Foreign governments and international organisations	Membership fee	Not applicable	2 286	2 286	Not applicable
Regional Tourism Organisation of Southern Africa (RETOSA)	Foreign governments and international organisations	Membership fee	Not applicable	6 266	6 266	Not applicable
<b>Higher-education institutions</b>						
University of Pretoria	Higher-education institutions	National Tourism Research Framework	Yes	1 240	1 240	Not applicable
University of Venda	Higher-education institutions	National Tourism Research Framework	Yes	620	620	Not applicable
University of Zululand	Higher-education institutions	National Tourism Research Framework	Yes	620	620	Not applicable
University of Johannesburg	Higher-education institutions	National Tourism Research Framework	Yes	620	620	Not applicable
Cape Peninsula University of Technology	Higher-education institutions	National Tourism Research Framework	Yes	620	620	Not applicable
<b>Households</b>						
EPWP	Households	Development of tourism infrastructure projects	Yes	93 909	93 909	Not applicable
EPWP incentive	Households	Development of tourism infrastructure projects	Yes	47 450	47 450	Not applicable
TIP	Households		Yes	15 361	15 361	Not applicable
Leave gratuity	Households	Employee social benefits	Yes	2 031	2 031	Not applicable

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 (R'000)	Reasons for unspent funds
<b>Non-business entities</b>						
Eastern Cape Parks and Tourism Agency	Non-business entities	NTCE	Yes	3 630	3 630	Not applicable
Tourism Accelerated Apprenticeship Programme	Non-business entities	Empowerment of tourism graduates	Yes	2 000	2 000	Not applicable
Culture, Art, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	Non-business entities	Training contribution	Yes	230	0	Amount transferred end of March 2015
Public Service Sector Education and Training Authority (PSETA)	Non-business entities	Training contribution	Yes	388	0	Amount transferred end of March 2015
<b>Non-profit institutions</b>						
Strategic Partners in Tourism	Non-profit institutions	TEP SMME development	Yes	25 000	25 000	Not applicable
Tourism interpretive signage	Non-profit institutions	Tourism signage for world heritage sites	Yes	1 250	1 250	Not applicable
Federated Hospitality Association of South Africa (Fedhasa)	Non-profit institutions	Contribution to operations of Fedhasa	Yes	200	200	Not applicable

## 6. DONOR FUNDS

### 6.1 Donor funds received

The table below discloses details of donor funds received during the period 1 April 2014 to 31 March 2015:

Name of donor	European Union
Full amount of the funding (R'000)	R120 000
Period of commitment	Three years.
Purpose of the funding	Construction of an interpretive centre featuring dinosaur relics found in the Golden Gate Highlands National Park. The centre will also be a tourist destination.
Expected outputs	Golden Gate Highlands National Park interpretive centre.
Actual outputs achieved	Phase I: Preparation of the business plan; concept design development.
Amount received (R'000)	R9 600
Amount spent by the Department (R'000)	R4 800
Reasons for unspent funds	In terms of the agreement, the second payment of R4,8 million will be transferred only after submission of the business plan.
Monitoring mechanism by the donor	Reporting structure via National Treasury.



# PART C

## GOVERNANCE

*Chief Director for Corporate Affairs, Albert Mafanele during the launch of the tourism service charter.*

## 1. INTRODUCTION

Effective corporate governance remains an integral part of the Department's strategic and operational activities. The Department is committed to the highest standards and principles of good corporate governance, as supported by the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA), as amended. It is also committed to the Batho Pele principles and is guided by its own risk management framework and the King Code on Corporate Governance (King III). To this end, the Department regularly reviews its internal control framework to ensure that it maintains adequate systems of internal control and risk management.

## 2. RISK MANAGEMENT

The Department recognises that risk management is a valuable management tool, which increases its prospects of success through minimising any negative impact and optimising all opportunities emanating from its operating environment. It understands that risk management is ideally intended to ensure that potential challenges are managed effectively. Risk management processes add value to the Department's operations through the systematic identification, assessment, prioritisation and evaluation of key risks. The risk management strategy, therefore, remains in synergy with the Department's goals and objectives.

The Department's risk management processes are aimed at:

- a) ensuring sustainable and efficient service delivery;
- b) assisting management in making informed decisions underpinned by appropriate tactical, project, fraud, strategic, operational and strategic risk assessment;
- c) avoiding fruitless and wasteful expenditure;
- d) instituting preventative measures to avoid fraud and corruption;
- e) advancing economical, efficient and effective utilisation of resources; and
- f) improving programme and project management.

The Department has laid the foundations by ensuring the establishment of the Risk Management Committee (RMC) and the development of the departmental risk management framework,

strategies and plans (risk and fraud). In the period under review, the RMC discharged its governance responsibilities relating to risk management as mandated by the PFMA, the Public Sector Risk Management Framework and the Treasury regulations.

The key responsibilities of the RMC are to:

- a) review and recommend the Department's risk management framework to the DG for approval;
- b) evaluate the extent and effectiveness of integration of risk management in the Department;
- c) assess the implementation of the risk management policy and strategy (including the risk management implementation plan);
- d) evaluate the effectiveness of the risk mitigation strategies, and recommend improvement;
- e) review the material findings recommended by assurance providers on the system of risk management, and monitor the implementation of such recommendations;
- f) interact with the Audit Committee to share information on material risks; and
- g) provide timely risk management reports to the DG.

During the reporting period, the RMC held four ordinary meetings, the details of which are indicated in the table below:

Name	Designation	4 April 2014	3 July 2014	18 November 2014	23 March 2015
1. Ms Thabile Nyaba	External chairperson	P	P	P	P
2. Mr Dirk van Schalkwyk	Member	P	P	A	P
3. Mr Victor Tharage	Member	A	P	*	*
4. Ms Aneme Malan	Member	P	A	P	P
5. Ms Morongoe Ramphela	Member	A	A	P	P
6. Mr Ralph Ackermann	Member	P	P	P	A
7. Mr Albert Mafanele	Member	P	A	A	P
8. Ms Mmaditlonki Setwaba	Member	P	P	P	P

Name	Designation	4 April 2014	3 July 2014	18 November 2014	23 March 2015
9. Ms Lerato Matlakala	Member	P	P	P	P
10. Ms Thoko Sibiya	Member - observer	P	P	P	A
11. Mr Trevor Bloem	Member	P	A	P	P
12. Ms Nomzamo Bhengu	Chief Risk Officer/ Secretariat	P	A	A	P
13. Mr Zipho Mguli	Secretariat	P	P	P	P

P	Present
A	Apology

*\* Since his appointment as the Acting Director-General, Mr. Victor Tharage was not required to attend the RMC meetings, as the RMC is accountable to the Director-General. He has since nominated an official to represent his branch.*

### 3. FRAUD AND CORRUPTION

The Department has committed itself to actively combat fraud and all other acts of dishonesty on a zero-tolerance basis.

The foundations have been laid to ensure the establishment of a fraud prevention structure through the development of anti-fraud and corruption policies, strategies and plans. These policies and strategies are designed to align the Department's anti-fraud structure with the PFMA.

In line with the implementation of its Fraud and Corruption Prevention Strategy and Whistle-Blowing Policy and Plan, the Department has published the fraud and corruption reporting hotline number on its website. Furthermore, it has disseminated information to staff on fraud

prevention, detection and reporting of fraud and corruption, as well as on the Department's Whistle-Blowing Policy.

The Department has conducted a fraud risk assessment to identify and assess potential fraud risks and the response strategies to mitigate such risks. The fraud risk assessment was mainly focused on high-risk areas such as supply chain, departmental projects, IT, human resources management (payroll) and travel services management.

Cases reported via the national anti-corruption hotline are referred to the office of the DG, who appoints an investigative officer to facilitate the investigation of alleged fraud or corruption. Where fraud or corruption is detected or suspected, disciplinary proceedings, prosecution or action aimed at the recovery of losses are initiated.

### 4. MINIMISING CONFLICTS OF INTEREST

The Department has instituted measures to address conflicts of interest. Senior management service (SMS) members are required to disclose their financial interests on an annual basis. In this regard, 100% compliance was reported during the period under review. To enhance the system of managing conflicts of interest, a database was developed to help analyse the information in order to identify any conflict of interest.

To further enhance the system, a communication was sent out regarding the performance of remunerated work outside the public service. Subsequent to this, the appointment letters of any newly appointed, transferred or promoted staff were revised to include a paragraph addressing this issue. A draft policy on the performance of remunerated work outside the public service is also being finalised.

In terms of the management of tenders, the relevant committee members are required to read, complete and sign declarations of interest. Confidentiality and impartiality are also required of them prior to commencement of any bidding meeting. By signing the forms, members agree to act in good faith during bidding meetings. The process is aimed at minimising conflicts of



interest in supply chain management. If a member of the tender committee manages the line function relating to a specific tender, that member will not participate in the departmental adjudication committee.

Furthermore, supply chain management officials are required to sign Practice Note No SCM 4 of 2003, "Code of Conduct for Supply Chain Management Practitioners", on or before the start of each financial year. For the period under review, no reports of conflicts of interest were received.

## 5. CODE OF CONDUCT

The Department's code of conduct sets the minimum standards with which employees are expected to comply. It assists in promoting appropriate conduct in the process of service delivery to the communities. The service charter further contributes to committing the Department to high service standards. Any alleged breach of the code of conduct is regarded as misconduct, in which case the Department will investigate and institute disciplinary action against any implicated official. Based on the outcome of the investigation, appropriate sanctions are imposed in terms of the Disciplinary Code and Procedure for Public Service (Resolution 1 of 2003).

## 6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Department's internal Occupational Health and Safety Policy is aimed at safeguarding the interests of employees, all visitors and clients. This is done through the provision and maintenance, as far as reasonably practical, of a working environment that is safe and without risks. In order to ensure such an environment, the Department provides and maintains safe offices and equipment that pose no risk to the health of employees, visitors and clients.

The Department has appointed health and safety representatives, fire marshals and first-aiders who have completed their training in basic first aid and fire-fighting. These representatives assist in conducting inspections in the workplace to minimise hazards that may affect and expose employees, visitors and clients to health risks. Further training will be conducted for additional

members, who have been appointed to the emergency team to ensure that there is enough personnel to attend to emergencies.

Appointed in 2014/15, the Health and Safety Committee will review existing health and safety measures, provide advice and make recommendations to management on any health and safety matter that requires management's attention.

Additional fire equipment was installed in the Department to ensure proper fire detection. Maintenance plans also ensure the proper servicing of all mechanical and electrical equipment.

Disposal of waste is monitored and conducted appropriately. Dedicated waste disposal spaces for various types of waste have been provided. Paper waste is disposed of separately to prevent fire. Information sessions and dry-runs have been performed to educate employees on the emergency exit routes and to test their knowledge on the evacuation procedures to be followed in case of emergency.

An evacuation drill was conducted in the course of the financial year. Further evacuation drills will be conducted every six months to ensure the safety of all employees, visitors and clients.

The measures that are in place have equipped employees with knowledge of health, safety and environmental issues. As a result, employees are able to assist in identifying potential hazards and promptly reporting them to the building management team for immediate attention. This reduces the risks of any dangers occurring in and around the working environment.

## 7. PORTFOLIO COMMITTEE ON TOURISM AND SELECT COMMITTEE ON TRADE AND INTERNATIONAL RELATIONS

The Portfolio Committee on Tourism (in the National Assembly) and the Select Committee on Trade and International Relations (in the National Council of Provinces, or NCOP) were 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 oversight role, and also to provide assurance that government is able to provide services to all citizens.

## Composition of committees

PORTFOLIO COMMITTEE ON TOURISM – NATIONAL ASSEMBLY	
African National Congress (ANC)	Ms BT Ngcobo (Chairperson)
	Ms LS Makhubela-Mashele (Whip)
	Mr SD Bekwa
	Ms PE Adams
	Ms ST Xego-Sovita
	Ms EK Masehela
Democratic Alliance (DA)	Mr J Vos
	Mr GR Krumbock
	Mr AG Whitfield
Inkatha Freedom Party (IFP)	Mr JA Esterhuizen
Economic Freedom Fighters (EFF)	Mr NP Khoza

ALTERNATES		
Party	Member	Province
ANC	Ms GM Manopole	Northern Cape
	Mr JP Parkies	Free State
DA	Mr F Essack	Mpumalanga
	Mr EJ von Brandis	Western Cape
EFF	Mr MA Matebus	Northern Cape
United Democratic Movement (UDM)	Mr LB Gaehler	Eastern Cape

SELECT COMMITTEE ON TRADE AND INTERNATIONAL RELATIONS (NATIONAL COUNCIL OF PROVINCES)		
Party	Name	Province
African National Congress (ANC)	Mr ER Makue (Chairperson)	Gauteng
	Mr SG Mthimunya (Whip)	Mpumalanga
	Ms MC Dikgale	Limpopo
	Mr BG Nthebe	North West
	Mr L Suka	Eastern Cape
Democratic Alliance (DA)	Mr WF Faber	Northern Cape
	Mr JJ Londt	Western Cape
	Ms EC Van Lingen	Eastern Cape
Economic Freedom Fighters (EFF)	Mr LG Mokoena	Free State
	Dr YC Vawda	Mpumalanga

**Committee meeting dates, matters raised by the portfolio and Select Committee on Trade and International Relations, on how these were addressed by the Department**

### PORTFOLIO COMMITTEE ON TOURISM (NATIONAL ASSEMBLY)

#### Briefing by the Department on the Strategic Plan and Annual Performance Plan 2014/15 on 4 July 2014

The committee provided comments to the Department on its five year plan and 2014/15 Annual Performance Plan. The matters highlighted included the focus on job creation, addressing obstacles to tourism growth in South Africa, with specific reference to immigration regulations, prioritisation of domestic tourism, sector transformation, inter-governmental coordination and capacity of local government to develop tourism.

In 2014/15, the Department implemented the following programmes to address the portfolio committee's comments:

- Implementation of the National Tourism Sector Strategy (NTSS) towards job creation in the tourism sector;

- Implementation of the Department's Social Responsibility Implementation Programme, which creates full-time equivalent jobs aimed at the unemployed youth, women and people living with disabilities;
- Engaged directly with the Department of Home Affairs and through the economic cluster system of FOSAD on the matter of new immigration regulations;
- Funded the Domestic Tourism Marketing Strategy implemented by SA Tourism and implemented the Domestic Tourism Growth Strategy;
- Amended the tourism B-BBEE codes to promote sector transformation;
- Continued to coordinate matters of tourism development bilaterally with departments whose mandates affect tourism, and through the MINMEC and FOSAD systems; and
- Programme for capacity building for tourism practitioners and policy-makers at local government level, held the tourism local government conference.

#### **Briefing by the Department on the National Tourism Sector Strategy (NTSS) on 22 August 2014**

The committee raised matters relating to tourism statistics, domestic air transport, capacity of local municipalities to develop tourism, disaster management response, the TOMSA levy, tourism infrastructure development in relation to the Presidential Tourism Coordinating Committee (PICC), monitoring of the NTSS, intergovernmental coordination and sector transformation.

The Department implemented the following to address the matters raised by the committee:

- Engaged with Statistics South Africa to address matters relating to tourism statistics;
- Engaged with the departments of Public Enterprises and Transport to address issues of domestic air transport;
- Implemented the programme for capacity building for tourism practitioners and policy-makers at local government level, and held the tourism local government conference;
- Collaborated with provinces to submit to the PICC tourism infrastructure projects to be supported;
- Through the National Tourism Sector Forum, the Department monitors and reports on the implementation of the NTSS;
- Amended the tourism B-BBEE codes to promote sector transformation; and

- Continued to coordinate matters of tourism development bilaterally with departments whose mandates affect on tourism, and through the MINMEC and FOSAD systems.

#### **Briefing by the Department on the Tourism Incentive Programme (TIP) on 5 September 2014 and 13 March 2015**

The committee sought details on the plans for the implementation of the TIP, how it would be distinguished from the Tourism Support Programme (TSP) previously housed in **the dti**, and how it would support sector transformation.

The Department has designed the systems for the TIP. In the qualifying criteria for awarding the incentive, the Department has addressed the issue of promoting transformation. The nature of the TIP distinguishes it from the TSP in the qualifying criteria and in the areas of investment selected.

#### **Briefing by the Department on the National Heritage and Cultural Tourism Strategy and the Rural Tourism Strategy on 19 September 2014**

The committee raised matters relating to marketing of heritage, training of local tourist guides and preservation of national assets.

The Department has prioritised support to South Africa's World Heritage Sites. It has also developed plans to support the professionalisation of the tourist guiding subsector. A video on Cultural and Heritage Tourism was provided to the committee.

#### **Briefing by the Department on the Annual Report 2013/14 on 24 October 2014**

The committee raised matters relating to impact assessment of departmental programmes and classification of the Expanded Public Works Programme (EPWP) transfers.

The Department has a programme that conducts impact assessments of selected projects in the Department. It is also addressing the matter of classification of the EPWP transfers with National Treasury.

### **Briefing by the Department on the binnual report for 2014/15 during the oversight visit on 25 November 2014**

The committee raised a matter relating to the explanation of deviations from performance targets. They also requested more details to support their preparation for the Budgetary Review and Recommendations Report.

The Department provided an explanation of any deviation in terms of performance targets.

### **Short presentation on a scan of the tourism environment during the oversight visit on 25 November 2014**

The committee welcomed the presentation on the tourism environment scan.

### **Briefing on the Department's focus areas for the next five years during the continued oversight visit on 4 February 2015**

The committee raised matters relating to delays in the release of tourism statistics, the revamping of the Tourism Indaba, the impact of immigration regulations, promotion of responsible tourism and funding of the Tourism Enterprise Programme.

The Department has done the following to address these matters:

- Engaged with Statistics South Africa on the release of tourism statistics. These have since been released;
- The Minister has appointed a panel to review the Tourism Indaba;
- Engaged directly with the Department of Home Affairs and through the economic cluster system of FOSAD on the matter of new immigration regulations;
- The Department promotes the implementation of responsible tourism standards; and
- The TEP will be funded in the 2015/16 financial year.

### **Briefing by the Department on the five-year Strategic Plan 2015/16-2019/20 and APP 2015/16 on 27 March 2015**

The committee sought more detail on the planned projects for the next five years. The Department presented in detail the five-year plan, with a focus on the year of the Annual Performance Plan.

### **SELECT COMMITTEE ON TRADE AND INTERNATIONAL RELATIONS (NATIONAL COUNCIL OF PROVINCES)**

### **Briefing by the Department on the Strategic Plan and APP of 2014/15 on 16 July 2014**

The committee raised matters relating to advocacy to promote access to information on tourism programmes, promotion of rural tourism, sustainability of World Heritage Sites, tourism statistics, the tourism budget structure for provinces, details on SRI projects, tourism signage and the appointment of a Tourism Complaints Officer.

The Department has implemented the following in response:

- Expanded its use of various media platforms to communicate its programme, including through community radio stations, social media and the departmental website;
- Prioritised support to South Africa's World Heritage Sites as tourism attractions;
- Engaged with Statistics South Africa to address matters relating to tourism statistics;
- Developed the tourism budget structure in collaboration with National Treasury, provincial treasuries and the provincial departments responsible for the tourism portfolio;
- Submitted to the committee the details of SRI projects;
- Prioritised the implementation of tourism interpretive signage at South Africa's World Heritage Sites; and
- The Minister appointed the Tourism Complaints Officer in terms of the Tourism Act, 2014.

### **Briefing on the Rural and Heritage Strategy and a short briefing on the NTSS on 15 October 2014**

The committee emphasised the importance of domestic tourism. The Department has implemented the Domestic Tourism Growth Strategy and has funded the Domestic Tourism Marketing Strategy implemented by SA Tourism.

### **Oversight visit to Mapungubwe World Heritage Site on 23 October 2014**

The committee recommended improvements in signage and accommodation for school children visiting the site. The Department is implementing improvements in signage at the site through a partnership with the management authority.

## **Briefing by the Department on the Annual Report 2013/14 on 5 November 2014**

The committee raised matters relating to the Local Government Conference, the tourism toolkit for local government, the department's research on support to beneficiaries following land settlement.

The Department held the Local Government Conference on 30-31 March 2015. The tourism toolkit for local government was provided to the committee. The Department is finalising the report on support to beneficiaries following land settlement.

### **8. SCOPA RESOLUTIONS**

The Department has no Standing Committee on Public Accounts (SCOPA) resolutions on which to report.

### **9. PRIOR MODIFICATIONS TO AUDIT REPORTS**

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

### **10. INTERNAL CONTROL UNIT**

The Department of Tourism does not have an internal control unit due to various reasons, including limited budget allocation for the compensation of employees, and the size of the Department. However, the Directorate: Financial Management and the Directorate: Supply Chain Management fulfil the function of an internal control unit, as submission, forms, route forms and delegations are compiled in such a manner so as to ensure compliance.

### **11. INTERNAL AUDIT AND AUDIT COMMITTEES**

The Internal Audit Unit provides assurance and consulting services.

The Internal Audit Unit conducts its affairs in terms of an approved Internal Audit charter.

It follows a risk based audit approach, whereby the Department's Risk Strategy and Internal Audit Unit's assessment of risks drive the internal audit approach and approved Internal Audit Plan. The Internal Audit Unit Plan was formally adopted and approved by the Audit Committee.

Below are some of the audits performed by Internal Audit during the 2014/15 financial year:

- Predetermine objectives.
- Annual Report 2013/14.
- Travel expenditure - refunds.
- Employee Wellness Programme.
- Assets management.
- Performance audit - integrated planning within the three spheres of government.
- Social Responsibility Implementation Programme.
- National Tourism Sector Strategy.
- Stakeholder management.
- ICT governance.
- IT general controls.
- Performance audit – Internal Tourism Management.
- Follow-up audit on Auditor-General 2013/14 report.
- Second draft of the Department's Strategic Plan.

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 ensuring 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; and
- (vi) monitoring compliance with laws, regulations and codes of conduct.

## Audit Committee members and attendance

The Audit Committee consist of the members listed below and meets at least four times per annum as per its approved terms of reference. During the year under review, four meetings were held.

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

Name	Qualifications	Internal or external	Date appointed	Date resigned	No of meetings attended
Prof H de Jager	DCom CA (SA); RGA	External	1 August 2012		4
Mr JR Rapoo	BComm (Law); Hons.BCompt	External	1 August 2012		4
Mr R Rajcoomar	Hons.BComm in Business Management; Master of Business Administration	External	1 August 2012		3
Ms KT Rapoo	Advanced Project Management; EDP Gibbs	External	1 August 2012		4

## 12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2015.

### 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.

In addition, the Audit Committee 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 it has 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 has 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 an issue-tracking report and the follow-up review reports submitted to the committee on a regular basis.

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

- Predetermine objectives.
- Annual Report 2013/14.
- Travel expenditure - refunds.
- Employee Wellness Programme.
- Assets management.
- Performance audit - integrated planning within the three spheres of government.
- Social Responsibility Implementation Programme.
- National Tourism Sector Strategy.
- Stakeholder management.
- ICT governance.
- IT general controls.

- Performance audit - International Tourism Management.
- Follow-up audit on Auditor-General 2013/14 report.
- Second draft of the Department's Strategic Plan.

### **In-year management and monthly/quarterly report**

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Department during the year under review.

### **Evaluation of Financial Statements**

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report with the AGSA and management.
- Reviewed the AGSA management report and management's response thereto.
- Reviewed the department's compliance with legal and regulatory provisions based on the findings of the AGSA and internal audit.
- Noted that there were certain adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's conclusion 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.

The Audit Committee would like to impress upon management to give more attention to monitor the controls, to ensure that appropriate corrective action is taken to prevent a reoccurrence in the future.

The Committee believes that the adoption of the going concern concept assertion in the preparation of the Annual Financial Statements is appropriate.

Management is commended that the Audit Report is unqualified and for their attitude to take corrective actions.

### **Internal Audit**

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

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

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

### **Risk strategy**

The Department has a risk management strategy in place and actively monitors and takes appropriate action against the risks identified per the risk register.

### **Auditor General's report**

The Audit Committee has met with the Auditor-General South Africa to ensure that there are no unresolved issues as at 29 July 2015.



### **Prof H de Jager**

Chairperson of the Audit Committee

Department of Tourism

Date: 29 July 2015



# PART D

## HUMAN RESOURCE MANAGEMENT

*Minister Derek Hanekom presents a long service award to Ms Glenda Esemang.*



## 1. INTRODUCTION

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

## 2. OVERVIEW OF HUMAN RESOURCES

### The status of human resources in the Department

Human resources are among the most strategic resources that are managed with great care and diligence within the Department.

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

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

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

- a. To recruit a suitably qualified, capable and skilled workforce.
- b. To promote employment equity.
- c. To have skilled, motivated, capacitated and empowered employees who are equipped to deliver on the mandate of the Department.
- d. To develop high-quality leaders and managers who exemplify the core values of the Public Service and the Department, and are committed to service delivery.
- e. To promote effective performance management systems.

- f. To effectively manage employee health and wellness in the workplace.
- g. To coordinate special transformation programmes.
- h. To promote sound labour relations between employer and employees.

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

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

Workforce planning is guided by the Department's strategy. The legal framework in this regard consists of the Employment Equity Act, Public Service Act and Public Service Regulations. During the year under review, the implementation of the Human Resources Strategy 2014-2017 continued in order to guide the process of attracting, recruiting and developing a skilled and capable workforce. This has been achieved and is exemplified by the quality and number of employees that have been attracted to the organisation.

In view of the large number of generic posts in the International Tourism Management and Domestic Tourism Management branches, a generic recruitment approach was developed for implementation on 1 April 2014.

### Employee performance management

The Department annually commits to 100% implementation of the performance management development system (PMDS), as guided by the departmental PMDS Policy and relevant chapter of the Senior Management Service (SMS) Handbook. Workshops are conducted to provide knowledge and understanding on the development of performance agreement and work plans as well as on how to assess performance.

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

### **Employee wellness programmes**

During the period under review, the Employee Health and Wellness (EHW) Unit managed to coordinate programmes that were in line with the EHW Public Service Strategic Framework (2008), which is composed of four strategic intents and policies, namely the HIV & Aids and TB Management Policy, the Health and Productivity Management Policy, the Occupational Health and Safety Management Policy and the Wellness Management Policy. The EHW Unit managed to implement the Wellness Management Policy by reaching an average of 22% of the departmental staff members during the wellness days coordinated once per quarter. Implementation of the HIV & Aids Management Policy saw an average of 13% of staff receiving HIV counselling and testing. As far as implementation of the Health and Productivity Management Policy and the Occupational Health and Safety Policy is concerned, 0,74% and 4% of cases were attended to in the Department. Adequate implementation of two additional policies, namely the Bereavement and Sports & Recreation policies, means that the Department's EHW programmes were fully functional during the period under review.

### **Achievements and challenges faced by the Department, as well as future human resource plans/goals**

The Department has exceeded government's targets for the representation of persons with disabilities and currently stands at 5,3% representation for this group. At SMS level, the Department has reached 48% female occupation of posts and continues to pursue the 50% mark in the new financial year.

A 100% disclosure rate was recorded in respect of SMS members' financial interests.

Looking into future human resource plans/goals, the Department's existing human resource policies, procedures and systems (codes of practice) and the HR Strategy 2015-2018 provide an effective framework for recruiting, developing and retaining staff in a fair and supportive environment. To this end, the goals listed in the strategy are as follows:

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

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS

#### 3.1 Personnel-related expenditure

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

- Amount spent on personnel; and
- Amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2014 to 31 March 2015

Programme	Total expenditure	Personnel expenditure	Training expenditure	Professional and special services expenditure	Personnel expenditure as a % of total expenditure	Average personnel cost per employee
	R'000	R'000	R'000	R'000		R'000
Administration	219 783	115 076	3 178	-	52,8	216
Policy and Knowledge Services	929 647	33 388	188	-	3,6	63
International Tourism	45 094	32 030	200	-	71,1	60
Domestic Tourism	363 070	51 010	259	-	49,2	96
<b>Total</b>	<b>1 557 594</b>	<b>231 504</b>	<b>3 825</b>	<b>-</b>	<b>14,9</b>	<b>435</b>

Table 3.1.2 Personnel costs by salary band for the period 1 April 2014 to 31 March 2015

Salary band	Personnel expenditure	% of total personnel cost	Number of employees	Average personnel cost per employee
	R'000			R
Skilled (levels 3-5)	4 758	2	31	153 484
Highly skilled production (levels 6-8)	47 822	20	188	254 372
Highly skilled supervision (levels 9-12)	106 498	46	218	488 523
Senior and top management (levels 13-16)	61 274	27	61	1 004 492
Contract	11 152	5	34	328 000
<b>Total</b>	<b>231 504</b>	<b>100</b>	<b>532</b>	<b>435 157</b>

Table 3.1.3 Salaries, overtime, homeowner's allowances and medical aid by programme for the period 1 April 2014 to 31 March 2015

Programme	Salaries		Overtime		Homeowner's allowances (HOAs)		Medical aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOAs as a % of personnel costs	Amount	Medical aid as a % of personnel costs
	R'000		R'000		R'000		R'000	
Administration	89 024	75,5	276	0,2	2 963	2,5	3 368	2,9
Policy and Knowledge Services	26 793	79,4	12	-	661	2	568	1,7
International Tourism	23 535	77,2	-	-	984	3,2	704	2,3
Domestic Tourism	39 469	74,3	-	-	1 192	2,2	1 374	2,6
<b>Total</b>	<b>178 821</b>	<b>76,1</b>	<b>288</b>	<b>0,1</b>	<b>5 800</b>	<b>2,5</b>	<b>6 014</b>	<b>2,6</b>

Table 3.1.4 Salaries, overtime, homeowner's allowances and medical aid by salary band for the period 1 April 2014 to 31 March 2015

Salary band	Salaries		Overtime		Homeowner's allowances (HOAs)		Medical aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOAs as a % of personnel costs	Amount	Medical aid as a % of personnel costs
	R'000		R'000		R'000		R'000	
Skilled (levels 3-5)	3 272	68,7	52	1,1	307	6,4	340	7,1
Highly skilled production (levels 6-8)	34 950	72,8	170	0,4	1 839	3,8	2 428	5,1
Highly skilled supervision (levels 9-12)	82 340	76	64	0,1	2 333	2,2	2 470	2,3
Senior management (levels 13-16)	48 501	77,6	-	-	1 196	1,9	705	1,1
Contract	9 758	85,5	2	-	125	1,1	71	0,6
<b>Total</b>	<b>178 821</b>	<b>76,1</b>	<b>288</b>	<b>0,1</b>	<b>5 800</b>	<b>2,5</b>	<b>6 014</b>	<b>2,6</b>

### 3.2 Employment and vacancies

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

The following tables summarise the number of posts on the Department's establishment, the number of employees, the vacancy rate and whether there are any staff additional to the establishment. This information is presented in terms of three key variables:

- Programme;
- Salary band; and
- Critical occupations.

Table 3.2.1 Employment and vacancies by programme as at 31 March 2015

Programme	Number of posts	Number of posts filled	Vacancy rate	Number of Posts Filled Additional to the Establishment
Administration	291	278	4,5%	5
Policy & knowledge services	83	70	15,7%	1
International tourism	70	66	5,7%	5
Domestic tourism	102	99	2,9%	7
<b>Total</b>	<b>546</b>	<b>513</b>	<b>6%</b>	<b>18</b>

Table 3.2.2 Employment and vacancies by salary band as at 31 March 2015

Salary band	Number of posts	Number of posts filled	Vacancy rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2)	0	0	0%	17
Skilled (Levels 3-5), Permanent	34	33	2,9%	0
Highly skilled production (Levels 6-8)	207	194	6,3%	0
Highly skilled supervision (Levels 9-12)	236	224	5,1%	0
Senior management (Levels 13-16)	69	62	10,1%	0
<b>Total</b>	<b>546</b>	<b>513</b>	<b>6%</b>	<b>18</b>

Table 3.2.3 Employment and vacancies by critical occupation as at 31 March 2015

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Trade/industry advisers & other, related professions	81	79	2,5%	0
Senior managers	72	62	13,9%	0
<b>Total</b>	<b>153</b>	<b>141</b>	<b>7,9%</b>	<b>0</b>

### 3.3 Filling of senior management service posts

The tables in this section provide information on employment and vacancies as these relate to members of the senior management service (SMS), by salary level, as well as on the advertising and filling of SMS posts.

Table 3.3.1 SMS post information as at 31 March 2015

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	1	100	0	0
Salary level I6	1	1	100	0	0
Salary level I5	5	5	100	0	0
Salary level I4	15	13	87	2	3
Salary level I3	48	44	92	4	8
<b>Total</b>	<b>70</b>	<b>64</b>	<b>91</b>	<b>6</b>	<b>9</b>

Table 3.3.2 SMS post information as at 30 September 2014

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	1	100	0	0
Salary level 16	1	1	100	0	0
Salary level 15	5	5	100	0	0
Salary level 14	14	13	93	1	7
Salary level 13	48	39	81	9	9
<b>Total</b>	<b>69</b>	<b>59</b>	<b>86</b>	<b>10</b>	<b>14</b>

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2014 to 31 March 2015

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	1	100	0	0
Salary level 16	1	1	100	0	0
Salary level 15	5	5	100	0	0
Salary level 14	15	13	93	1	7
Salary level 13	48	44	81	9	9
<b>Total</b>	<b>70</b>	<b>64</b>	<b>86</b>	<b>10</b>	<b>14</b>

There was no non-compliance with prescripts on the filling of funded vacant SMS posts in the reporting year; and thus no need for disciplinary steps to be instituted.

### 3.4 Job evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the regulations, all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review and also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job evaluation by salary band for the period 1 April 2014 to 31 March 2015

Salary band	Number of posts	Number of jobs evaluated	% of posts evaluated	Number of posts upgraded	% of upgraded posts evaluated	Number of posts downgraded	% of downgraded posts evaluated
Lower-skilled (levels 1-2)	2	0	0	0	0	0	0
Contract (levels 1-2)	17	0	0	0	0	0	0
Contract (levels 3-5)	3	0	0	0	0	0	0
Contract (levels 6-8)	6	0	0	0	0	0	0
Contract (levels 9-12)	5	0	0	0	0	0	0
Contract (band A)	1	0	0	0	0	0	0
Contract (band D)	2	0	0	0	0	0	0
Skilled (levels 3-5)	32	2	6,3	0	0	0	0
Highly skilled production (levels 6-8)	204	6	2,9	0	0	0	0
Highly skilled supervision (levels 9-12)	230	9	3,9	1	11,1	0	0
Senior management service band A	47	3	6,4	0	0	0	0
Senior management service band B	14	0	0	0	0	0	0
Senior management service band C	5	0	0	0	0	0	0
Senior management service band D	2	0	0	0	0	0	0
<b>Total</b>	<b>570</b>	<b>20</b>	<b>3,5</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>0</b>

**NB: Two permanent posts on level 6 were downgraded to salary level 5.**



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

**Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2014 to 31 March 2015**

Gender	African	Asian	Coloured	White	Total
Female	7	1	1	0	9
Male	10	0	0	0	10
<b>Total</b>	<b>17</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>19</b>

The upgrades included one pertaining to an employee with a disability and were informed by the implementation of Resolution 1 of 2012.

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation, accompanied by reasons for any deviation.

**Table 3.4.3 Employees with salary levels higher than those determined by job evaluation, by occupation, for the period 1 April 2014 to 31 March 2015**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Chief Financial Officer	1	14	15	Retention strategy in line with Treasury directive for chief financial officers
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				<b>1</b>
<b>Percentage of total employed</b>				<b>0,2</b>

The relevant individual above is a white male.

### 3.5 Employment changes

This section contains information on changes in employment over the financial year. Turnover rates provide an indication of trends in the Department's employment profile. The following tables provide a summary of turnover rates by salary band and critical occupation.

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2014 to 31 March 2015

Salary band	Number of employees at beginning of period, 1 April 2014	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower-skilled (levels 1-2)	0	0	0	0%
Skilled (levels 3-5)	29	4	1	3,4%
Highly skilled production (levels 6-8)	183	18	22	12%
Highly skilled supervision (levels 9-12)	187	17	17	9,1%
Senior management service band A	41	1	5	12,2%
Senior management service band B	14	0	1	7,1%
Senior management service band C	4	0	0	0%
Senior management service band D	2	0	0	0%
Contracts	47	26	36	73,4%
<b>Total</b>	<b>507</b>	<b>66</b>	<b>82</b>	<b>16,2%</b>

**NB: The information above excludes employees who were transferred to other government departments.**

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2014 to 31 March 2015

Critical occupation	Number of employees at beginning of period, 1 April 2014	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Senior manager	56	3	8	14,3%
Trade/industry advisers & other, related professions	52	5	7	13,5%
<b>Total</b>	<b>108</b>	<b>8</b>	<b>15</b>	<b>13,8%</b>

The main reasons for staff members' departure from the Department are indicated in the table below.

**Table 3.5.3 Reasons why staff left the Department for the period 1 April 2014 to 31 March 2015**

Termination type	Number	% of total resignations
Resignation	23	21,1
Expiry of contract	30	28
Other terminations	26	24
Transfers out of Persal	2	1,8
Retirement, permanent	1	0,9
Transfer to other public service departments	27	25
<b>Total</b>	<b>109</b>	<b>20,5</b>
Total number of employees who left as a % of total employment	109	20,5

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2014 to 31 March 2015**

Occupation	Employees 1 April 2014	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
Senior managers	56	1	1,8	40	71,4
Trade/industry advisers & other; related professions	52	24	46,2	39	75
Other administrative policy & related officers	21	4	19	15	71,4
<b>Total</b>	<b>129</b>	<b>29</b>	<b>22,5</b>	<b>94</b>	<b>72,9</b>

Table 3.5.5 Promotions by salary band for the period 1 April 2014 to 31 March 2015

Salary band	Employees 1 April 2014	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)	32	0	0	0	0
Skilled (levels 3-5)	30	0	0	23	79,3
Highly skilled production (levels 6-8)	189	25	13,2	128	67,7
Highly skilled supervision (levels 9-12)	191	41	21,5	149	78,01
Senior management (level 13-16)	65	2	3,1	48	73,8
<b>Total</b>	<b>507</b>	<b>68</b>	<b>13,4</b>	<b>348</b>	<b>68,6</b>

### 3.6 Employment equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each occupational category as at 31 March 2015

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	23	2	4	5	22	2	3	3	64
Professionals	99	3	4	5	94	8	4	6	223
Technicians and associate professionals	48	1	0	0	43	7	2	4	105
Clerks	27	1	0	0	61	2	0	2	93
Service and sales workers	14	1	0	0	9	0	0	0	24
Plant and machine operators and assemblers	4	0	0	0	0	0	0	0	4
Elementary occupations	9	0	0	0	9	0	0	0	18
<b>Total</b>	<b>224</b>	<b>8</b>	<b>8</b>	<b>10</b>	<b>238</b>	<b>19</b>	<b>9</b>	<b>15</b>	<b>531</b>
Employees with disabilities	14	1	1	2	9	0	0	1	28

Table 3.6.2 Total number of employees (including employees with disabilities) in each occupational band as at 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	2	0	0	4	2	0	0	1	9
Senior management	21	2	4	1	20	2	3	2	55
Professionally qualified and experienced specialists and mid-management	99	3	4	5	94	8	4	6	223
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	77	3	0	0	97	8	2	6	193
Semi-skilled and discretionary decision-making	20	0	0	0	13	1	0	0	34
Unskilled and defined decision-making	5	0	0	0	12	0	0	0	17
<b>Total</b>	<b>224</b>	<b>8</b>	<b>8</b>	<b>10</b>	<b>238</b>	<b>19</b>	<b>9</b>	<b>15</b>	<b>531</b>

Table 3.6.3 Recruitment for the period 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	0	1	0	1	1	0		1
Professionally qualified and experienced specialists and mid-management	10	1	0	0	9	0	1	0	21
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	10	1	0	0	12	0	0	0	25
Semi-skilled and discretionary decision-making	7	0	0	0	1	0	0	0	8
Unskilled and defined decision-making	3	0	0	0	8	0	0	0	11
<b>Total</b>	<b>30</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>31</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>66</b>
Employees with disabilities	2	1	0	0	2	0	0	0	5

Table 3.6.4 Promotions for the period 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	0	0	3	1	0	0	1	6
Senior management	19	1	2	1	14	1	4	2	44
Professionally qualified and experienced specialists and mid-management	76	2	4	5	77	6	3	5	178
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	55	1	0	0	79	7	2	3	147
Semi-skilled and discretionary decision-making	10	0	0	0	12	1	0	0	23
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>161</b>	<b>4</b>	<b>6</b>	<b>9</b>	<b>183</b>	<b>15</b>	<b>9</b>	<b>11</b>	<b>398</b>
Employees with disabilities	10		1	3	6	0	0	0	20

**NB: The information above includes pay progression and upgrades.**

Table 3.6.5 Terminations for the period 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	2	0	0	0	0	2
Senior management	0	1	0	2	3	1	0	1	8
Professionally qualified and experienced specialists and mid-management	12	0	0	0	7	0	1	2	22
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	9	1	0	0	14	3	0	0	27
Semi-skilled and discretionary decision-making	1	0	0	0	1	0	0	0	2
Unskilled and defined decision-making	9	0	0	0	12	0	0	0	21
<b>Total</b>	<b>31</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>37</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>82</b>
Employees with disabilities									

Table 3.6.6 Disciplinary action for the period 1 April 2014 to 31 March 2015

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Correctional counselling	0	0	0	0	1	0	0	0	1
Final written warning	1	0	0	0	0	0	0	0	1
Suspended without pay	1	0	1	0	0	1	0	0	3
Case withdrawn	0	0	0	0	1	0	0	0	1
<b>Total</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>6</b>

Table 3.6.7 Skills development for the period 1 April 2014 to 31 March 2015

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	61	1	1	0	61	1	1	1	127
Professionals	66	0	2	0	60	1	0	1	130
Technicians and associate professionals	28	1	0	1	43	4	0	2	79
Clerks	64	1	0	0	48	2	1	1	117
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	5	0	0	0	5	0	0	0	10
Non-permanent employees	6	0	0	0	16	0	0	0	22
<b>Total</b>	<b>230</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>233</b>	<b>8</b>	<b>2</b>	<b>5</b>	<b>485</b>
Employees with disabilities	8	0	0	0	1	0	0	1	10

### 3.7 Signing of performance agreements by SMS members

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

Table 3.7.1 Signing of performance agreements by SMS members as at 31 May 2014

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/Head of Department	1	1	1	100
Salary level 16	0	0	0	100
Salary level 15	4	4	4	100
Salary level 14	0	14	14	100
Salary level 13	0	42	41	100
<b>Total</b>	<b>5</b>	<b>61</b>	<b>60</b>	<b>100</b>

**NB: The one SMS member on salary level 13 was not expected to submit the performance agreement by the end of 31 March 2015, as the employee was still within the permitted grace period.**

There was no failure to conclude performance agreements with SMS members in the reporting period, and therefore also no disciplinary steps instituted.



### 3.8 Performance rewards

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

Table 3.8.1 Performance rewards\* by race, gender and disability for the period 1 April 2014 to 31 March 2015

Race and gender	Number of beneficiaries	Number of employees	% of total employment	Cost (R'000)	Average cost per beneficiary (R)
African, female	129	229	56,3	2 028	15 719
African, male	107	211	50,7	1 809	16 910
Asian, female	6	9	66,7	132	22 048
Asian, male	4	7	57,1	102	25 571
Coloured, female	12	19	63,2	175	14 582
Coloured, male	3	7	42,9	62	20 612
Total blacks, female	147	257	57,2	2 335	15 884
Total blacks, male	114	225	50,7	1 973	17 312
White, female	7	14	50	206	29 403
White, male	7	8	87,5	258	36 866
Employees with a disability	9	28	32,1	233	25 936
<b>Total</b>	<b>284</b>	<b>532</b>	<b>53,4</b>	<b>5 005</b>	<b>17 623</b>

\*Performance rewards were for performance cycle 2013/14.

Table 3.8.2 Performance rewards\* by salary band for personnel below SMS level for the period 1 April 2014 to 31 March 2015

Salary band	Number of beneficiaries	Number of employees	% of total employees within salary band	Cost (R'000)	Average cost per beneficiary (R)
Skilled (levels 3-5)	19	31	61,3	96	5 053
Highly skilled production (levels 6-8)	99	188	52,7	882	8 909
Highly skilled supervision (levels 9-12)	130	218	59,6	2 417	18 592
Contract (levels 1-2)	0	17	0	0	0
Contract (levels 3-5)	0	3	0	0	0
Contract (levels 6-8)	0	6	0	0	0
Contract (levels 9-12)	3	5	60	41	13 667
<b>Total</b>	<b>251</b>	<b>468</b>	<b>53,6</b>	<b>3 436</b>	<b>13 689</b>

\*Performance rewards were for performance cycle 2013/14.

Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2014 to 31 March 2015

Critical occupations	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)
Financial and related professionals	3	5	60	61	20 333
Human resources & organisational development & related professions	14	19	73,7	253	18 071
Senior managers	29	54	53,7	1 388	47 862
<b>Total</b>	<b>46</b>	<b>78</b>	<b>58,9</b>	<b>1 702</b>	<b>37 000</b>

Table 3.8.4 Performance-related rewards\* (cash bonus) by salary band for SMS members for the period 1 April 2014 to 31 March 2015

Salary band	Number of beneficiaries	Number of employees	% of total within the salary band	Cost (R'000)	Average cost per beneficiary (R)	Total cost as % of total personnel expenditure	Personnel cost SMS (R)
Band A	22	44	50	890	40 455	2,4	37 019
Band B	7	13	53,8	356	50 857	2,5	14 211
Band C	4	5	80	324	81 000	4,9	6 557
Band D	0	2	0	0	0	0	0
<b>Total</b>	<b>33</b>	<b>64</b>	<b>51,6</b>	<b>1 570</b>	<b>47 576</b>	<b>2,7</b>	<b>57 787</b>

\*Performance rewards were for performance cycle 2013/14.

**NB: The information above includes 12 employees (six females and six males) who transferred to the Department, while it excludes the 16 employees assessed in, though transferred out of the Department.**

### 3.9 Foreign workers

The Department had no foreign nationals in its employ in the period under review.

### 3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2014 to 31 December 2014

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)	59	44,1	24	5,3	2	22
Skilled (levels 3-5)	178	78,1	26	5,7	11	99
Highly skilled production (levels 6-8)	1 213	72,4	172	37,6	16	1 161
Highly skilled supervision (levels 9 -12)	1 423	76,7	183	40	11	2 588
Top and senior management (levels 13-16)	337	78,9	52	11,4	14	1 187
<b>Total</b>	<b>3 210</b>	<b>74,8</b>	<b>457</b>	<b>100</b>	<b>7</b>	<b>5 057</b>

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2014 to 31 December 2014

Salary band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Lower-skilled (levels 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	80	100	1	5,9	80	43
Highly skilled production (levels 6-8)	116	100	5	29,4	50	121
Highly skilled supervision (levels 9-12)	121	100	8	47,1	15	233
Senior management (levels 13-16)	40	100	3	17,6	13	144
<b>Total</b>	<b>357</b>	<b>100</b>	<b>17</b>	<b>100</b>	<b>21</b>	<b>541</b>

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Coordinating Bargaining Council in 2000 requires annual leave to be managed so as to prevent high levels of accrued leave being paid out at the time of termination of service.

Table 3.10.3 Annual leave for the period 1 January 2014 to 31 December 2014

Salary band	Total days taken	Average per employee	Number of employees using annual leave
Lower-skilled (levels 1-2)	325	9	38
Skilled (levels 3-5)	613	18	34
Highly skilled production (levels 6-8)	4 172	20	209
Highly skilled supervision (levels 9-12)	4 561	20	229
Senior management (levels 13-16)	1 579	24	67
<b>Total</b>	<b>11 250</b>	<b>19</b>	<b>577</b>

Table 3.10.4 Capped leave for the period 1 January 2014 to 31 December 2014

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2015
Lower-skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	0	0	0	0
Highly skilled production (levels 6-8)	7	1	7	13
Highly skilled supervision (levels 9-12)	0	0	0	0
Senior management (levels 13-16)	15	2	8	52
<b>Total</b>	<b>22</b>	<b>3</b>	<b>7</b>	<b>36</b>

The following table summarises payments made to employees as a result of leave not taken.

**Table 3.10.5 Leave payouts for the period 1 April 2014 to 31 March 2015**

<b>Reason</b>	<b>Total amount (R'000)</b>	<b>Number of employees</b>	<b>Average per employee (R)</b>
Leave payouts for 2014/2015 due to non-utilisation of leave for the previous cycle	181	11	16 455
Capped leave payouts upon termination of service for 2014/15	513	47	10 915
Current leave payout upon termination of service for 2014/15	327	44	7 432
<b>Total</b>	<b>1 021</b>	<b>102</b>	<b>10 010</b>

### **3.11 HIV/Aids & health promotion programmes**

In the year under review, no units/categories of employees were identified to be at a high risk of contracting HIV and related diseases, and therefore no steps were required to reduce the risk of occupational exposure.

Table 3.11.1 Details of health promotion and HIV/Aids programmes offered in the Department

Question	Yes	No	Details, if yes
1. Has the Department designated an SMS member to implement the provisions contained in part VI E of chapter 1 of the Public Service Regulations, 2001?	X		SMS member: Advocate MA Mopeli - Director: Employee Relations, Health and Transformation
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of its employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		Dedicated unit: Mr SV Nkosi, Deputy Director: Employee Health and Wellness, and Ms M Sibande, Assistant Director: Employee Health and Wellness
3. Has the Department introduced an employee assistance or health promotion programme for its employees?	X		The Department has introduced this programme to its entire staff and it was championed by the Director-General. Key services/elements include counselling services, health-screening services, HIV & Aids information sessions on World Aids Day, and Employee Assistance Programme services. Moreover, the unit operates within the scope of four EHW pillars, namely the HIV & Aids and TB Management Programme; the Wellness Management Programme, including sports and recreation as well as bereavement; the Health and Productivity Management Programme, and the Occupational Health Management Programme.
4. Has the Department established (a) committee(s) as contemplated in part VI E.5 (e) of chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		X	The Department has established the Transformation and HR Consultative Forum, where EHW issues, including HIV & Aids, are discussed in line with the Public Service Regulations, 2001.
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status?		X	A policy review will take place in the course of 2015/16 financial year. The unit keeps HIV counselling and testing statistics reports and presents awareness campaigns on the implementation of the HIV & Aids and TB Management Policy.
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination?	X		A dedicated unit in the Department specialises in EHW, including HIV & AIDS and TB in the workplace. This unit has measures in place to prevent discrimination against HIV-positive employees at work through the HIV & Aids and TB Management Policy. It further provides HIV counselling and wellness interventions throughout the financial year.
7. Does the Department encourage its employees to undergo voluntary counselling and testing?	X		The Department had four interventions during the 2014/15 financial year where staff members were encouraged to get tested for HIV. This was done in collaboration with the health-screening programme conducted in the Department through the Government Employee Medical Scheme. The average percentage of employees reached was approximately 45% of all staff.
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme?	X		The unit compiled four reports on EHW quarterly interventions to assess the impact of the health promotion programme per intervention, and submitted these reports to DPSA.

### 3.12 Labour relations

During the reporting year, there were no collective agreements on which to report.

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

**Table 3.12.1 Misconduct and disciplinary hearings finalised for the period 1 April 2014 to 31 March 2015**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	17
Verbal warning	0	0
Written warning	0	0
Final written warning	1	17
Suspended without pay	3	50
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	1	17
<b>Total</b>	<b>6</b>	<b>100</b>

**Table 3.12.2 Types of misconduct addressed in disciplinary hearings for the period 1 April 2014 to 31 March 2015**

Type of misconduct	Number	% of total
Dishonesty	2	33
Misrepresentation	0	0
Insubordination	1	17
Negligence	0	0
Improper conduct	3	50
Misuse of state vehicle	0	0
Theft	0	0
<b>Total</b>	<b>6</b>	<b>100</b>



Table 3.12.3 Grievances logged, resolved and not resolved for the period 1 April 2014 to 31 March 2015

Grievances	Number	% of total
Number of grievances resolved	6	60
Number of grievances not resolved	4	40
<b>Total number of grievances lodged</b>	<b>10</b>	<b>100</b>

Table 3.12.4 Disputes logged with councils for the period 1 April 2014 to 31 March 2015

Disputes	Number	% of total
Number of disputes upheld	0	0
Number of disputes dismissed	2	100
<b>Total number of disputes lodged</b>	<b>2</b>	<b>100</b>

No strike actions were experienced and no precautionary suspensions had to be implemented during the reporting period.

### 3.13 Skills development

This section highlights the Department's efforts with regard to skills development.

Table 3.13.1 Training needs identified for the period 1 April 2014 to 31 March 2015

Occupational categories	Gender	Number of employees as at 1 April 2014	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	30	0	16	0	16
	Male	34	0	17	0	17
Professionals	Female	112	0	48	0	48
	Male	111	0	43	0	43
Technicians and associate professionals	Female	56	0	1	0	1
	Male	49	0	3	0	3
Clerks	Female	65	0	70	0	70
	Male	28	0	39	0	39
Service and sales workers	Female	9	0	0	0	0
	Male	15	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	4	0	0	0	0
Elementary occupations	Female	9	0	6	0	6
	Male	9	0	4	0	4
Gender sub-totals	Female	281	0	141	0	141
	Male	250	0	106	0	106
<b>Total</b>		<b>531</b>	<b>0</b>	<b>247</b>	<b>0</b>	<b>247</b>

Table 3.13.2 Training provided for the period 1 April 2014 to 31 March 2015

Occupational categories	Gender	Employment	Internship/ external bursars	Skills programmes & other short courses	Other forms of training/internal bursaries/CIP	Total
Legislators, senior officials and managers	Female	30	0	49	15	64
	Male	34	0	52	11	63
Professionals	Female	112	0	35	23	58
	Male	111	0	45	27	72
Technicians and associate professionals	Female	56	0	37	12	49
	Male	49	0	23	7	30
Clerks	Female	65	0	44	8	52
	Male	28	0	48	17	65
Service and sales workers	Female	9	0	0	0	0
	Male	15	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	4	0	0	0	0
Elementary occupations	Female	9	0	1	0	1
	Male	9	0	0	0	0
Non-permanent employees	Female	0	16	0	4	20
	Male	0	6	0	5	11
Gender sub-totals	Female	281	16	166	62	244
	Male	250	6	168	67	241
<b>Total</b>		<b>531</b>	<b>22</b>	<b>334</b>	<b>129</b>	<b>485</b>

### 3.14 Injuries on duty

The following table provides basic information on injuries on duty.

Table 3.14.1 Injuries on duty for the period 1 April 2014 to 31 March 2015

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	0,3
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
<b>Total</b>	<b>2</b>	<b>0,3</b>

### 3.15 Utilisation of consultants

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2014 to 31 March 2015

Project title	Total number of consultants who worked on project	Duration (work days)	Contract value in rand	% ownership by historically disadvantaged individuals/groups
Document configuration and Live Link	3	13 140	8 390 671,40	32,48
Sharepoint software support and maintenance services	7	13 140	9 713 894,40	25
Validation of the amended tourism B-BBEE codes	4	Once-off	450 200,00	51
Development of universal accessibility assessment tool	4	Once-off	293 094,00	86,63
<b>Total number of projects</b>	<b>4</b>	<b>Total duration (work days)</b>	<b>Total contract value in rand</b>	
		18	26 280	18 847 859,80

There were no consultant appointments using donor funds during the reporting year.

### 3.16 Severance packages

No employee-initiated severance packages were negotiated or granted during the period under review.



# PART E

## FINANCIAL INFORMATION

*Financial and Supply Chain Management Delegations and other important kits for the Department of Tourism.*

# REPORT OF THE AUDITOR-GENERAL

*for the year ended 31 March 2015*

## REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 35: DEPARTMENT OF TOURISM

### Report on the financial statements

#### Introduction

1. I have audited the financial statements of the department of tourism set out on pages 97 to 163, which comprise the appropriation statement, the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

#### Accounting Officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with Modified Cash Standard and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the department of tourism as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with Modified Cash Standard and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

#### Emphasis of matter

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

#### Financial reporting framework

8. As disclosed in the accounting policy note 23 to the financial statements, the National Treasury has exempted the department from applying the Modified Cash Standard in respect of infrastructure development projects for the reasons indicated.

# REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2015

## **Additional matter**

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

## **Unaudited supplementary information**

10. The supplementary information set out in pages 164 to 174 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

## **Report on other legal and regulatory requirements**

11. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

## **Predetermined objectives**

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2015:
- Programme 2: Policy and knowledge services on pages 34 to 38
  - Programme 4: Domestic tourism management on pages 43 to 48
13. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

14. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPPI).

15. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

16. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 2: Policy and Knowledge Services
- Programme 4: Domestic Tourism Management

## **Additional matters**

17. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

## **Achievement of planned targets**

18. Refer to the annual performance report on page(s) 34 to 38 and 43 to 48 for information on the achievement of the planned targets for the year.

## **Unaudited supplementary schedules / information**

19. The supplementary information set out on pages 49 to 52 does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report thereon.



# REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2015

## **Compliance with legislation**

20. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

## **Financial statements, performance and annual reports**

21. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1) (b) of the Public Finance Management Act.
22. Material misstatements of disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

## **Internal control**

23. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the opinion, the findings on the annual performance report and the findings on non-compliance with legislation included in this report.

## **Financial and performance management**

24. Internal controls to ensure that the annual financial statements included the commitments disclosure note in respect of the EPWP – Training programmes were not effective.

## **Other reports**

### **Investigations**

25. At the date of this report an investigation has been carried out by the Department, but this report has not been finalised as some of the findings are still being interrogated. Possible irregular and fruitless and wasteful expenditure can only be quantified once the investigation has been finalised.

*Auditor-General*

**Pretoria**

**27 July 2015**



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*

Department of Tourism - Vote 35  
ANNUAL FINANCIAL STATEMENTS

*for the year ended 31 March 2015*

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Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per programme**

Programmes	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1. Administration</b>	224 619	-	342	224 961	219 783	5 178	97,7	212 646	212 000
<b>2. Policy and Knowledge Services</b>	928 862	-	831	929 693	929 647	46	100,0	911 843	908 790
<b>3. International Tourism</b>	45 416	-	(247)	45 169	45 094	75	99,8	41 013	37 886
<b>4. Domestic Tourism</b>	384 363	-	(926)	383 437	363 070	20 367	94,7	355 072	353 991
<b>TOTAL</b>	<b>1 583 260</b>	<b>-</b>	<b>-</b>	<b>1 583 260</b>	<b>1 557 594</b>	<b>25 666</b>	<b>98,4</b>	<b>1 520 574</b>	<b>1 512 667</b>
<b>Reconciliation with statement of financial performance</b>									
<b>ADD</b>									
Departmental receipts				3 504				4 209	
Aid assistance				9 600				-	
<b>Actual amounts per statement of financial performance (total revenue)</b>				<b>1 596 364</b>				<b>1 524 783</b>	
<b>ADD</b>									
Aid assistance					4 800				-
<b>Actual amounts per statement of financial performance (total expenditure)</b>					<b>1 562 394</b>				<b>1 512 667</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per economic classification**

	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>373 661</b>	<b>97 987</b>	<b>(4 046)</b>	<b>467 602</b>	<b>460 786</b>	<b>6 816</b>	<b>98,5</b>	<b>347 740</b>	<b>340 805</b>
Compensation of employees	229 277	(1)	2 800	232 076	231 504	572	99,8	205 777	202 371
Salaries and wages	201 872	1 611	2 384	205 867	205 295	572	99,7	182 402	178 996
Social contributions	27 405	(1 612)	416	26 209	26 209	-	100,0	23 375	23 375
Goods and services	144 384	97 988	(6 846)	235 526	229 282	6 244	97,3	141 963	138 434
Administrative fees	1 669	(1 301)	(175)	193	191	2	99,0	2 430	2 196
Advertising	1 959	914	(19)	2 854	2 854	-	100,0	4 224	4 205
Minor assets	4 004	(3 016)	(430)	558	558	-	100,0	1 177	891
Audit costs: External	6 109	(1 696)	(203)	4 210	4 210	-	100,0	4 197	4 197
Bursaries: Employees	1 342	(386)	107	1 063	1 063	-	100,0	783	783
Catering: Departmental activities	877	1 801	431	3 109	1 709	1 400	55,0	1 731	1 731
Communication	5 680	(718)	78	5 040	5 036	4	99,9	5 202	5 202
Computer services	20 933	(4 357)	(2 241)	14 335	14 334	1	100,0	17 145	17 145
Consultants: Business and advisory services	6 500	(2 600)	(543)	3 357	3 357	-	100,0	7 321	7 321
Legal services	65	472	(44)	493	493	-	100,0	235	235
Contractors	5 330	(2 350)	(327)	2 653	2 653	-	100,0	2 580	2 579
Agency and support/outsourced services	1 004	2 190	(63)	3 131	3 130	1	100,0	2 586	2 586
Entertainment	139	(28)	(56)	55	55	-	100,0	173	173
Fleet services	541	714	(34)	1 221	1 221	-	100,0	1 242	1 242
Consumable supplies	5 846	(2 818)	(753)	2 275	2 275	-	100,0	1 705	1 705
Consumables: Stationery, printing and office supplies	5 100	(893)	(109)	4 098	4 098	-	100,0	4 011	4 010

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per economic classification - continued**

	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	26 507	5 632	-	32 139	32 139	-	100,0	26 894	26 894
Property payments	777	1 710	(28)	2 459	2 459	-	100,0	234	234
Travel and subsistence	35 979	1 138	(2 013)	35 104	31 168	3 936	88,8	43 367	41 750
Training and development	3 260	103 193	(280)	106 173	106 173	-	100,0	3 731	3 731
Operating payments	5 560	74	(553)	5 081	5 081	-	100,0	4 642	4 642
Venues and facilities	3 951	1 274	580	5 805	4 905	900	84,5	6 001	4 630
Rental and hiring	1 252	(961)	(171)	120	120	-	100,0	352	352
<b>Transfers and subsidies</b>	<b>1 199 225</b>	<b>(100 669)</b>	<b>4 024</b>	<b>1 102 580</b>	<b>1 083 730</b>	<b>18 850</b>	<b>98,3</b>	<b>1 160 232</b>	<b>1 160 115</b>
Departmental agencies and accounts	886 257	-	-	886 257	886 257	-	100,0	872 633	872 633
Higher-education institutions	3 720	-	-	3 720	3 720	-	100,0	3 105	3 105
Foreign governments and international organisations	5 864	-	2 748	8 612	8 552	60	99,3	4 930	4 813
Non-profit institutions	25 200	-	1 250	26 450	26 450	-	100,0	26 000	26 000
Households	278 184	(100 669)	26	177 541	158 751	18 790	89,4	253 564	253 564
Social benefits	-	2 006	26	2 032	2 031	1	99,9	343	343
Other transfers to households	278 184	(102 675)	-	175 509	156 720	18 789	89,3	253 221	253 221
<b>Payments for capital assets</b>	<b>10 374</b>	<b>2 442</b>	<b>-</b>	<b>12 816</b>	<b>12 816</b>	<b>-</b>	<b>100,0</b>	<b>12 484</b>	<b>11 629</b>
Machinery and equipment	10 245	473	-	10 718	10 718	-	100,0	11 164	10 330
Transport equipment	2 113	73	(332)	1 854	1 854	-	100,0	3 039	3 039
Other machinery and equipment	8 132	400	332	8 864	8 864	-	100,0	8 125	7 291
Intangible assets	129	1 969	-	2 098	2 098	-	100,0	1 320	1 299
<b>Payments for financial assets</b>	<b>-</b>	<b>240</b>	<b>22</b>	<b>262</b>	<b>262</b>	<b>-</b>	<b>100,0</b>	<b>118</b>	<b>118</b>
<b>TOTAL</b>	<b>1 583 260</b>	<b>-</b>	<b>-</b>	<b>1 583 260</b>	<b>1 557 594</b>	<b>25 666</b>	<b>98,4</b>	<b>1 520 574</b>	<b>1 512 667</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Detail per programme 1: Administration**

Programme 1: Administration	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub-programmes</b>									
1. Ministry	37 104	(5 953)	(300)	30 851	30 834	17	99,9	35 567	35 567
2. Management	17 807	(730)	(247)	16 830	14 543	2 287	86,4	16 456	16 259
3. Corporate Affairs	143 281	(1 296)	889	142 874	140 000	2 874	98,0	131 539	131 325
4. Office Accommodation	26 427	7 979	-	34 406	34 406	-	100,0	29 084	28 849
<b>Total for sub-programmes</b>	<b>224 619</b>	<b>-</b>	<b>342</b>	<b>224 961</b>	<b>219 783</b>	<b>5 178</b>	<b>97,7</b>	<b>212 646</b>	<b>212 000</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>217 519</b>	<b>(4 525)</b>	<b>(802)</b>	<b>212 192</b>	<b>207 015</b>	<b>5 177</b>	<b>97,6</b>	<b>202 093</b>	<b>201 812</b>
Compensation of employees	114 633	-	957	115 590	115 076	514	99,6	102 472	102 462
Salaries and wages	101 166	503	524	102 193	101 679	514	99,5	90 389	90 379
Social contributions	13 467	(503)	433	13 397	13 397	-	100,0	12 083	12 083
Goods and services	102 886	(4 525)	(1 759)	96 602	91 939	4 663	95,2	99 621	99 350
Administrative fees	1 363	(1 116)	(162)	85	83	2	97,6	2 299	2 065
Advertising	1 299	(236)	(54)	1 009	1 009	-	100,0	1 381	1 381
Minor assets	3 292	(2 552)	(367)	373	373	-	100,0	632	597
Audit costs: External	6 109	(1 696)	(203)	4 210	4 210	-	100,0	4 197	4 197
Bursaries: Employees	1 342	(438)	53	957	957	-	100,0	783	783
Catering: Departmental activities	140	1 177	488	1 805	405	1 400	22,4	789	789
Communication	4 520	(580)	(27)	3 913	3 909	4	99,9	4 050	4 050
Computer services	19 397	(3 170)	(1 941)	14 286	14 285	1	100,0	15 990	15 990
Consultants: Business and advisory services	3 167	(2 624)	(283)	260	260	-	100,0	3 865	3 865
Legal services	-	420	-	420	420	-	100,0	5	5
Contractors	3 065	(1 401)	(186)	1 478	1 478	-	100,0	1 553	1 552
Agency and support/outsourced services	995	2 176	(60)	3 111	3 110	1	100,0	2 570	2 570

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Detail per programme 1: Administration - continued**

Programme 1: Administration	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Entertainment	75	(19)	(4)	52	52	-	100,0	170	170
Fleet services	538	717	(35)	1 220	1 220	-	100,0	1 242	1 242
Consumable supplies	4 129	(2 142)	(311)	1 676	1 676	-	100,0	1 189	1 189
Consumables: Stationery, printing and office supplies	3 720	(797)	(245)	2 678	2 678	-	100,0	2 237	2 236
Operating leases	26 427	5 712	-	32 139	32 139	-	100,0	26 894	26 894
Property payments	776	1 652	(28)	2 400	2 400	-	100,0	105	105
Travel and subsistence	15 080	1 745	1 129	17 954	15 099	2 855	84,1	23 113	23 113
Training and development	2 531	(218)	(91)	2 222	2 222	-	100,0	2 464	2 464
Operating payments	2 387	430	(191)	2 626	2 626	-	100,0	1 727	1 727
Venues and facilities	1 345	(593)	867	1 619	1 219	400	75,3	2 014	2 014
Rental and hiring	1 189	(972)	(108)	109	109	-	100,0	352	352
<b>Transfers and subsidies</b>	<b>618</b>	<b>1 919</b>	<b>-</b>	<b>2 537</b>	<b>2 536</b>	<b>1</b>	<b>100,0</b>	<b>204</b>	<b>204</b>
Departmental agencies and accounts	618	-	-	618	618	-	100,0	-	-
Households	-	1 919	-	1 919	1 918	1	100,0	204	204
Social benefits	-	1 919	-	1 919	1 918	1	100,0	204	204
<b>Payments for capital assets</b>	<b>6 482</b>	<b>2 427</b>	<b>1 144</b>	<b>10 053</b>	<b>10 053</b>	<b>-</b>	<b>100,0</b>	<b>10 241</b>	<b>9 876</b>
Machinery and equipment	6 415	425	1 144	7 984	7 984	-	100,0	9 004	8 639
Transport equipment	1 680	174	-	1 854	1 854	-	100,0	3 016	3 016
Other machinery and equipment	4 735	251	1 144	6 130	6 130	-	100,0	5 988	5 623
Intangible assets	67	2 002	-	2 069	2 069	-	100,0	1 237	1 237
<b>Payments for financial assets</b>	<b>-</b>	<b>179</b>	<b>-</b>	<b>179</b>	<b>179</b>	<b>-</b>	<b>100,0</b>	<b>108</b>	<b>108</b>
<b>TOTAL</b>	<b>224 619</b>	<b>-</b>	<b>342</b>	<b>224 961</b>	<b>219 783</b>	<b>5 178</b>	<b>97,7</b>	<b>212 646</b>	<b>212 000</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per economic classification - Programme 1: Administration**

1.1 Ministry	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>34 403</b>	<b>(7 773)</b>	<b>(300)</b>	<b>26 330</b>	<b>26 313</b>	<b>17</b>	<b>99,9</b>	<b>32 639</b>	<b>32 639</b>
Compensation of employees	12 734	704	100	13 538	13 538	-	100,0	13 695	13 695
Goods and services	21 669	(8 477)	(400)	12 792	12 775	17	99,9	18 944	18 944
<b>Transfers and subsidies</b>	<b>-</b>	<b>1 757</b>	<b>-</b>	<b>1 757</b>	<b>1 757</b>	<b>-</b>	<b>100,0</b>	<b>20</b>	<b>20</b>
Households	-	1 757	-	1 757	1 757	-	100,0	20	20
<b>Payments for capital assets</b>	<b>2 701</b>	<b>(85)</b>	<b>-</b>	<b>2 616</b>	<b>2 616</b>	<b>-</b>	<b>100,0</b>	<b>2 848</b>	<b>2 848</b>
Machinery and equipment	2 696	(80)	-	2 616	2 616	-	100,0	2 848	2 848
Software and other intangible assets	5	(5)	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>148</b>	<b>-</b>	<b>148</b>	<b>148</b>	<b>-</b>	<b>100,0</b>	<b>60</b>	<b>60</b>
<b>TOTAL</b>	<b>37 104</b>	<b>(5 953)</b>	<b>(300)</b>	<b>30 851</b>	<b>30 834</b>	<b>17</b>	<b>99,9</b>	<b>35 567</b>	<b>35 567</b>



Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per economic classification - Programme 1: Administration - continued**

1.2 Management	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>17 445</b>	<b>(704)</b>	<b>(247)</b>	<b>16 494</b>	<b>14 207</b>	<b>2 287</b>	<b>86,1</b>	<b>15 887</b>	<b>15 880</b>
Compensation of employees	12 488	(704)	53	11 837	11 374	463	96,1	11 147	11 146
Goods and services	4 957	-	(300)	4 657	2 833	1 824	60,8	4 740	4 734
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>17</b>
Households	-	-	-	-	-	-	-	17	17
<b>Payments for capital assets</b>	<b>362</b>	<b>(26)</b>	<b>-</b>	<b>336</b>	<b>336</b>	<b>-</b>	<b>100,0</b>	<b>552</b>	<b>362</b>
Machinery and equipment	361	(25)	-	336	336	-	100,0	552	362
Software and other intangible assets	1	(1)	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>17 807</b>	<b>(730)</b>	<b>(247)</b>	<b>16 830</b>	<b>14 543</b>	<b>2 287</b>	<b>86,4</b>	<b>16 456</b>	<b>16 259</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per economic classification - Programme 1: Administration - continued**

1.3 Corporate Affairs	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>139 244</b>	<b>(4 027)</b>	<b>(255)</b>	<b>134 962</b>	<b>132 089</b>	<b>2 873</b>	<b>97,9</b>	<b>124 483</b>	<b>124 444</b>
Compensation of employees	89 411	-	804	90 215	90 164	51	99,9	77 630	77 621
Goods and services	49 833	(4 027)	(1 059)	44 747	41 925	2 822	93,7	46 853	46 823
<b>Transfers and subsidies</b>	<b>618</b>	<b>162</b>	<b>-</b>	<b>780</b>	<b>779</b>	<b>1</b>	<b>99,9</b>	<b>167</b>	<b>167</b>
Departmental agencies and accounts	618	-	-	618	618	-	100,0	-	-
Households	-	162	-	162	161	1	99,4	167	167
<b>Payments for capital assets</b>	<b>3 419</b>	<b>2 538</b>	<b>1 144</b>	<b>7 101</b>	<b>7 101</b>	<b>-</b>	<b>100,0</b>	<b>6 841</b>	<b>6 666</b>
Machinery and equipment	3 358	530	1 144	5 032	5 032	-	100,0	5 604	5 429
Software and other intangible assets	61	2 008	-	2 069	2 069	-	100,0	1 237	1 237
<b>Payments for financial assets</b>	<b>-</b>	<b>31</b>	<b>-</b>	<b>31</b>	<b>31</b>	<b>-</b>	<b>100,0</b>	<b>48</b>	<b>48</b>
<b>TOTAL</b>	<b>143 281</b>	<b>(1 296)</b>	<b>889</b>	<b>142 874</b>	<b>140 000</b>	<b>2 874</b>	<b>98,0</b>	<b>131 539</b>	<b>131 325</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

for the year ended 31 March 2015

**Appropriation per economic classification - Programme 1: Administration - continued**

1.4 Office Accommodation	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>26 427</b>	<b>7 979</b>	<b>-</b>	<b>34 406</b>	<b>34 406</b>	<b>-</b>	<b>100,0</b>	<b>29 084</b>	<b>28 849</b>
Goods and services	26 427	7 979	-	34 406	34 406	-	100,0	29 084	28 849
<b>TOTAL</b>	<b>26 427</b>	<b>7 979</b>	<b>-</b>	<b>34 406</b>	<b>34 406</b>	<b>-</b>	<b>100,0</b>	<b>29 084</b>	<b>28 849</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Detail per programme 2: Policy and Knowledge Services**

Programme 2: Policy and Knowledge Services	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub-programmes</b>									
1. Policy and Knowledge Services Management	4 012	(100)	158	4 070	4 024	46	98,9	5 794	4 460
2. Policy Development and Evaluation	21 549	1 331	610	23 490	23 490	-	100,0	19 466	17 963
3. Research and Knowledge Management	23 292	(1 231)	63	22 124	22 124	-	100,0	20 250	20 034
4. South African Tourism	880 009	-	-	880 009	880 009	-	100,0	866 333	866 333
<b>Total for sub-programmes</b>	<b>928 862</b>	<b>-</b>	<b>831</b>	<b>929 693</b>	<b>929 647</b>	<b>46</b>	<b>100,0</b>	<b>911 843</b>	<b>908 790</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>44 259</b>	<b>(54)</b>	<b>785</b>	<b>44 990</b>	<b>44 944</b>	<b>46</b>	<b>99,8</b>	<b>41 701</b>	<b>38 851</b>
Compensation of employees	32 032	-	1 356	33 388	33 388	-	100,0	29 070	28 702
Salaries and wages	28 269	264	1 382	29 915	29 915	-	100,0	26 031	25 663
Social contributions	3 763	(264)	(26)	3 473	3 473	-	100,0	3 039	3 039
Goods and services	12 227	(54)	(571)	11 602	11 556	46	99,6	12 631	10 149
Administrative fees	223	(169)	-	54	54	-	100,0	54	54
Advertising	206	695	-	901	901	-	100,0	508	508
Minor assets	214	(185)	-	29	29	-	100,0	71	71
Catering: Departmental activities	71	451	-	522	522	-	100,0	240	240
Communication	335	(78)	-	257	257	-	100,0	273	273
Computer services	1 032	(693)	(300)	39	39	-	100,0	1 075	1 075
Consultants: Business and advisory services	2 516	(809)	(271)	1 436	1 436	-	100,0	51	51
Contractors	-	85	-	85	85	-	100,0	-	-

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

for the year ended 31 March 2015

**Detail per programme 2: Policy and Knowledge Services - continued**

Programme 2: Policy and Knowledge Services	2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Agency and support/outsourced services	-	7	-	7	7	-	100,0	3	3	
Entertainment	11	(10)	-	1	1	-	100,0	-	-	
Consumable supplies	256	(202)	-	54	54	-	100,0	46	46	
Consumables: Stationery, printing and office supplies	424	(76)	-	348	348	-	100,0	394	394	
Operating leases	30	(30)	-	-	-	-	-	-	-	
Travel and subsistence	4 741	(1 521)	-	3 220	3 174	46	98,6	5 139	3 981	
Training and development	343	580	-	923	923	-	100,0	538	538	
Operating payments	638	1 150	-	1 788	1 788	-	100,0	2 110	2 110	
Venues and facilities	1 187	751	-	1 938	1 938	-	100,0	2 129	805	
<b>Transfers and subsidies</b>	<b>883 729</b>	<b>-</b>	<b>26</b>	<b>883 755</b>	<b>883 755</b>	<b>-</b>	<b>100,0</b>	<b>869 473</b>	<b>869 473</b>	
Departmental agencies and accounts	880 009	-	-	880 009	880 009	-	100,0	866 333	866 333	
Higher-education institutions	3 720	-	-	3 720	3 720	-	100,0	3 105	3 105	
Households	-	-	26	26	26	-	100,0	35	35	
Social benefits	-	-	26	26	26	-	100,0	35	35	
<b>Payments for capital assets</b>	<b>874</b>	<b>14</b>	<b>-</b>	<b>888</b>	<b>888</b>	<b>-</b>	<b>100,0</b>	<b>669</b>	<b>466</b>	
Machinery and equipment	874	(15)	-	859	859	-	100,0	626	444	
Transport equipment	110	(110)	-	-	-	-	-	-	-	
Other machinery and equipment	764	95	-	859	859	-	100,0	626	444	
Intangible assets	-	29	-	29	29	-	100,0	43	22	
<b>Payments for financial assets</b>	<b>-</b>	<b>40</b>	<b>20</b>	<b>60</b>	<b>60</b>	<b>-</b>	<b>100,0</b>	<b>-</b>	<b>-</b>	
<b>TOTAL</b>	<b>928 862</b>	<b>-</b>	<b>831</b>	<b>929 693</b>	<b>929 647</b>	<b>46</b>	<b>100,0</b>	<b>911 843</b>	<b>908 790</b>	

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per economic classification - Programme 2: Policy and Knowledge Services**

2.1 Policy and Knowledge Services Management	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>3 991</b>	<b>(180)</b>	<b>129</b>	<b>3 940</b>	<b>3 894</b>	<b>46</b>	<b>98,8</b>	<b>5 732</b>	<b>4 406</b>
Compensation of employees	2 962	(251)	-	2 711	2 711	-	100,0	2 939	2 937
Goods and services	1 029	71	129	1 229	1 183	46	96,3	2 793	1 469
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>-</b>	<b>100,0</b>	<b>-</b>	<b>-</b>
Households	-	-	15	15	15	-	100,0	-	-
<b>Payments for capital assets</b>	<b>21</b>	<b>80</b>	<b>-</b>	<b>101</b>	<b>101</b>	<b>-</b>	<b>100,0</b>	<b>62</b>	<b>54</b>
Machinery and equipment	21	80	-	101	101	-	100,0	62	54
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>-</b>	<b>100,0</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>4 012</b>	<b>(100)</b>	<b>158</b>	<b>4 070</b>	<b>4 024</b>	<b>46</b>	<b>98,9</b>	<b>5 794</b>	<b>4 460</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per economic classification - Programme 2: Policy and Knowledge Services - continued**

2.2 Policy Development and Evaluation	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>21 161</b>	<b>1 181</b>	<b>610</b>	<b>22 952</b>	<b>22 952</b>	<b>-</b>	<b>100,0</b>	<b>19 155</b>	<b>17 739</b>
Compensation of employees	15 985	(180)	910	16 715	16 715	-	100,0	13 517	13 151
Goods and services	5 176	1 361	(300)	6 237	6 237	-	100,0	5 638	4 588
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>35</b>
Households	-	-	-	-	-	-	-	35	35
<b>Payments for capital assets</b>	<b>388</b>	<b>131</b>	<b>-</b>	<b>519</b>	<b>519</b>	<b>-</b>	<b>100,0</b>	<b>276</b>	<b>189</b>
Machinery and equipment	388	102	-	490	490	-	100,0	276	189
Intangible assets	-	29	-	29	29	-	100,0	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>19</b>	<b>19</b>	<b>-</b>	<b>100,0</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>21 549</b>	<b>1 331</b>	<b>610</b>	<b>23 490</b>	<b>23 490</b>	<b>-</b>	<b>100,0</b>	<b>19 466</b>	<b>17 963</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per economic classification - Programme 2: Policy and Knowledge Services - continued**

2.3 Research and Knowledge Management	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>19 107</b>	<b>(1 055)</b>	<b>46</b>	<b>18 098</b>	<b>18 098</b>	<b>-</b>	<b>100,0</b>	<b>16 814</b>	<b>16 706</b>
Compensation of employees	13 085	431	446	13 962	13 962	-	100,0	12 614	12 614
Goods and services	6 022	(1 486)	(400)	4 136	4 136	-	100,0	4 200	4 092
<b>Transfers and subsidies</b>	<b>3 720</b>	<b>-</b>	<b>11</b>	<b>3 731</b>	<b>3 731</b>	<b>-</b>	<b>100,0</b>	<b>3 105</b>	<b>3 105</b>
Higher-education institutions	3 720	-	-	3 720	3 720	-	100,0	3 105	3 105
Households	-	-	11	11	11	-	100,0	-	-
<b>Payments for capital assets</b>	<b>465</b>	<b>(197)</b>	<b>-</b>	<b>268</b>	<b>268</b>	<b>-</b>	<b>100,0</b>	<b>331</b>	<b>223</b>
Machinery and equipment	465	(197)	-	268	268	-	100,0	288	201
Intangible assets	-	-	-	-	-	-	-	43	22
<b>Payments for financial assets</b>	<b>-</b>	<b>21</b>	<b>6</b>	<b>27</b>	<b>27</b>	<b>-</b>	<b>100,0</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>23 292</b>	<b>(1 231)</b>	<b>63</b>	<b>22 124</b>	<b>22 124</b>	<b>-</b>	<b>100,0</b>	<b>20 250</b>	<b>20 034</b>



Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

for the year ended 31 March 2015

**Appropriation per economic classification - Programme 2: Policy and Knowledge Services - continued**

2.4 South African Tourism	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	<b>880 009</b>	-	-	<b>880 009</b>	<b>880 009</b>	-	<b>100,0</b>	<b>866 333</b>	<b>866 333</b>
Departmental agencies and accounts	880 009	-	-	880 009	880 009	-	100,0	866 333	866 333
<b>TOTAL</b>	<b>880 009</b>	-	-	<b>880 009</b>	<b>880 009</b>	-	<b>100,0</b>	<b>866 333</b>	<b>866 333</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Detail per programme 3: International Tourism**

Programme 3: International Tourism	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub-programmes</b>									
1. International Tourism									
Management	3 510	115	(43)	3 582	3 582	-	100,0	4 094	4 020
2. Americas and Caribbean	12 684	35	(1 097)	11 622	11 562	60	99,5	9 953	9 046
3. Europe	7 930	(302)	(727)	6 901	6 901	-	100,0	7 951	7 950
4. Africa and Middle East	12 478	612	2 405	15 495	15 495	-	100,0	11 736	10 063
5. Asia and Australasia	8 814	(460)	(785)	7 569	7 554	15	99,8	7 279	6 807
<b>Total for sub-programmes</b>	<b>45 416</b>	<b>-</b>	<b>(247)</b>	<b>45 169</b>	<b>45 094</b>	<b>75</b>	<b>99,8</b>	<b>41 013</b>	<b>37 886</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>38 631</b>	<b>(40)</b>	<b>(2 850)</b>	<b>35 741</b>	<b>35 726</b>	<b>15</b>	<b>100,0</b>	<b>35 281</b>	<b>32 396</b>
Compensation of employees	31 885	-	160	32 045	32 030	15	100,0	28 369	25 754
Salaries and wages	27 810	701	160	28 671	28 656	15	99,9	25 398	22 783
Social contributions	4 075	(701)	-	3 374	3 374	-	100,0	2 971	2 971
Goods and services	6 746	(40)	(3 010)	3 696	3 696	-	100,0	6 912	6 642
Administrative fees	33	-	(13)	20	20	-	100,0	18	18
Advertising	36	-	35	71	71	-	100,0	678	659
Minor assets	126	-	(63)	63	63	-	100,0	402	151
Bursaries: Employees	-	-	54	54	54	-	100,0	-	-
Catering: Departmental activities	85	-	(57)	28	28	-	100,0	66	66
Communication	106	-	105	211	211	-	100,0	250	250
Computer services	-	-	-	-	-	-	-	6	6
Consultants: Business and advisory services	91	-	11	102	102	-	100,0	-	-
Legal services	44	-	(44)	-	-	-	-	-	-
Contractors	167	-	(141)	26	26	-	100,0	1	1

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Detail per programme 3: International Tourism - continued**

Programme 3: International Tourism	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Agency and support/ outsourced services	9	-	(3)	6	6	-	100,0	-	-
Entertainment	52	-	(52)	-	-	-	-	2	2
Fleet services	-	-	1	1	1	-	100,0	-	-
Consumable supplies	324	-	(242)	82	82	-	100,0	179	179
Consumables: Stationery, printing and office supplies	214	-	136	350	350	-	100,0	613	613
Property payments	1	-	-	1	1	-	100,0	-	-
Travel and subsistence	3 896	(40)	(1 892)	1 964	1 964	-	100,0	3 394	3 394
Training and development	336	-	(189)	147	147	-	100,0	613	613
Operating payments	752	-	(306)	446	446	-	100,0	425	425
Venues and facilities	411	-	(287)	124	124	-	100,0	265	265
Rental and hiring	63	-	(63)	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>5 864</b>	<b>40</b>	<b>2 748</b>	<b>8 652</b>	<b>8 592</b>	<b>60</b>	<b>99,3</b>	<b>5 026</b>	<b>4 909</b>
Foreign governments and international organisations	5 864	-	2 748	8 612	8 552	60	99,3	4 930	4 813
Households	-	40	-	40	40	-	100,0	96	96
Social benefits	-	40	-	40	40	-	100,0	96	96
<b>Payments for capital assets</b>	<b>921</b>	<b>-</b>	<b>(147)</b>	<b>774</b>	<b>774</b>	<b>-</b>	<b>100,0</b>	<b>706</b>	<b>581</b>
Machinery and equipment	921	-	(147)	774	774	-	100,0	687	562
Transport equipment	104	(7)	(97)	-	-	-	-	-	-
Other machinery and equipment	817	7	(50)	774	774	-	100,0	687	562
Intangible assets	-	-	-	-	-	-	-	19	19
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>100,0</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>45 416</b>	<b>-</b>	<b>(247)</b>	<b>45 169</b>	<b>45 094</b>	<b>75</b>	<b>99,8</b>	<b>41 013</b>	<b>37 886</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per economic classification - Programme 3: International Tourism**

3.1 International Tourism Management	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>3 454</b>	<b>105</b>	<b>(43)</b>	<b>3 516</b>	<b>3 516</b>	<b>-</b>	<b>100,0</b>	<b>4 030</b>	<b>3 957</b>
Compensation of employees	2 524	105	60	2 689	2 689	-	100,0	2 693	2 693
Goods and services	930	-	(103)	827	827	-	100,0	1 337	1 264
<b>Payments for capital assets</b>	<b>56</b>	<b>10</b>	<b>-</b>	<b>66</b>	<b>66</b>	<b>-</b>	<b>100,0</b>	<b>64</b>	<b>63</b>
Machinery and equipment	56	10	-	66	66	-	100,0	64	63
<b>TOTAL</b>	<b>3 510</b>	<b>115</b>	<b>(43)</b>	<b>3 582</b>	<b>3 582</b>	<b>-</b>	<b>100,0</b>	<b>4 094</b>	<b>4 020</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per economic classification - Programme 3: International Tourism - continued**

3.2 Americas and Caribbean	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>10 118</b>	<b>35</b>	<b>(1 027)</b>	<b>9 126</b>	<b>9 126</b>	<b>-</b>	<b>100,0</b>	<b>7 983</b>	<b>7 147</b>
Compensation of employees	8 647	35	-	8 682	8 682	-	100,0	6 545	5 807
Goods and services	1 471	-	(1 027)	444	444	-	100,0	1 438	1 340
<b>Transfers and subsidies</b>	<b>2 346</b>	<b>-</b>	<b>-</b>	<b>2 346</b>	<b>2 286</b>	<b>60</b>	<b>97,4</b>	<b>1 830</b>	<b>1 830</b>
Foreign governments and international organisations	2 346	-	-	2 346	2 286	60	97,4	1 830	1 830
<b>Payments for capital assets</b>	<b>220</b>	<b>-</b>	<b>(70)</b>	<b>150</b>	<b>150</b>	<b>-</b>	<b>100,0</b>	<b>140</b>	<b>69</b>
Machinery and equipment	220	-	(70)	150	150	-	100,0	140	69
<b>TOTAL</b>	<b>12 684</b>	<b>35</b>	<b>(1 097)</b>	<b>11 622</b>	<b>11 562</b>	<b>60</b>	<b>99,5</b>	<b>9 953</b>	<b>9 046</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per economic classification - Programme 3: International Tourism - continued**

3.3 Europe	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>7 715</b>	<b>(342)</b>	<b>(698)</b>	<b>6 675</b>	<b>6 675</b>	<b>-</b>	<b>100,0</b>	<b>7 684</b>	<b>7 683</b>
Compensation of employees	6 129	(302)	50	5 877	5 877	-	100,0	6 142	6 141
Goods and services	1 586	(40)	(748)	798	798	-	100,0	1 542	1 542
<b>Transfers and subsidies</b>	<b>-</b>	<b>40</b>	<b>-</b>	<b>40</b>	<b>40</b>	<b>-</b>	<b>100,0</b>	<b>56</b>	<b>56</b>
Households	-	40	-	40	40	-	100,0	56	56
<b>Payments for capital assets</b>	<b>215</b>	<b>-</b>	<b>(29)</b>	<b>186</b>	<b>186</b>	<b>-</b>	<b>100,0</b>	<b>211</b>	<b>211</b>
Machinery and equipment	215	-	(29)	186	186	-	100,0	192	192
Software and other intangible assets	-	-	-	-	-	-	-	19	19
<b>TOTAL</b>	<b>7 930</b>	<b>(302)</b>	<b>(727)</b>	<b>6 901</b>	<b>6 901</b>		<b>100,0</b>	<b>7 951</b>	<b>7 950</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per economic classification - Programme 3: International Tourism - continued**

3.4 Africa and Middle East	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>8 745</b>	<b>612</b>	<b>(335)</b>	<b>9 022</b>	<b>9 022</b>	<b>-</b>	<b>100,0</b>	<b>8 477</b>	<b>6 951</b>
Compensation of employees	7 248	612	50	7 910	7 910	-	100,0	6 927	5 420
Goods and services	1 497	-	(385)	1 112	1 112	-	100,0	1 550	1 531
<b>Transfers and subsidies</b>	<b>3 518</b>	<b>-</b>	<b>2 748</b>	<b>6 266</b>	<b>6 266</b>	<b>-</b>	<b>100,0</b>	<b>3 140</b>	<b>3 023</b>
Foreign governments and international organisations	3 518	-	2 748	6 266	6 266	-	100,0	3 100	2 983
Households	-	-	-	-	-	-	-	40	40
<b>Payments for capital assets</b>	<b>215</b>	<b>-</b>	<b>(10)</b>	<b>205</b>	<b>205</b>	<b>-</b>	<b>100,0</b>	<b>119</b>	<b>89</b>
Machinery and equipment	215	-	(10)	205	205	-	100,0	119	89
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>100,0</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>12 478</b>	<b>612</b>	<b>2 405</b>	<b>15 495</b>	<b>15 495</b>	<b>-</b>	<b>100,0</b>	<b>11 736</b>	<b>10 063</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per economic classification - Programme 3: International Tourism - continued**

3.5 Asia and Australasia	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>8 599</b>	<b>(450)</b>	<b>(747)</b>	<b>7 402</b>	<b>7 387</b>	<b>15</b>	<b>99,8</b>	<b>7 107</b>	<b>6 658</b>
Compensation of employees	7 337	(450)	-	6 887	6 872	15	99,8	6 062	5 693
Goods and services	1 262	-	(747)	515	515	-	100,0	1 045	965
<b>Payments for capital assets</b>	<b>215</b>	<b>(10)</b>	<b>(38)</b>	<b>167</b>	<b>167</b>	<b>-</b>	<b>100,0</b>	<b>172</b>	<b>149</b>
Machinery and equipment	215	(10)	(38)	167	167	-	100,0	172	149
<b>TOTAL</b>	<b>8 814</b>	<b>(460)</b>	<b>(785)</b>	<b>7 569</b>	<b>7 554</b>	<b>15</b>	<b>99,8</b>	<b>7 279</b>	<b>6 807</b>



Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Detail per programme 4: Domestic Tourism**

Programme 4: Domestic Tourism	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub-programmes</b>									
1. Domestic Tourism Management	9 573	(1 259)	(14)	8 300	8 300	-	100,0	9 473	9 428
2. Domestic Tourism Management: Southern Region	13 250	1 670	56	14 976	14 976	-	100,0	13 001	12 541
3. Domestic Tourism Management: Northern Region	16 650	289	(383)	16 556	16 513	43	99,7	16 234	15 973
4. Social Responsibility Implementation	319 890	(700)	(585)	318 605	298 281	20 324	93,6	291 364	291 049
5. Strategic Partners in Tourism	25 000	-	-	25 000	25 000	-	100,0	25 000	25 000
<b>Total for sub-programmes</b>	<b>384 363</b>	<b>-</b>	<b>(926)</b>	<b>383 437</b>	<b>363 070</b>	<b>20 367</b>	<b>94,7</b>	<b>355 072</b>	<b>353 991</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>73 252</b>	<b>102 606</b>	<b>(1 179)</b>	<b>174 679</b>	<b>173 101</b>	<b>1 578</b>	<b>99,1</b>	<b>68 665</b>	<b>67 746</b>
Compensation of employees	50 727	(1)	327	51 053	51 010	43	99,9	45 866	45 453
Salaries and wages	44 627	143	318	45 088	45 045	43	99,9	40 584	40 171
Social contributions	6 100	(144)	9	5 965	5 965	-	100,0	5 282	5 282
Goods and services	22 525	102 607	(1 506)	123 626	122 091	1 535	98,8	22 799	22 293
Administrative fees	50	(16)	-	34	34	-	100,0	59	59
Advertising	418	455	-	873	873	-	100,0	1 657	1 657
Minor assets	372	(279)	-	93	93	-	100,0	72	72
Bursaries: Employees	-	52	-	52	52	-	100,0	-	-
Catering: Departmental activities	581	173	-	754	754	-	100,0	636	636

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Detail per programme 4: Domestic Tourism - continued**

Programme 4: Domestic Tourism	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Communication	719	(60)	-	659	659	-	100,0	629	629
Computer services	504	(494)	-	10	10	-	100,0	74	74
Consultants: Business and advisory services	726	833	-	1 559	1 559	-	100,0	3 405	3 405
Legal services	21	52	-	73	73	-	100,0	230	230
Contractors	2 098	(1 034)	-	1 064	1 064	-	100,0	1 026	1 026
Agency and support/outsourced services	-	7	-	7	7	-	100,0	13	13
Entertainment	1	1	-	2	2	-	100,0	1	1
Fleet services	3	(3)	-	-	-	-	-	-	-
Consumable supplies	1 137	(474)	(200)	463	463	-	100,0	291	291
Consumables: Stationery, printing and office supplies	742	(20)	-	722	722	-	100,0	767	767
Operating leases	50	(50)	-	-	-	-	-	-	-
Property payments	-	58	-	58	58	-	100,0	129	129
Travel and subsistence	12 262	954	(1 250)	11 966	10 931	1 035	91,4	11 721	11 262
Training and development	50	102 831	-	102 881	102 881	-	100,0	116	116
Operating payments	1 783	(1 506)	(56)	221	221	-	100,0	380	380
Venues and facilities	1 008	1 116	-	2 124	1 624	500	76,5	1 593	1 546
Rental and hiring	-	11	-	11	11	-	100,0	-	-
<b>Transfers and subsidies</b>	<b>309 014</b>	<b>(102 628)</b>	<b>1 250</b>	<b>207 636</b>	<b>188 847</b>	<b>18 789</b>	<b>91,0</b>	<b>285 529</b>	<b>285 529</b>
Departmental agencies and accounts	5 630	-	-	5 630	5 630	-	100,0	6 300	6 300
Non-profit institutions	25 200	-	1 250	26 450	26 450	-	100,0	26 000	26 000

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Detail per programme 4: Domestic Tourism - continued**

Programme 4: Domestic Tourism	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	278 184	(102 628)	-	175 556	156 767	18 789	89,3	253 229	253 229
Social benefits	-	47	-	47	47	-	100,0	8	8
Other transfers to households	278 184	(102 675)	-	175 509	156 720	18 789	89,3	253 221	253 221
<b>Payments for capital assets</b>	<b>2 097</b>	<b>1</b>	<b>(997)</b>	<b>1 101</b>	<b>1 101</b>	<b>-</b>	<b>100,0</b>	<b>868</b>	<b>706</b>
Machinery and equipment	2 035	63	(997)	1 101	1 101	-	100,0	847	685
Transport equipment	219	16	(235)	-	-	-	100,0	23	23
Other machinery and equipment	1 816	47	(762)	1 101	1 101	-	100,0	824	662
Intangible assets	62	(62)	-	-	-	-	-	21	21
<b>Payments for financial assets</b>	<b>-</b>	<b>21</b>	<b>-</b>	<b>21</b>	<b>21</b>	<b>-</b>	<b>100,0</b>	<b>10</b>	<b>10</b>
<b>TOTAL</b>	<b>384 363</b>	<b>-</b>	<b>(926)</b>	<b>383 437</b>	<b>363 070</b>	<b>20 367</b>	<b>94,7</b>	<b>355 072</b>	<b>353 991</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per economic classification - Programme 4: Domestic Tourism**

4.1 Domestic Tourism Management	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>5 664</b>	<b>(1 262)</b>	<b>-</b>	<b>4 402</b>	<b>4 402</b>	<b>-</b>	<b>100,0</b>	<b>4 997</b>	<b>4 952</b>
Compensation of employees	2 725	(142)	-	2 583	2 583	-	100,0	2 668	2 623
Goods and services	2 939	(1 120)	-	1 819	1 819	-	100,0	2 329	2 329
<b>Transfers and subsidies</b>	<b>3 830</b>	<b>-</b>	<b>-</b>	<b>3 830</b>	<b>3 830</b>	<b>-</b>	<b>100,0</b>	<b>4 300</b>	<b>4 300</b>
Departmental agencies and accounts	3 630	-	-	3 630	3 630	-	100,0	3 300	3 300
Non-profit institutions	200	-	-	200	200	-	100,0	1 000	1 000
<b>Payments for capital assets</b>	<b>79</b>	<b>-</b>	<b>(14)</b>	<b>65</b>	<b>65</b>	<b>-</b>	<b>100,0</b>	<b>176</b>	<b>176</b>
Machinery and equipment	77	2	(14)	65	65	-	100,0	155	155
Intangible assets	2	(2)	-	-	-	-	-	21	21
<b>Payments for financial assets</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>100,0</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>9 573</b>	<b>(1 259)</b>	<b>(14)</b>	<b>8 300</b>	<b>8 300</b>	<b>-</b>	<b>100,0</b>	<b>9 473</b>	<b>9 428</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per economic classification - Programme 4: Domestic Tourism - continued**

4.2 Domestic Tourism Management: Southern Region	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>12 802</b>	<b>1 666</b>	<b>(923)</b>	<b>13 545</b>	<b>13 545</b>	<b>-</b>	<b>100,0</b>	<b>12 876</b>	<b>12 416</b>
Compensation of employees	8 394	608	327	9 329	9 329	-	100,0	8 131	8 130
Goods and services	4 408	1 058	(1 250)	4 216	4 216	-	100,0	4 745	4 286
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>1 250</b>	<b>1 250</b>	<b>1 250</b>	<b>-</b>	<b>100,0</b>	<b>-</b>	<b>-</b>
Non-profit institutions	-	-	1 250	1 250	1 250	-	100,0	-	-
<b>Payments for capital assets</b>	<b>448</b>	<b>-</b>	<b>(271)</b>	<b>177</b>	<b>177</b>	<b>-</b>	<b>100,0</b>	<b>118</b>	<b>118</b>
Machinery and equipment	434	14	(271)	177	177	-	100,0	118	118
Intangible assets	14	(14)	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>100,0</b>	<b>7</b>	<b>7</b>
<b>TOTAL</b>	<b>13 250</b>	<b>1 670</b>	<b>56</b>	<b>14 976</b>	<b>14 976</b>	<b>-</b>	<b>100,0</b>	<b>13 001</b>	<b>12 541</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per economic classification - Programme 4: Domestic Tourism - *continued***

4.3 Domestic Tourism Management: Northern Region	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>14 308</b>	<b>283</b>	<b>(200)</b>	<b>14 391</b>	<b>14 348</b>	<b>43</b>	<b>99,7</b>	<b>13 000</b>	<b>12 860</b>
Compensation of employees	10 095	(337)	-	9 758	9 715	43	99,6	8 986	8 877
Goods and services	4 213	620	(200)	4 633	4 633	-	100,0	4 014	3 983
<b>Transfers and subsidies</b>	<b>2 000</b>	<b>-</b>	<b>-</b>	<b>2 000</b>	<b>2 000</b>	<b>-</b>	<b>100,0</b>	<b>3 000</b>	<b>3 000</b>
Departmental agencies and accounts	2 000	-	-	2 000	2 000	-	100,0	3 000	3 000
<b>Payments for capital assets</b>	<b>342</b>	<b>-</b>	<b>(183)</b>	<b>159</b>	<b>159</b>	<b>-</b>	<b>100,0</b>	<b>234</b>	<b>113</b>
Machinery and equipment	328	14	(183)	159	159	-	100,0	234	113
Intangible assets	14	(14)	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>-</b>	<b>100,0</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>16 650</b>	<b>289</b>	<b>(383)</b>	<b>16 556</b>	<b>16 513</b>	<b>43</b>	<b>99,7</b>	<b>16 234</b>	<b>15 973</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per economic classification - Programme 4: Domestic Tourism - continued**

4.4 Social Responsibility Implementation	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>40 478</b>	<b>101 919</b>	<b>(56)</b>	<b>142 341</b>	<b>140 806</b>	<b>1 535</b>	<b>99,0</b>	<b>37 792</b>	<b>37 518</b>
Compensation of employees	29 513	(130)	-	29 383	29 383	-	100,0	26 081	25 823
Goods and services	10 965	102 049	(56)	112 958	111 423	1 535	98,6	11 711	11 695
<b>Transfers and subsidies</b>	<b>278 184</b>	<b>(102 628)</b>	<b>-</b>	<b>175 556</b>	<b>156 767</b>	<b>18 789</b>	<b>89,3</b>	<b>253 229</b>	<b>253 229</b>
Households	278 184	(102 628)	-	175 556	156 767	18 789	89,3	253 229	253 229
<b>Payments for capital assets</b>	<b>1 228</b>	<b>1</b>	<b>(529)</b>	<b>700</b>	<b>700</b>	<b>-</b>	<b>100,0</b>	<b>340</b>	<b>299</b>
Machinery and equipment	1 196	33	(529)	700	700	-	100,0	340	299
Intangible assets	32	(32)	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>8</b>	<b>8</b>	<b>-</b>	<b>100,0</b>	<b>3</b>	<b>3</b>
<b>TOTAL</b>	<b>319 890</b>	<b>(700)</b>	<b>(585)</b>	<b>318 605</b>	<b>298 281</b>	<b>20 324</b>	<b>93,6</b>	<b>291 364</b>	<b>291 049</b>

Department of Tourism - Vote 35  
**APPROPRIATION STATEMENT**

*for the year ended 31 March 2015*

**Appropriation per economic classification - Programme 4: Domestic Tourism - *continued***

4.5 Strategic Partners in Tourism	2014/15							2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	<b>25 000</b>	-	-	<b>25 000</b>	<b>25 000</b>	-	<b>100,0</b>	<b>25 000</b>	<b>25 000</b>
Non-profit institutions	25 000	-	-	25 000	25 000	-	100,0	25 000	25 000
<b>TOTAL</b>	<b>25 000</b>	-	-	<b>25 000</b>	<b>25 000</b>	-	<b>100,0</b>	<b>25 000</b>	<b>25 000</b>



## NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2015

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

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

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

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

**3. Details on payments for financial assets**

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

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

4.1 Per programme	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
<b>Programme 1: Administration</b>				
Goods and services	96 602	91 939	4 663	4,83
<b>Programme 3: International Tourism</b>				
Transfers and subsidies	8 652	8 592	60	0,69
<b>Programme 4: Domestic Tourism</b>				
Goods and services	123 626	122 091	1 535	1,24
Transfers and subsidies	207 636	188 847	18 789	9,05

## NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2015

**Programme 1: Administration**

**Explanation of variance:** The variance under goods and services is due to cost containment measures implemented by the Department.

**Programme 3: International Tourism**

**Explanation of variance:** The variance under transfers and subsidies is due to the exchange rate at the time of the transfer to the United Nations World Tourism Organisation (UNWTO).

**Programme 4: Domestic Tourism**

**Explanation of variance:** The variance under goods and services is due to cost containment measures implemented by the Department. The variance under transfers and subsidies is due to funds not being approved by the Department of Public Works for withdrawal relating to the Expanded Public Works Programme (EPWP) incentive.

4.2 Per economic classification	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
<b>Current payments</b>				
Compensation of employees	232 076	231 504	572	0,25
Goods and services	235 526	229 282	6 244	2,65
<b>Transfers and subsidies</b>				
Foreign governments and international organisations	8 612	8 552	60	0,70
Households	177 541	158 751	18 790	10,58

**Explanation of variances:** The variance under goods and services is due to cost containment measures implemented by the Department. The bulk of the variance under households is due to funds not being approved by the Department of Public Works for withdrawal relating to the EPWP incentive. The variance under foreign governments and international organisations is due to the exchange rate at the time of processing the payment to the UNWTO.

## STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
<b>REVENUE</b>			
Annual appropriation	1	1 583 260	1 520 574
Departmental revenue	2	3 504	4 209
Aid assistance	3	9 600	-
<b>TOTAL REVENUE</b>		<b>1 596 364</b>	<b>1 524 783</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	231 504	202 371
Goods and services	5	229 282	138 434
<b>Total current expenditure</b>		<b>460 786</b>	<b>340 805</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	1 083 730	1 160 115
Aid assistance	3	4 800	-
<b>Total transfers and subsidies</b>		<b>1 088 530</b>	<b>1 160 115</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	10 718	10 330
Intangible assets	8	2 098	1 299
<b>Total expenditure for capital assets</b>		<b>12 816</b>	<b>11 629</b>
<b>Payments for financial assets</b>	8	<b>262</b>	<b>118</b>
<b>TOTAL EXPENDITURE</b>		<b>1 562 394</b>	<b>1 512 667</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>33 970</b>	<b>12 116</b>
<b>Reconciliation of net surplus/(deficit) for the year</b>			
Voted funds		25 666	7 907
Annual appropriation		25 666	7 907
Departmental revenue	13	3 504	4 209
Aid assistance	3	4 800	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>33 970</b>	<b>12 116</b>

## STATEMENT OF FINANCIAL POSITION

as at 31 March 2015

	<i>Note</i>	<b>2014/15</b>	<b>2013/14</b>
		<b>R'000</b>	<b>R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	29 534	5 515
Prepayments and advances	10	107	1 559
Receivables	11	815	906
<b>Non-current assets</b>			
Receivables	11.4	551	143
<b>TOTAL ASSETS</b>		<b>31 007</b>	<b>8 123</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Voted funds to be surrendered to the revenue fund	12	25 666	7 907
Departmental revenue to be surrendered to the revenue fund	13	189	11
Payables	14	30	14
Aid assistance repayable	3	4 800	-
<b>TOTAL LIABILITIES</b>		<b>30 685</b>	<b>7 932</b>
<b>NET ASSETS</b>		<b>322</b>	<b>191</b>
<b>Represented by:</b>			
Recoverable revenue		322	191
<b>TOTAL</b>		<b>322</b>	<b>191</b>

# STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2015

	<i>Note</i>	<b>2014/15</b>	<b>2013/14</b>
		<b>R'000</b>	<b>R'000</b>
<b>Recoverable revenue</b>			
Opening balance		191	100
<b>Transfers:</b>			
Debts recovered (included in departmental receipts)		(36)	(28)
Debts raised		167	119
Closing balance		322	191
<b>TOTAL</b>		<b>322</b>	<b>191</b>

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**CASH FLOW STATEMENT**

*for the year ended 31 March 2015*

	<i>Note</i>	<b>2014/15</b>	<b>2013/14</b>
		<b>R'000</b>	<b>R'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Annual appropriated funds received	1	1 583 260	1 520 574
Departmental revenue received	2	3 470	3 606
Interest received	2.2	10	11
Aid assistance received	3	9 600	-
Net (increase)/decrease in working capital		1 151	(1 726)
Surrendered to revenue fund		(11 233)	(6 393)
Current payments		(460 786)	(340 805)
Payments for financial assets		(262)	(118)
Transfers and subsidies paid		(1 088 530)	(1 160 115)
<b>Net cash flow available from operating activities</b>	15	<b>36 680</b>	<b>15 034</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(12 816)	(11 629)
Proceeds from sale of capital assets	2.3	24	592
<b>Net cash flow from investing activities</b>		<b>(12 792)</b>	<b>(11 037)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		131	91
<b>Net cash flow from financing activities</b>		<b>131</b>	<b>91</b>
Net increase/(decrease) in cash and cash equivalents		24 019	4 088
Cash and cash equivalents at beginning of period		5 515	1 427
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	16	<b>29 534</b>	<b>5 515</b>

Department of Tourism - Vote 35

# ACCOUNTING POLICIES

for the year ended 31 March 2015

## 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 indicated otherwise.

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

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

### 1. Basis of preparation

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

### 2. Going concern

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

### 3. Presentation currency

Amounts have been presented in the currency of 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 flow arising from foreign-currency transactions is translated into South African rand, using the 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 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 when the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date when 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.

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# ACCOUNTING POLICIES

for the year ended 31 March 2015

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.

## 8. Expenditure

### 8.1 Compensation of employees

#### 8.1.1 Salaries and wages

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

#### 8.1.2 Social contributions

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

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

### 8.2 Other expenditure

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

### 8.3 Accrued expenditure payable

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the Department.

Accrued expenditure payable is measured at cost.

### 8.4 Leases

#### 8.4.1 Operating leases

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

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

#### 8.4.2 Finance leases

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

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

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

- cost, being the fair value of the asset; or



Department of Tourism - Vote 35

# ACCOUNTING POLICIES

*for the year ended 31 March 2015*

- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

## 9. Aid assistance

### 9.1 Aid assistance received

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

Aid assistance not spent for the intended purpose as well as 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.

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 are expensed as per the service provider agreement.

## 12. Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost, plus accrued interest where interest is charged, less amounts already settled or written off.

## 13. Investments

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

## 14. 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, which is 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

Loans and payables are recognised in the statement of financial position at cost.

## 16. Capital assets

### 16.1 Immovable capital assets

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

Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at RI, unless the fair value of the asset has been reliably estimated, in which case the fair value is used.

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**ACCOUNTING POLICIES**

*for the year ended 31 March 2015*

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

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

Subsequent expenditure of a capital nature is added to the cost of the asset at the end of the capital project, unless the immovable asset is recorded by another department, in which case the completed project costs are transferred to that department.

#### **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 accurately, 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 office of the Accountant-General) may be recorded at R1.

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

Subsequent expenditure of a capital nature is added to the cost of the asset at the end of the capital project, unless the movable asset is recorded by another department/entity, in which case the completed project costs are transferred to that department.

#### **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 with the development phase of the project.

Where the cost of intangible assets cannot be determined accurately, 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 office of the Accountant-General) 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 is added to the cost of the asset at the end of the capital project, unless the intangible asset is recorded by another department/entity, in which case the completed project costs are transferred to that department.

### **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.

Department of Tourism - Vote 35

# ACCOUNTING POLICIES

*for the year ended 31 March 2015*

## 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, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the Department's control, 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, the existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the Department's control.

## 17.4 Commitments

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the Department will discharge its responsibilities, thereby incurring future expenditure that will result in the outflow of cash.

## 18. Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is:

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

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

## 19. Fruitless and wasteful expenditure

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

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

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

## 20. Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred, unless it is impracticable to determine, in which case reasons for this are provided in the note.

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

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

## 21. Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are implemented by management have been applied retrospectively in accordance with Modified Cash Standard requirements, except to the extent that it is impracticable to determine the period-specific or cumulative effect of the change in policy. In such instances, the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with Modified Cash Standard requirements.

Department of Tourism - Vote 35

# ACCOUNTING POLICIES

*for the year ended 31 March 2015*

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

## **22. Events after the reporting date**

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

## **23. Departures from the Modified Cash Standard requirements**

Management concluded that the financial statements present fairly the Department's primary and secondary information and that the Department complied with the standard. National Treasury granted approval in terms of section 79 of the PFMA for the Department to depart from the Modified Cash Standard (MCS) with regard to the classification of EPWP infrastructure projects.

## **24. Capitalisation reserve**

The capitalisation reserve comprises 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 of and the related funds are received.

## **25. 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.

## **26. Related-party transactions**

A related-party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related-party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length.

## **27. 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.

## **28. Inventories (effective from 1 April 2016)**

At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements.

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

Inventories are subsequently measured at the lower of cost and net realisable value, or the lower of cost and replacement value.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## 1. Annual appropriation

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

	2014/15		2013/14
	Final appropriation	Actual funds received	Appropriation received
	R'000	R'000	R'000
Administration	224 961	224 961	212 646
Policy and Knowledge Services	929 693	929 693	911 843
International Tourism	45 169	45 169	41 013
Domestic Tourism	383 437	383 437	355 072
<b>TOTAL</b>	<b>1 583 260</b>	<b>1 583 260</b>	<b>1 520 574</b>

## 2. Departmental revenue

	Note	2014/15	2013/14
		R'000	R'000
Sales of goods and services other than capital assets	2.1	163	141
Interest, dividends and rent on land	2.2	10	11
Sales of capital assets	2.3	24	592
Transactions in financial assets and liabilities	2.4	3 307	3 465
<b>TOTAL DEPARTMENTAL REVENUE COLLECTED</b>		<b>3 504</b>	<b>4 209</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

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

	Note	2014/15	2013/14
	2	R'000	R'000
Sales of goods and services produced by the Department		163	141
Sales by market establishment		84	69
Other sales		79	72
<b>TOTAL</b>		<b>163</b>	<b>141</b>

**2.2 Interest, dividends and rent on land**

	Note	2014/15	2013/14
	2	R'000	R'000
Interest		10	11
<b>TOTAL</b>		<b>10</b>	<b>11</b>

**2.3 Sale of capital assets**

	Note	2014/15	2013/14
	2	R'000	R'000
<b>Tangible assets</b>		<b>24</b>	<b>592</b>
Machinery and equipment	25.2	24	592
<b>TOTAL</b>		<b>24</b>	<b>592</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

**2.4 Transactions in financial assets and liabilities**

	<i>Note</i>	<b>2014/15</b>	<b>2013/14</b>
		<b>R'000</b>	<b>R'000</b>
Other receipts, including recoverable revenue	2	3 307	3 465
<b>TOTAL</b>		<b>3 307</b>	<b>3 465</b>

**3. Aid assistance**

	<b>2014/15</b>	<b>2013/14</b>
	<b>R'000</b>	<b>R'000</b>
Opening balance	-	-
Transferred from statement of financial performance	4 800	-
Paid during the year	-	-
<b>CLOSING BALANCE</b>	<b>4 800</b>	<b>-</b>

**Note:** Revenue of R9,6 million was received for the dinosaur project. The expenditure for the 2014/15 financial year was R4,8 million. (See Annexure 1F)

**3.1 Analysis of balance by source**

	<i>Note</i>	<b>2014/15</b>	<b>2013/14</b>
		<b>R'000</b>	<b>R'000</b>
Aid assistance from Reconstruction and Development Programme (RDP)	3	4 800	-
<b>CLOSING BALANCE</b>		<b>4 800</b>	<b>-</b>

**3.2 Analysis of balance**

	<i>Note</i>	<b>2014/15</b>	<b>2013/14</b>
		<b>R'000</b>	<b>R'000</b>
Aid assistance repayable	3	4 800	-
<b>CLOSING BALANCE</b>		<b>4 800</b>	<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## 4. Compensation of employees

## 4.1 Salaries and wages

	Note	2014/15	2013/14
	4	R'000	R'000
Basic salary		160 515	136 996
Performance award		4 955	6 530
Service-based		290	287
Compensative/circumstantial		1 686	1 272
Other non-pensionable allowances		37 846	33 912
<b>TOTAL</b>		<b>205 292</b>	<b>178 997</b>

## 4.2 Social contributions

	Note	2014/15	2013/14
	4	R'000	R'000
<b>Employer contributions</b>			
Pension		20 176	17 512
Medical		6 004	5 833
Bargaining council		32	29
<b>TOTAL</b>		<b>26 212</b>	<b>23 374</b>

<b>TOTAL COMPENSATION OF EMPLOYEES</b>		<b>231 504</b>	<b>202 371</b>
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Average number of employees		534	507
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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## 5. Goods and services

	Note	2014/15 R'000	2013/14 R'000
Administrative fees		193	242
Advertising		2 854	4 204
Minor assets	5.1	558	891
Bursaries (employees)		1 063	783
Catering		1 709	1 732
Communication		5 035	5 203
Computer services	5.2	14 335	17 145
Consultants: Business and advisory services		3 357	7 321
Legal services		493	235
Contractors		2 653	2 578
Agency and support/outsourced services		3 128	2 586
Entertainment		55	174
Audit cost – external	5.3	4 210	4 197
Fleet services		1 221	1 241
Consumables	5.4	6 374	5 714
Operating leases		32 139	26 894
Rental and hiring		120	-
Property payments	5.5	2 459	2 188
Travel and subsistence	5.6	31 169	41 752
Venues and facilities		4 904	4 628
Training and development		106 173	3 551
Other operating expenditure	5.7	5 080	5 175
<b>TOTAL</b>		<b>229 282</b>	<b>138 434</b>

**Note:** The 2013/14 amounts for administrative fees and property payments were reclassified as per Standard Chart of Accounts (SCOA) with the management/handling fees amount of R1 954 962,35 (note 5.5).

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

An amount of R102 675 164,14 for training and development for Expanded Public Works Programme projects is included in the item training and development for 2014/15. Previously classified under transfer payments.

**5.1 Minor assets**

	Note	2014/15	2013/14
	5	R'000	R'000
<b>Tangible assets</b>		<b>558</b>	<b>891</b>
Machinery and equipment		558	891
<b>TOTAL</b>		<b>558</b>	<b>891</b>

**5.2 Computer services**

	Note	2014/15	2013/14
	5	R'000	R'000
State Information Technology Agency (SITA) computer services		6 848	7 713
External computer service providers		7 487	9 432
<b>TOTAL</b>		<b>14 335</b>	<b>17 145</b>

**5.3 Audit cost – external**

	Note	2014/15	2013/14
	5	R'000	R'000
Regularity audits		4 210	4 197
<b>TOTAL</b>		<b>4 210</b>	<b>4 197</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## 5.4 Consumables

	Note	2014/15	2013/14
	5	R'000	R'000
Consumable supplies		2 277	1 703
Uniform and clothing		445	381
Household supplies		1 129	502
Building material and supplies		139	347
Communication accessories		1	2
IT consumables		301	353
Other consumables		262	118
Stationery, printing and office supplies		4 097	4 011
<b>TOTAL</b>		<b>6 374</b>	<b>5 714</b>

## 5.5 Property payments

	Note	2014/15	2013/14
	5	R'000	R'000
Municipal services		2 189	2 059
Property management fees		108	-
Other (cleaning and fumigation services)		162	129
<b>TOTAL</b>		<b>2 459</b>	<b>2 188</b>

## 5.6 Travel and subsistence

	Note	2014/15	2013/14
	5	R'000	R'000
Local		22 974	23 216
Foreign		8 195	18 536
<b>TOTAL</b>		<b>31 169</b>	<b>41 752</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## 5.7 Other operating expenditure

	Note	2014/15	2013/14
		R'000	R'000
Professional bodies, membership and subscription fees	5	2 349	2 219
Resettlement costs		600	500
Other (printing & publications and courier services)		2 131	2 456
<b>TOTAL</b>		<b>5 080</b>	<b>5 175</b>

## 6. Payments for financial assets

	Note	2014/15	2013/14
		R'000	R'000
Other material losses written off	6.1	262	117
Debts written off	6.2	-	1
<b>TOTAL</b>		<b>262</b>	<b>118</b>

## 6.1 Other material losses written off

	Note	2014/15	2013/14
<b>Nature of losses</b>		R'000	R'000
Losses (damage to vehicles due to accidents)	6	262	117
<b>TOTAL</b>		<b>262</b>	<b>117</b>

## 6.2 Debts written off

	Note	2014/15	2013/14
<b>Nature of debts written off</b>		R'000	R'000
Other debt written off (departmental debt)	6	-	1
<b>TOTAL</b>		<b>-</b>	<b>1</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## 7. Transfers and subsidies

	<i>Note</i>	<b>2014/15</b>	<b>2013/14</b>
		<b>R'000</b>	<b>R'000</b>
Departmental agencies and accounts	Annex IA	886 257	872 633
Higher-education institutions	Annex IB	3 720	3 105
Foreign governments and international organisations	Annex IC	8 552	4 813
Non-profit institutions	Annex ID	26 450	26 000
Households	Annex IE	158 751	253 564
<b>TOTAL</b>		<b>1 083 730</b>	<b>1 160 115</b>

## 8. Expenditure for capital assets

	<i>Note</i>	<b>2014/15</b>	<b>2013/14</b>
		<b>R'000</b>	<b>R'000</b>
<b>Tangible assets</b>		<b>10 718</b>	<b>10 330</b>
Machinery and equipment	25	10 718	10 330
<b>Intangible assets</b>		<b>2 098</b>	<b>1 299</b>
Software	26	2 098	1 299
<b>TOTAL</b>		<b>12 816</b>	<b>11 629</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

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

	2014/15	2013/14
	R'000	R'000
<b>Tangible assets</b>	<b>10 718</b>	<b>10 330</b>
Machinery and equipment	10 718	10 330
<b>Intangible assets</b>	<b>2 098</b>	<b>1 299</b>
Software	2 098	1 299
<b>TOTAL</b>	<b>12 816</b>	<b>11 629</b>

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

	2014/15	2013/14
	R'000	R'000
<b>Tangible assets</b>		
Machinery and equipment	1 637	1 524
<b>TOTAL</b>	<b>1 637</b>	<b>1 524</b>

## 9. Cash and cash equivalents

	2014/15	2013/14
	R'000	R'000
Consolidated Paymaster general account	35 337	13 008
Cash receipts	1	-
Disbursements	(5 859)	(7 548)
Cash on hand	55	55
<b>TOTAL</b>	<b>29 534</b>	<b>5 515</b>

**Note:** An amount of R35 054,58 was paid into the departmental bank account (ABSA) and the interface with the Department's Paymaster general account took place on 1 April 2015. As the Department is on modified cash accounting, this amount is not part of the cash and cash equivalent as stated above.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## 10. Prepayments and advances

	2014/15	2013/14
	R'000	R'000
Travel and subsistence	57	251
Prepayments	50	1 308
<b>TOTAL</b>	<b>107</b>	<b>1 559</b>

## 11. Receivables

	Note	2014/15				2013/14
		R'000	R'000	R'000	R'000	R'000
		Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	11.1 Annex 3	360	-	-	360	488
Recoverable expenditure	11.2	63	-	-	63	179
Staff debt	11.3	196	-	-	196	239
Other debtors	11.4	-	501	50	551	143
Fruitless and wasteful expenditure	11.5	196	-	-	196	-
<b>TOTAL</b>		<b>815</b>	<b>501</b>	<b>50</b>	<b>1 366</b>	<b>1 049</b>

## 11.1 Claims recoverable

	Note	2014/15	2013/14
	11	R'000	R'000
National departments		215	13
Provincial departments		72	245
Public entities		73	230
<b>TOTAL</b>		<b>360</b>	<b>488</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

**11.2 Recoverable expenditure (disallowance accounts)**

	<i>Note</i>	<b>2014/15</b>	<b>2013/14</b>
	11	<b>R'000</b>	<b>R'000</b>
Departmental suspense account		63	179
<b>TOTAL</b>		<b>63</b>	<b>179</b>

**11.3 Staff debt**

	<i>Note</i>	<b>2014/15</b>	<b>2013/14</b>
	11	<b>R'000</b>	<b>R'000</b>
Departmental debt account		196	239
<b>TOTAL</b>		<b>196</b>	<b>239</b>

**11.4 Other debtors**

	<i>Note</i>	<b>2014/15</b>	<b>2013/14</b>
	11	<b>R'000</b>	<b>R'000</b>
Debt account – non-current		316	134
Departmental suspense accounts – non-current		11	9
Claims recoverable – public entities – non-current		224	-
<b>TOTAL</b>		<b>551</b>	<b>143</b>

**11.5 Fruitless and wasteful expenditure**

	<i>Note</i>	<b>2014/15</b>	<b>2013/14</b>
	11	<b>R'000</b>	<b>R'000</b>
Opening balance		-	-
Transfers from note 22.1, "Fruitless and wasteful expenditure"		196	-
<b>TOTAL</b>		<b>196</b>	<b>-</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

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

	2014/15	2013/14
	R'000	R'000
Opening balance	7 907	2 184
Transfer from statement of financial performance (as restated)	25 666	7 907
Paid during the year	(7 907)	(2 184)
<b>CLOSING BALANCE</b>	<b>25 666</b>	<b>7 907</b>

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

	2014/15	2013/14
	R'000	R'000
Opening balance	11	11
Transfer from statement of financial performance (as restated)	3 504	4 209
Paid during the year	(3 326)	(4 209)
<b>CLOSING BALANCE</b>	<b>189</b>	<b>11</b>

## 14. Payables – current

	Note	2014/15	2013/14
		R'000	R'000
Other payables	14.1	30	14
<b>TOTAL</b>		<b>30</b>	<b>14</b>

## 14.1 Other payables

	Note	2014/15	2013/14
		R'000	R'000
Salary-related payables	14	30	14
<b>TOTAL</b>		<b>30</b>	<b>14</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## 15. Net cash flow available from operating activities

	2014/15	2013/14
	R'000	R'000
Net surplus/(deficit) as per statement of financial performance	33 970	12 116
Add back non-cash/cash movements not deemed operating activities	2 710	2 918
(Increase)/decrease in receivables – current	(317)	(345)
(Increase)/decrease in prepayments and advances	1 452	(1 373)
Increase/(decrease) in payables – current	16	(8)
Proceeds from sale of capital assets	(24)	(592)
Expenditure on capital assets	12 816	11 629
Surrendered to revenue fund	(11 233)	(6 393)
<b>Net cash flow generated by operating activities</b>	<b>36 680</b>	<b>15 034</b>

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

	2014/15	2013/14
	R'000	R'000
Consolidated Paymaster general account	35 337	13 008
Cash receipts	1	-
Disbursements	(5 859)	(7 548)
Cash on hand	55	55
<b>TOTAL</b>	<b>29 534</b>	<b>5 515</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## 17. Contingent liabilities and contingent assets

## 17.1 Contingent liabilities

		Note	2014/15	2013/14
			R'000	R'000
Liable to	Nature			
Housing loan guarantees	Employees	Annex 2A	26	26
Claims against the Department		Annex 2B	15 215	15 215
Intergovernmental payables (unconfirmed balances)		Annex 4	31	151
<b>TOTAL</b>			<b>15 272</b>	<b>15 392</b>

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

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

## 17.2 Contingent assets

		2014/15	2013/14
		R'000	R'000
Nature of contingent asset			
National Tourism Careers Expo partners/Black Magic – termination of contract and reimbursement of total amount paid		1 083	1 083
Been Around GP Advert Consulting CC – non-performance/breach of contract		2 805	2 805
<b>TOTAL</b>		<b>3 888</b>	<b>3 888</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## 18. Commitments

	2014/15	2013/14
	R'000	R'000
<b>Current expenditure</b>		
Approved and contracted	75 728	24 578
Approved and not contracted	25 000	-
	<u>100 728</u>	<u>24 578</u>
<b>Capital expenditure</b>		
Approved and contracted	871	2 039
	<u>871</u>	<u>2 039</u>
<b>TOTAL COMMITMENTS</b>	<b><u>101 599</u></b>	<b><u>26 617</u></b>

Three-year contract appointment of an ICT managed service provider of SharePoint software support and maintenance.  
 Three-year contract appointment of an ICT managed service provider for document configuration services and Live Link.  
 Expanded Public Works Programme multi-year contract payments for training.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## 19. Accruals and payables not recognised

	2014/15			2013/14
	30 days	30+ days	Total	Total
	R'000			R'000
<b>Listed by economic classification</b>				
Goods and services	2 474	108	2 582	3 999
Other (assets and liabilities)	277	-	277	7
Capital assets	292	104	396	285
<b>TOTAL</b>	<b>3 043</b>	<b>212</b>	<b>3 255</b>	<b>4 291</b>
	2014/15			2013/14
	R'000			R'000
<b>Listed by programme level</b>				
Administration			2 079	3255
Policy and Knowledge Services			194	394
International Tourism			215	58
Domestic Tourism			490	577
Other (assets and liabilities)			277	7
<b>TOTAL</b>			<b>3 255</b>	<b>4 291</b>
Confirmed balances with other departments		Annex 4	166	665
<b>TOTAL</b>			<b>166</b>	<b>665</b>

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

Audit fees	R488 279,18	External computer services	R379 209,60
State Attorney services	R134 025,00	Domestic travel	R260 362,27
Telephone account	R242 699,83		

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## 20. Employee benefits

	2014/15	2013/14
	R'000	R'000
Leave entitlement	7 386	6 091
Service bonus (13th cheque)	6 342	5 373
Performance awards	3 499	3 087
Capped leave commitments	4 176	3 649
Provision for long service awards	53	75
<b>TOTAL</b>	<b>21 456</b>	<b>18 275</b>

**Note:** Leave entitlement includes a negative amount of R330 447,44 due to the utilisation of leave within the first quarter of the leave cycle.

## 21. Finance lease expenditure

	2014/15	Machinery and equipment	Total
Not later than 1 year		1 321	1 321
Later than 1 year but not later than 5 years		1 434	1 434
<b>Total lease commitments</b>		<b>2 755</b>	<b>2 755</b>

	2013/14	Machinery and equipment	Total
Not later than 1 year		1 199	1 199
Later than 1 year but not later than 5 years		651	651
<b>Total lease commitments</b>		<b>1 850</b>	<b>1 850</b>

**General description of the material leasing arrangements**

The Department has no material lease agreements. No vehicles are leased. All vehicle lease agreements have expired. No asset of the Department is sub-leased.

Restrictions on finance leases for photocopiers are imposed on the Department and include maintenance and repairs.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

**22. Fruitless and wasteful expenditure****22.1 Reconciliation of fruitless and wasteful expenditure**

	<i>Note</i>	<b>2014/15</b>	<b>2013/14</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		1 952	97
Prior-period error		-	-
As restated		1 952	97
Fruitless and wasteful expenditure – relating to prior year		-	2 792
Fruitless and wasteful expenditure – relating to current year		712	648
Less: Amounts resolved		(2 419)	(1 585)
Less: Amounts transferred to receivables for recovery	11.5	(196)	-
<b>Fruitless and wasteful expenditure awaiting resolution</b>		<b>49</b>	<b>1 952</b>

**22.2 Analysis of awaiting-resolution per economic classification**

	<b>2014/15</b>	<b>2013/14</b>
	<b>R'000</b>	<b>R'000</b>
Current	49	1 952
<b>TOTAL</b>	<b>49</b>	<b>1 952</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

**22.3 Analysis of current year's fruitless and wasteful expenditure**

		2014/15
		R'000
Incident	Disciplinary steps taken/criminal proceedings	
Late cancellation/no-show/flight amendments with regard to travel bookings	No disciplinary steps required – investigation conducted and expenditure condoned as valid	663
Late cancellation/no-show/flight amendments with regard to travel bookings	Under investigation to determine liability	49
<b>TOTAL</b>		<b>712</b>

**23. Related-party transactions**

South African Tourism (SA Tourism) is a public entity of the Department.

Transfer payments to SA Tourism have been included in Annexure IA to the financial statements.

**24. Key management personnel**

	No. of individuals	2014/15	2013/14
		R'000	R'000
Political office-bearers	2	5 647	3 841
Officials:			
Level 15 to 16	5	7 089	7 010
Level 14	15	15 036	14 419
<b>TOTAL</b>		<b>27 772</b>	<b>25 270</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## 25. Movable tangible capital assets

## MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>44 727</b>	<b>9 091</b>	<b>(2 089)</b>	<b>51 729</b>
Transport assets	5 343	1 647	-	6 990
Computer equipment	19 308	5 660	(1 857)	23 111
Furniture and office equipment	12 492	829	(93)	13 228
Other machinery and equipment	7 584	955	(139)	8 400
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>44 727</b>	<b>9 091</b>	<b>(2 089)</b>	<b>51 729</b>

## 25.1 Additions

## ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Cash	Non-cash	(Capital-work-in-progress current costs and finance lease payments)	Received current, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>10 718</b>	<b>10</b>	<b>(1 637)</b>	<b>-</b>	<b>9 091</b>
Transport assets	1 854	-	(207)	-	1 647
Computer equipment	5 660	-	-	-	5 660
Furniture and office equipment	819	10	-	-	829
Other machinery and equipment	2 385	-	(1 430)	-	955
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>10 718</b>	<b>10</b>	<b>(1 637)</b>	<b>-</b>	<b>9 091</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## 25.2 Disposals

## DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Sold for cash	Transferred out, destroyed or scrapped	Total disposals	Cash received (actual)
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>1 312</b>	<b>777</b>	<b>2 089</b>	<b>24</b>
Computer equipment	1 312	545	1 857	24
Furniture and office equipment	-	93	93	-
Other machinery and equipment	-	139	139	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>1 312</b>	<b>777</b>	<b>2 089</b>	<b>24</b>

## 25.3 Movement for 2013/14

## MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	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>41 185</b>	<b>14</b>	<b>8 817</b>	<b>(5 289)</b>	<b>44 727</b>
Transport assets	3 684	62	2 763	(1 166)	5 343
Computer equipment	17 417	110	4 001	(2 220)	19 308
Furniture and office equipment	11 111	(22)	1 675	(272)	12 492
Other machinery and equipment	8 973	(136)	378	(1 631)	7 584
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>41 185</b>	<b>14</b>	<b>8 817</b>	<b>(5 289)</b>	<b>44 727</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## 25.4 Minor assets

## MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	1 364	6 318	7 682
Additions	10	548	558
Disposals	(2)	(195)	(197)
<b>TOTAL MINOR ASSETS</b>	<b>1 372</b>	<b>6 671</b>	<b>8 043</b>

	Intangible assets	Machinery and equipment	Total
Number of RI minor assets	-	544	544
Number of minor assets at cost	444	5 993	6 437
<b>TOTAL NUMBER MINOR ASSETS</b>	<b>444</b>	<b>6 537</b>	<b>6 981</b>

## MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	1 364	5 842	7 206
Additions	-	891	891
Disposals	-	(415)	(415)
<b>TOTAL MINOR ASSETS</b>	<b>1 364</b>	<b>6 318</b>	<b>7 682</b>

	Intangible assets	Machinery and equipment	Total
Number of RI minor assets	-	683	683
Number of minor assets at cost	443	5 444	5 887
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>443</b>	<b>6 127</b>	<b>6 570</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## 26. Intangible capital assets

## MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>SOFTWARE</b>	<b>1 863</b>	<b>2 098</b>	<b>-</b>	<b>3 961</b>
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>1 863</b>	<b>2 098</b>	<b>-</b>	<b>3 961</b>

## 26.1 Additions

## ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Cash	Non-cash	Received current year, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000
<b>SOFTWARE</b>	<b>2 098</b>	<b>-</b>	<b>-</b>	<b>2 098</b>
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>2 098</b>	<b>-</b>	<b>-</b>	<b>2 098</b>

## 26.2 Movement for 2013/14

## MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Prior-period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>SOFTWARE</b>	<b>550</b>	<b>20</b>	<b>1 299</b>	<b>(6)</b>	<b>1 863</b>
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>550</b>	<b>20</b>	<b>1 299</b>	<b>(6)</b>	<b>1 863</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## ANNEXURE 1A

## STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2013/14
	Adjusted appropriation	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
South African Tourism	880 009	-	-	880 009	880 009	100	866 333
National Tourism Careers Expo (Eastern Cape Parks Agency)	3 630	-	-	3 630	3 630	100	3 300
Tourism Accelerated Apprenticeship Programme	2 000	-	-	2 000	2 000	100	3 000
Culture, Art, Tourism, Hospitality and Sports Sector Education and Training Authority	230	-	-	230	230	100	-
Public Service Sector Education and Training Authority	388	-	-	388	388	100	-
<b>TOTAL</b>	<b>886 257</b>	<b>-</b>	<b>-</b>	<b>886 257</b>	<b>886 257</b>		<b>872 633</b>

Disclosure of unspent funds transferred to beneficiaries	Disclosure
South African Tourism	No unspent funds
National Tourism Careers Expo (Eastern Cape Parks Agency)	Unconfirmed
Tourism Accelerated Apprenticeship Programme (Fedhasa)	Unconfirmed
Culture, Art, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	Unspent amount: R230 000,00
Public Service Sector Education and Training Authority (PSETA)	Unspent amount: R388 000,00

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## ANNEXURE 1B

## STATEMENT OF TRANSFERS TO HIGHER-EDUCATION INSTITUTIONS

NAME OF HIGHER-EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER		2013/14	
	Adjusted appropriation	Roll-overs	Adjustments	Total available	Actual transfer	Amount not transferred	% of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Cape Peninsula University of Technology	620	-	-	620	620	-	100	517
University of Johannesburg	620	-	-	620	620	-	100	517
University of Pretoria	1 240	-	-	1 240	1 240	-	100	1 035
University of Venda	620	-	-	620	620	-	100	518
University of Zululand	620	-	-	620	620	-	100	518
<b>TOTAL</b>	<b>3 720</b>	<b>-</b>	<b>-</b>	<b>3 720</b>	<b>3 720</b>	<b>-</b>		<b>3 105</b>

## ANNEXURE 1C

## STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS	TRANSFER ALLOCATION				TRANSFER		2013/14	
	Adjusted appropriation	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
<b>Transfers</b>								
Regional Tourism Organisation of Southern Africa (RETOSA)	3 518	-	2 748	6 266	6 266	100	2 983	
United Nations World Tourism Organization (UNWTO)	2 346	-	-	2 346	2 286	97	1 830	
<b>TOTAL</b>	<b>5 864</b>	<b>-</b>	<b>2 748</b>	<b>8 612</b>	<b>8 552</b>		<b>4 813</b>	

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## ANNEXURE 1D

## STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				TRANSFER		2013/14
	Adjusted appropriation	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS</b>							
<b>Transfers</b>							
Federated Hospitality Association of Southern Africa (Fedhasa)	200	-	-	200	200	100	500
Ezemvelo KZN Wildlife	-	-	-	-	-	-	500
Strategic Partners in Tourism	25 000	-	-	25 000	25 000	100	25 000
Tourism interpretive signage	-	-	1 250	1 250	1 250	100	-
<b>TOTAL</b>	<b>25 200</b>	<b>-</b>	<b>1 250</b>	<b>26 450</b>	<b>26 450</b>		<b>26 000</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## ANNEXURE 1E

## STATEMENT OF TRANSFERS TO HOUSEHOLDS

STATEMENT OF TRANSFERS TO HOUSEHOLDS	TRANSFER ALLOCATION				TRANSFER		2013/14
	Adjusted appropriation	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Expanded Public Works Programme	93 909	-	-	93 909	93 909	100	214 114
Expanded Public Works Programme incentive	66 200	-	-	66 200	47 450	72	39 107
<b>Subtotal</b>	<b>160 109</b>	<b>-</b>	<b>-</b>	<b>160 109</b>	<b>141 359</b>	<b>88,3</b>	<b>253 221</b>
Tourism Incentive Programme	15 400	-	-	15 400	15 361	99,7	-
Employee social benefits: Leave gratuity	-	-	2 032	2 032	2 031	99,9	343
<b>TOTAL</b>	<b>175 509</b>	<b>-</b>	<b>2 032</b>	<b>177 541</b>	<b>158 751</b>		<b>253 564</b>

## ANNEXURE 1E (continued)

DETAIL ON EXPANDED PUBLIC WORKS PROGRAMMES	ACTUAL TRANSFER
Infrastructure projects	2014/15
	R'000
Eastern Cape - Mthatha Airport Information	3 040 852,80
Eastern Cape - Port St Johns Waterfront	5 004 266,00
Eastern Cape - Aliwal SPA - Phase 2	453 000,00
Eastern Cape - Bongolo Dam	3 570 637,00
Eastern Cape - Mbashe, Coffee Bay, Mvezo N. Mandela - Phase 2	102 375,00
Eastern Cape - Ndlambe Tourism Infrastructure & Heritage	9 102 060,00
Eastern Cape - Mthonsi Lodge	11 047 200,00
Eastern Cape - Qatywa Eco-tourism Development	6 056 449,00



## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

DETAIL ON EXPANDED PUBLIC WORKS PROGRAMMES	ACTUAL TRANSFER
Infrastructure projects	2014/15
	R'000
Eastern Cape - Xonxa Aquacultural	22 378,00
Eastern Cape - Cradock 4 Garden of Remembrance	552 500,00
Free State - Accommodation facilities at Metsi Matsho Dam	5 008 509,00
Free State - Witsieshoek Mountain Hotel	3 970 996,00
Free State - Sentinel Peak car park access	4 197 219,00
Gauteng - Komjekeje Heritage Site Project	3 003 608,00
Gauteng - Alexandra Mandela Yard Project	6 157 750,00
Gauteng - Gamothaga Youth Camp	58 333,00
Gauteng - Mamelodi Rondavels	52 500,00
Gauteng - Moretele Park	52 500,00
KwaZulu-Natal - Lilani Hot Springs Project	972 355,00
KwaZulu-Natal - Muzi Muzi Pan Canoeing Phase 2	5 571 705,00
Limpopo - Mahlathi Village Project	4 654 013,40
Limpopo - Muyexe Tourism Project	6 199 417,50
Limpopo - Ngove Cultural Centre and Theatre Phase 2	9 163 535,00
Limpopo - Tisane Cultural Village	11 192 864,00
Limpopo - Khalanga Guest Lodge Phase 2	7 369 007,00
Limpopo - Mukumbani Waterfalls	4 858 207,00
Northern Cape - Caravan Park Kai Garip Project	4 479 183,50
North West - Manyane Lodge	17 580 903,40
Western Cape - Donkey Tracking Route Phase 3	3 170 181,00
Western Cape - False Bay Ecology Park	3 607 018,60
Western Cape - Tourism Development Programme for Atlantis	400 000,00
Western Cape - Stony Point Eco Centre Phase 2	687 186,00
<b>TOTAL</b>	<b>141 358 709,20</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## ANNEXURE 1F

## STATEMENT OF AID ASSISTANCE RECEIVED

Name of donor	Purpose	Opening Balance	Revenue	Expenditure	Closing Balance
		R'000	R'000	R'000	R'000
<b>Received in cash</b>					
European Union	Construction of an interpretive centre featuring dinosaur relics found in the Golden Gate Highlands National Park	-	9 600	4 800	4 800
<b>TOTAL</b>		<b>-</b>	<b>9 600</b>	<b>4 800</b>	<b>4 800</b>

## ANNEXURE 1G

## STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2014/15
	R'000
<b>Made in kind</b>	
Gift of movable assets	65
<b>TOTAL</b>	<b>65</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## ANNEXURE 2A

## STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2015 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2014	Guarantee draw-downs during the year	Guarantee repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2015	Guaranteed interest for year ended 31 March 2015	Realised losses not recoverable, i.e. claims paid out
		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>	<b>-</b>	<b>-</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## ANNEXURE 2B

## STATEMENT OF CLAIMS AGAINST THE DEPARTMENT AS AT 31 MARCH 2015

NATURE OF LIABILITY	Opening balance 1 April 2014	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (provide details hereunder)	Closing balance 31 March 2015
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the Department</b>					
<b>I CAN-ABCOR</b> – Free State training project agreement	10 290	-	-	-	10 290
<b>S Nhlumayo</b> – applicant is claiming compensation arising from alleged unfair dismissal by the Department	526	-	-	-	526
<b>Black Magic Communications</b> – counter-claim against the National Tourism Careers Expo partners for repudiation of agreement	594	-	-	-	594
<b>NS Neluvhola and 131 others</b> – claim against the Department for terminating a contract with an implementing agent	3 085	-	-	-	3 085
<b>Labour relations matter</b>	720	-	-	-	720
<b>TOTAL</b>	<b>15 215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15 215</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## ANNEXURE 3

## CLAIMS RECOVERABLE

	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year-end 2014/15 *	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	Payment 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>GOVERNMENT ENTITY</b>								
DEPARTMENT								
Department of Home Affairs	-	-	-	13	-	13	-	-
Gauteng Provincial Government: Office of the Premier	-	15	-	-	-	15	-	-
KZN - Department of Economic Development and Tourism	-	-	67	230	67	230	-	-
Department of Science and Technology	102	-	-	-	102	-	02/04/2015	102
Department of Cooperative Governance	7	-	-	-	7	-	-	-
National Treasury	36	-	-	-	36	-	-	-
Office of the Public Service Commission	1	-	-	-	1	-	-	-
The Presidency	1	-	-	-	1	-	07/04/2015	1
Department of Rural Development and Land Reform	-	-	43	-	43	-	-	-
Department of Transport	25	-	-	-	25	-	01/04/2015	25
Eastern Cape Provincial Government: Department of Transport	-	-	5	-	5	-	-	-
<b>Sub-total</b>	<b>172</b>	<b>15</b>	<b>115</b>	<b>243</b>	<b>287</b>	<b>258</b>	<b>-</b>	<b>128</b>
<b>OTHER GOVERNMENT ENTITIES</b>								
CATHSSETA	-	-	297	230	297	230	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>297</b>	<b>430</b>	<b>297</b>	<b>230</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>172</b>	<b>15</b>	<b>412</b>	<b>473</b>	<b>584</b>	<b>488</b>	<b>-</b>	<b>128</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## ANNEXURE 4

## INTERGOVERNMENTAL PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year-end 2014/15	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	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>								
Parliament of South Africa	-	1	-	16	-	17	-	-
Government Communication and Information System	-	-	-	48	-	48	-	-
Department of Home Affairs	-	19	-	-	-	19	-	-
Department of Human Settlements	15	-	-	-	15	-	-	-
Department of International Relations and Cooperation	-	441	-	68	-	509	-	-
Department of Justice and Constitutional Development	137	184	-	-	137	184	-	-
Department of Government Printing Works	14	8	-	-	14	8	-	-
South African Police Service	-	-	31	-	31	-	-	-
Western Cape Provincial Treasury	-	12	-	-	-	12	-	-
Western Cape Government: Social Development	-	-	-	19	-	19	-	-
<b>TOTAL</b>	<b>166</b>	<b>665</b>	<b>31</b>	<b>151</b>	<b>197</b>	<b>816</b>	<b>-</b>	<b>-</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

## ANNEXURE 5

## INVENTORY

Inventory	Quantity	2014/15	Quantity	2013/14
		R'000		R'000
Opening balance	-	-	7 323	150
(Less): Adjustments to prior-year balances	-	-	(7 323)	(150)
Add: Additions/purchases - cash	-	-	-	-
Add: Additions non-cash	-	-	-	-
(Less): Issues	-	-	-	-
(Less): Adjustments	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





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RP156/2015

ISBN: 978-0-621-43644-0

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