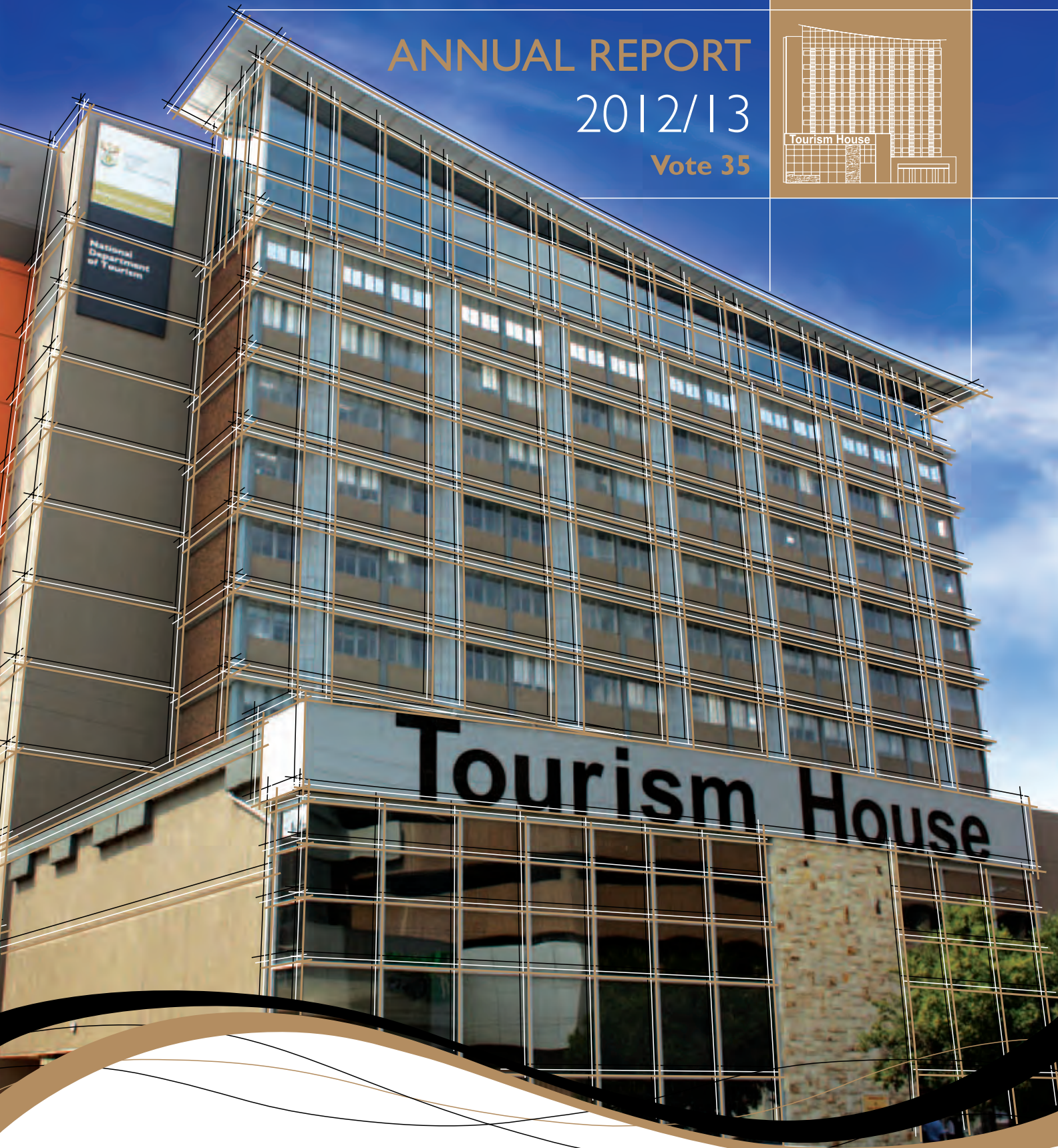
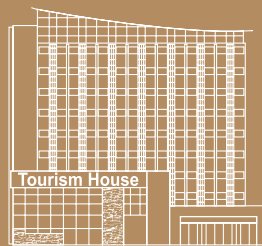


# ANNUAL REPORT

## 2012/13

Vote 35



**tourism**

Department:  
Tourism  
REPUBLIC OF SOUTH AFRICA

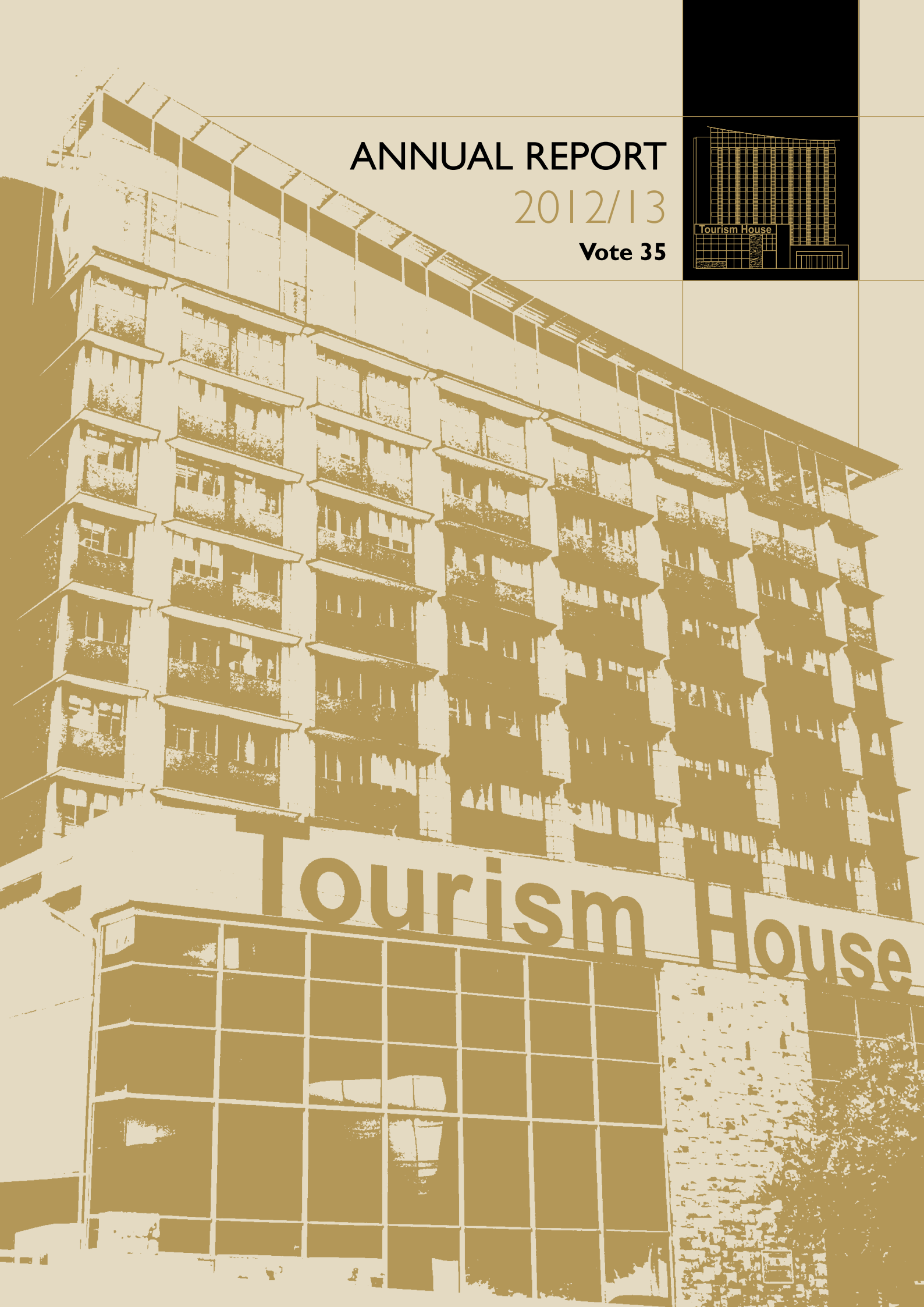


*Inspiring new ways*

# ANNUAL REPORT

2012/13

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## PART A: GENERAL INFORMATION

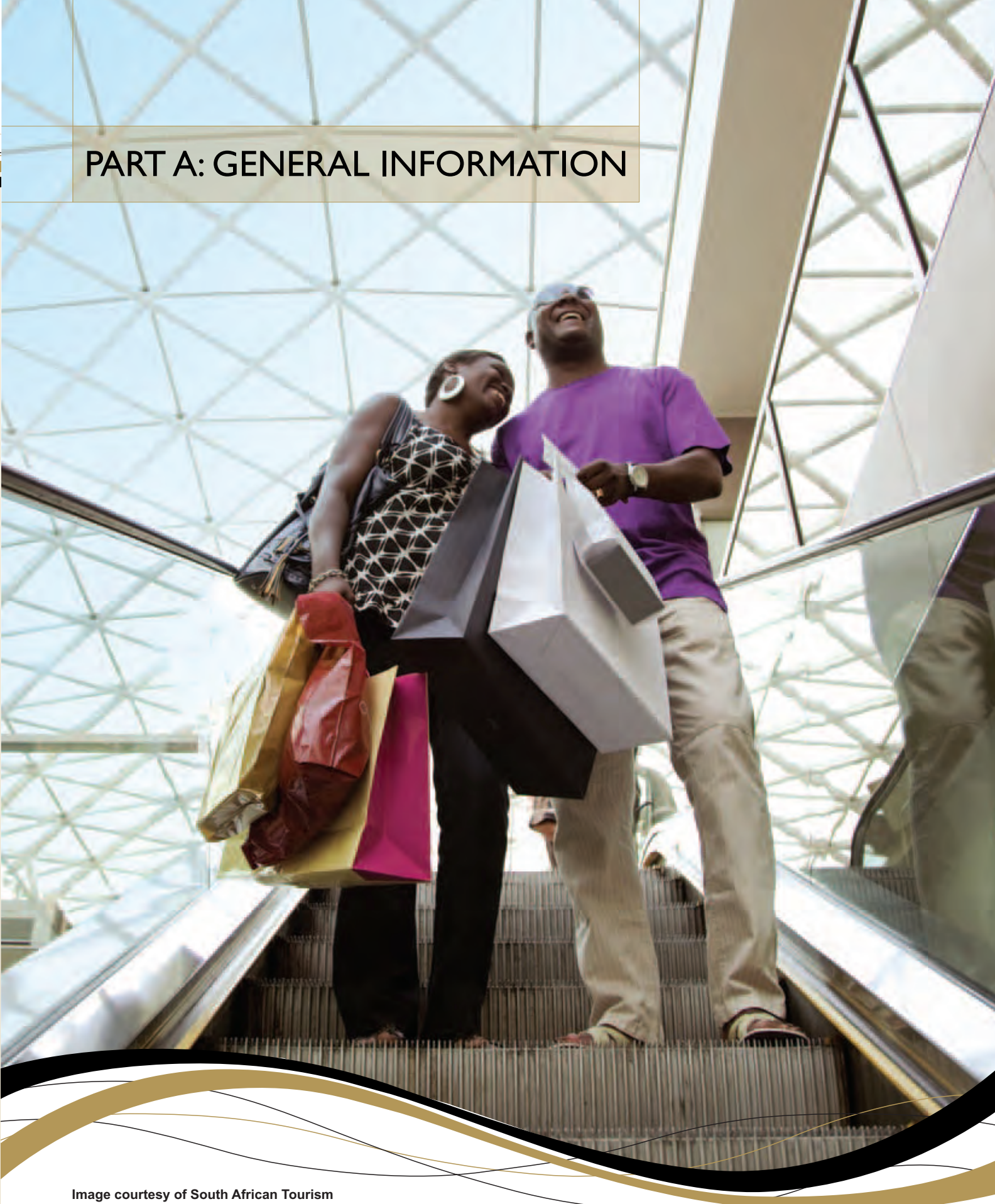


Image courtesy of South African Tourism

### **Vision: A catalyst for tourism growth and development in South Africa**

Apart from the department's vision, growing tourists arrivals is also key to vision of the National Tourism Sector Strategy (NTSS) in terms of establishing South Africa as one of the top 20 tourism destination in the world. The sector reported growth of over 10% in international tourists arrivals in South Africa during 2012. The reality of the increase in international arrivals is more decent jobs and an increase in the tourism sectors direct and indirect contribution to the gross domestic product (GDP).

# I.1 GENERAL INFORMATION

## **National Department of Tourism**

### **National office:**

**Tel:** 012 444 6000

### **Physical address:**

Tourism House  
17 Trevenna Street  
Sunnyside  
0002

### **Postal address:**

Private Bag X424  
Pretoria  
0001

### **Tourism call centre:**

**Tel:** 086 012 1929  
**E-mail:** [callcentre@tourism.gov.za](mailto:callcentre@tourism.gov.za)

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

## 1.2 LIST OF ABBREVIATIONS

<b>AGSA</b>	Auditor-General South Africa
<b>APP</b>	Annual Performance Plan
<b>BAS</b>	Basic Accounting System
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>BEE</b>	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>CEO</b>	Chief Executive Officer
<b>CD</b>	Chief Director
<b>CIBTM</b>	China Incentive Business Travel and Meeting Exhibition
<b>CTNA</b>	China National Tourism Administration
<b>DDG</b>	Deputy Director-General
<b>DEA</b>	Department of Environmental Affairs
<b>DEDEAT</b>	Department of Economic Development, Environmental Affairs and Tourism
<b>DG</b>	Director-General
<b>DHA</b>	Department of Home Affairs
<b>DPME</b>	Department of Performance Monitoring and Evaluation
<b>DPSA</b>	Department of Public Service and Administration
<b>DPW</b>	Department of Public Works
<b>dti</b>	Department of Trade and Industry
<b>DTM</b>	Domestic Tourism Management
<b>EDMS</b>	Electronic Document Management System
<b>EE</b>	Employment Equity
<b>EEP</b>	Employment Equity Plan
<b>EHW</b>	Employee Health and Wellness
<b>EIBTM</b>	Global Meeting and Event Expo
<b>EPWP</b>	Expanded Public Works Programme
<b>ETEYA</b>	Emerging Tourism Entrepreneur of the Year Awards
<b>EWSP</b>	Employee Wellness Support Programme
<b>Fedhasa</b>	Federated Hospitality Association of Southern Africa
<b>FET</b>	Further Education and Training
<b>FIFA</b>	Federation International Football Association
<b>FGASA</b>	Field Guides Association of Southern Africa
<b>FOSAD</b>	Forum of South African Director-Generals
<b>FTE</b>	Full-time equivalent
<b>GCF</b>	Government Communicators' Forum
<b>GCIS</b>	Government Communication and Information System
<b>GDP</b>	Gross domestic product
<b>GHG</b>	Greenhouse gas
<b>GITOC</b>	Government Information Technology Officers' Council
<b>GTA</b>	Gauteng Tourism Authority
<b>GTEF</b>	Global Tourism Economic Forum
<b>GWEA</b>	Government-wide Enterprise Architecture
<b>HDE</b>	Historically disadvantaged enterprises
<b>HR</b>	Human resources
<b>HRD</b>	Human-resource development
<b>HRM</b>	Human-resource management
<b>IATA</b>	International Air Transport Association



## 1.2 LIST OF ABBREVIATIONS

<b>ICAO</b>	International Civil Aviation Organisation
<b>ICT</b>	Information and communications technology
<b>ICTHR</b>	International Centre for Tourism and Hospitality Research
<b>IDC</b>	Industrial Development Corporation
<b>IDP</b>	Integrated Development Plan
<b>IFMS</b>	Integrated Financial Management System
<b>ILO</b>	International Labour Organisation
<b>IPAP</b>	Industrial Policy Action Plan
<b>IT</b>	Information technology
<b>ITB</b>	International Tourism Trade Show
<b>ITSP</b>	Information Technology Strategic Plan
<b>IVESTOUR</b>	Tourism Investment and Business Forum for Africa
<b>KMF</b>	Knowledge Management Framework
<b>KZN</b>	KwaZulu-Natal
<b>M&amp;E</b>	Monitoring and evaluation
<b>MANCO</b>	Management Committee
<b>MinMec</b>	Minister and Member of the Executive Council
<b>MINTECH</b>	Technical Committee of Minister and Members of Executive Council
<b>MISS</b>	Minimum Information Security Standards
<b>MITT</b>	Moscow International Exhibition Travel and Tourism
<b>MoU</b>	Memorandum of understanding
<b>MTEF</b>	Medium Term Expenditure Framework
<b>NAASA</b>	National Accommodation Association of South Africa
<b>NDP</b>	National Development Plan
<b>NDT</b>	National Department of Tourism
<b>Nepad</b>	New Partnership for Africa's Development
<b>NGOs</b>	Non-governmental Organisations
<b>NGP</b>	New Growth Path
<b>NMSRT</b>	National Minimum Standards for Responsible Tourism
<b>NT</b>	National Treasury
<b>NTCE</b>	National Tourism Career Expo
<b>NTIG</b>	National Tourism Information Gateway
<b>NTSS</b>	National Tourism Sector Strategy
<b>NVIF</b>	National Visitor Information Framework
<b>PAA</b>	Public Audit Act
<b>PAIA</b>	Public Access to Information Act
<b>PFMA</b>	Public Finance Management Act
<b>PGDS</b>	Provincial Growth and Development Strategy
<b>PICC</b>	Presidential Infrastructure Coordinating Commission
<b>PKS</b>	Policy and Knowledge Services
<b>PMDS</b>	Performance Management Development System
<b>PoA</b>	Plan of Action
<b>PPI</b>	Programme Performance Indicator
<b>PPP</b>	Public-private partnership
<b>PPPFA</b>	Preferential Procurement Policy Framework Act
<b>PSCBC</b>	Public Service Coordinating Bargaining Council
<b>RETOSA</b>	Regional Tourism Organisation of Southern Africa
<b>RMC</b>	Risk Management Committee

<b>RSA</b>	Republic of South Africa
<b>RTMC</b>	Road Traffic Management Corporation
<b>SA</b>	South Africa
<b>SABC</b>	South African Broadcasting Corporation
<b>SABS</b>	South African Bureau of Standards
<b>SACA</b>	South African Chefs Association
<b>SADA</b>	South African Disability Alliance
<b>SADC</b>	Southern African Development Countries
<b>SANS</b>	South African National Standard
<b>SAPS</b>	South African Police Service
<b>SAT</b>	South African Tourism
<b>SATSA</b>	South African Tourism Services Association
<b>SCOA</b>	Standard Chart of Accounts
<b>SCOPA</b>	Standing Committee on Public Accounts
<b>SETAs</b>	Sector Education and Training Authorities
<b>SIP</b>	Strategic Integrated Project
<b>Sita</b>	State Information Technology Agency
<b>SMMEs</b>	Small, medium and micro-enterprises
<b>SMS</b>	Senior Management Service
<b>SRI</b>	Social responsibility implementation
<b>STR</b>	State of Tourism Report
<b>SWOT</b>	Strengths, weaknesses, opportunities, threats
<b>tbcsa</b>	Tourism Business Council of South Africa
<b>TEP</b>	Tourism Enterprise Partnership
<b>TGCSA</b>	Tourism Grading Council of South Africa
<b>TGR</b>	Tourist Guiding Regulation
<b>THRDS</b>	Tourism Human Resource Development Strategy
<b>TKP</b>	Tourism Knowledge Portal
<b>TLD</b>	Tourism Leadership Dialogue
<b>ToR</b>	Terms of reference
<b>TS&amp;AS</b>	Tourism Safety and Awareness Strategy
<b>TSP</b>	Tourism Support Programme
<b>UA</b>	Universal Accessibility
<b>UAT</b>	Universal Accessibility in Tourism
<b>UK</b>	United Kingdom
<b>UNWTO</b>	United Nations World Tourism Organisation
<b>USA</b>	United States of America
<b>VCT</b>	Voluntary counselling and testing
<b>VIC</b>	Visitor Information Centre
<b>VPN</b>	Virtual private network
<b>WMO</b>	World Meteorological Organisation
<b>WSP</b>	Workplace Skills Plan
<b>WTD</b>	World Tourism Day
<b>WTM</b>	World Trade Market
<b>WTTC</b>	World Travel and Tourism Council
<b>WWF</b>	World Wildlife Fund
<b>ZAR</b>	South African Rand





## 1.3 STRATEGIC OVERVIEW

### Vision

A catalyst for tourism growth and development in South Africa.

### Mission

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

- Innovation;
- Strategic partnerships and collaboration;
- Providing information and knowledge management service; and
- Strengthening institutional capacity

### Values

#### ***Performance values and descriptions***

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

#### ***People's values and descriptions***

- **Empowerment (Growth, Training, 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 and trustworthiness.
- **Recognition (Appreciated, Get Support, and Fairness):** An organisation that values its people by ensuring fairness of the systems and processes, offering support, recognising and rewarding performance.

#### ***Strategic outcome-orientated goals***

- Achieve good corporate and cooperative governance.
- Improve the impact of tourism on the livelihood of all South Africans.
- Tourism priorities integrated within other sector departments, provincial and local government's planning.
- Increase contribution of tourism sector to inclusive economic growth.
- Improve levels of competitiveness and sustainability in the tourism sector.
- Strengthen regional-, African- and international collaboration and partnerships.

## I.4 LEGISLATIVE AND OTHER MANDATES

### Constitutional mandates

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

Chapter 10 of the Constitution provides the framework governing public administration. In this regard Section 195(1) states that public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles:

- A high standard of professional ethics must be promoted and maintained.
- Efficient, economic and effective use of resources must be promoted.
- Public administration must be development-orientated.
- Services must be provided impartially, fairly, equitable and without bias.
- People's needs must be responded to, and the public must be encouraged to participate in policy making.
- Public administration must be accountable.
- Transparency must be fostered by providing the public with timely, accessible and accurate information.
- Good human-resource management and career development practices.

Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past to achieve broad representation.

### Legislative mandates

The Tourism Act, 1993 (Act 72 of 1993) as amended, makes provision for the promotion of tourism to and in the Republic and for the further regulation and rationalisation of the tourism industry, measures aimed at the maintenance and enhancement of the standards of facilities and services hired out or made available to tourists; and the coordination and rationalisation, as far as practicable, of the activities of persons who are active in the tourism industry.

### Policy mandates

- The White Paper on the Development and Promotion of Tourism in South Africa, 1996 provides framework and guidelines for tourism development and promotion in South Africa.
- National Tourism Sector Strategy (NTSS) which provides a blueprint for the tourism sector in the pursuit of growth targets contained in the New Growth Path (NGP).



# 1.5 ORGANISATIONAL STRUCTURE

## National Department of Tourism top structure



**MINISTER OF TOURISM**  
MR MCJVAN SCHALKWYK



**DEPUTY MINISTER OF TOURISM**  
MST XASA



**CHIEF DIRECTOR:**  
Chief Financial Officer  
MR RHACKERMANN



**DIRECTOR-GENERAL:**  
Department of Tourism  
AMBASSADOR LM MAKHUBELA



**DIRECTOR**  
Internal Audit  
MS BT SIBIYA



**DEPUTY DIRECTOR-GENERAL:**  
Chief Operations Officer  
MR DJVAN SCHALKWYK



**DEPUTY DIRECTOR-GENERAL:**  
Policy and Knowledge Systems  
MR NVTHARAGE



**DEPUTY DIRECTOR-GENERAL:**  
International Tourism Management  
MS AW MALAN



**DEPUTY DIRECTOR-GENERAL:**  
Domestic Tourism Management  
MS CM RAMPHELE

## 1.6 ENTITIES REPORTING TO THE MINISTER

### South African Tourism

The core business of South African Tourism (SAT), established in terms of the Tourism Act, 1993 (Act 72 of 1993), is to market South Africa as a tourism destination of choice. Key activities include the promotion of tourism by encouraging persons to undertake travels to and in the Republic and ensure highest quality standards of tourism services and facilities.

The main goal of SAT is to ensure an increased contribution of the tourism sector to inclusive economic growth. The entity's key objectives include increasing: the annual volume of international tourists visiting the country, the trended revenue contribution to the economy, international brand awareness of South Africa as a travel and business destination, and the number of graded accommodation establishments. Funding is primarily used for running marketing offices in targeted countries and promoting local tourism, which helps reduce seasonality in the industry, and facilitating the grading of products and services. The entity engages with diverse marketing initiatives such as media hosting and participates in various exhibitions both domestic and international, to promote tourism to South Africa. These exhibitions include the annual Tourism Indaba South Africa and Meetings Africa marketing platforms, which increase trading activity.



## 1.7 FOREWORD BY THE MINISTER, MR MARTHINUS VAN SCHALKWYK



**MARTHINUS VAN SCHALKWYK**  
MINISTER OF TOURISM

I have pleasure in presenting the Department of Tourism's annual report for the financial year 2012/13. The department has not only continued to demonstrate that it is on track to deliver on its mandate, but also to surpass its performance in the previous financial year. I take great pride in knowing that the 2012/13 financial year has seen us recording an overall 97% achievement of all our annual targets.

Tourism is one of the sectors in which growth and employment opportunities could be leveraged on in government's outcomes approach to service delivery. Our contribution has been to the realisation of outcome 4, "Decent employment through inclusive economic growth"; outcome 7, "Vibrant, equitable and sustainable rural communities and food security for all", and outcome 11, "Create a better South Africa and contribute to a better and safer Africa and world for all", through the implementation of the tourism marketing strategy to attract volume and value, thereby increasing tourism's contribution to South Africa's gross domestic product (GDP).

We have continued to work hard to achieve our targets set in the National Tourism Sector Strategy (NTSS), which encapsulates our collective vision of making South Africa one of the top 20 global tourism destinations by 2020. In 2012, South Africa saw a total of 9 188 368 international tourists flocking to the country's shores, up from 8 339 354 in 2011. Growth in the number of international arrivals means the country is continuing to grow into a sought-after tourist

destination, with a vast array of unique experiences to offer in both products and services. However, it also means more decent jobs and a bigger direct and indirect contribution to the economy.

As part of its social responsibility programme, the department has also implemented tourism infrastructure programmes and projects in line with government's Expanded Public Works Programme (EPWP). These labour-intensive projects are targeted at unemployed youth, women, people with disabilities and small, medium and micro-sized enterprises (SMMEs). To further create conducive conditions for tourism development and growth, the department has partnered with the Tourism Enterprise Partnership (TEP) to assist entrepreneurs and SMMEs by providing support to rural enterprises and members of designated groups, supplying full-time equivalent jobs, and rendering training and mentorship to enterprises.

In this past financial year, the department also continued maximising the value of our participation in a number of international tourism platforms. The department has strengthened its international collaboration and partnership by participating at multilateral tourism forums, such as the United Nations World Tourism Organisation (UNWTO) and T.20, in order to help ensure a better South Africa, Africa and world. It also continued to strengthen regional integration and cooperation with neighbouring countries by signing memoranda of understanding to support each other and implement joint programmes. These include an agreement with Lesotho and Zimbabwe to strengthen relationships and to ensure that more projects such as the Maloti-Drakensberg route are implemented. The implementation of the memorandum of understanding (MoU) with Nigeria contributes by strengthening bilateral cooperation between the two counties. The department is also in the process of concluding agreements with Botswana, the Democratic Republic of Congo, Malawi, Ethiopia and Uganda.

Improving the level of competitiveness and sustainability in the tourism sector remains pivotal; hence, the National Minimum Standards for Responsible Tourism (NMSRT) were developed to support efforts to improve the sustainability and

competitiveness of the South African tourism sector by harmonising sustainable tourism certification agencies. The National Tourism Service Excellence Requirements were also implemented to improve skills levels in the sector and entrench a culture of excellence in the industry of services, thereby also contributing to our competitiveness as a destination.

As a tourism industry, we remain committed to working together to grow tourism both to and within our country with the support of all South Africans, all of whom have the power to be important tourism ambassadors. I would like to thank our Deputy Minister, Ms Tokozile Xasa, for her commitment and support. Thank you also to the Director-General, Mr Kingsley Makhubela, and his capable team for bringing our department this far in a very short time. A special thank you

goes to the board of South African Tourism, and the executive team led by CEO Mr Thulani Nzima, for their excellent work and the support rendered to the department in achieving its targets. In addition, I would like to express our gratitude towards the private sector for the constructive relationship we have. Thank you to all our industry partners for engaging with us, and for your commitment to our shared growth goals. To the portfolio and select committees – we value and appreciate the good working relationship with Parliament.



**MR MARTHINUS VAN SCHALKWYK**  
**Minister of Tourism**



## I.8 STATEMENT BY THE DEPUTY MINISTER, MS TOKOZILE XASA



**TOKOZILE XASA**  
DEPUTY MINISTER OF TOURISM

The Department of Tourism's 2012/13 Annual Report presents a record of the department's achievements and reasons for deviation where necessary, through the implementation of our Annual Performance Plan. The department also considers it as a barometer through which to gauge how far it has fell short with regard to those objectives and goals it had set for itself to achieve, and what lessons have been learnt to enable it to improve its planning for even better achievement.

During the year under review, it is pleasing to record that the department has made significant strides on a number of areas. In terms of recognising the critical role of local government as a stakeholder in the tourism sector, two dialogues were held in Gauteng Province. These were done along the themes of "Trade Shows and Tourism Growth" and "Local Government and Tourism Development". These proved to be very successful as they also talked to the issue of rural development and transformation.

Through collaboration with the Tourism Enterprise Partnership (TEP), we continue to grow the tourism sector to many fronts. Supporting SMMEs and established businesses for economic development through TEP, this ensures that the department contributes to Outcome 4: Decent employment through inclusive economic growth and Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all. Thus far:

- 5 003 full time equivalent jobs were created through SMMEs.
- 4 145 members of designated groups were supported.
- 104 enterprises supported to grow through mentorship.

In addition, sound progress was achieved through participation in the Expanded Public Works Programme (EPWP) in 2012/13 financial year, particularly with the Chefs Programme. A total of 133 learners (about 25%) of the first group of graduates were placed in SACA hotel schools and lodges for experiential learning for permanent absorption by the industry. Positively, 300 (40%) are continuing with the diploma, whilst other trainees were placed in wine farms, hotels, and restaurants through the Sommelier Project.

Through our concerted efforts on many facades, we have created opportunities for businesses and citizens to grow the economy. Reasonable success has been achieved in the job creation space through the well-structured work and skills programme. A total of 611 rural enterprises and 1 818 designated groups (i.e. historically disadvantaged enterprises) were supported as part of the general approach of involving the rural communities and designated groups in the geographic spread of tourism in line with the Rural Tourism and Heritage and Cultural Tourism Strategies.

The Tourism BEE Charter Council (with functional Secretariat) was established in 2012 and is operational. As part of the department's goal of increasing the contribution of the tourism sector to inclusive economic participation, the charter will assist to create an enabling environment that will ensure that the beneficiaries take advantage of such an environment brought by BEE compliance by both the public and the private sectors, i.e. the private sector will achieve the Tourism BEE Charter targets, while organs of state will act in accordance with the gazetted Tourism BEE Charter.

The Annual Report on the State of Tourism Sector Transformation was developed and submitted to the Department of Trade and Industry's (dti) Presidential BEE Advisory Council for further reflection.

The department continues to implement the Youth Skills Programme through EPWP to prepare young people to

develop skills to prepare them for absorption in the labour market. It has provided, through projects such as the chef training, hospitality, tourism monitors, sommeliers, work experience and exposed young people to vocational training, career counselling and even placed them in jobs.

These programmes are aligned to the National Skills Development Strategy which focuses on the formation of Quality Council for Trades and Occupation. The department implements these skills programmes in partnerships with provinces, local government, tourism authorities, private sector, NGO's and the sector education and training authorities (SETAs).

The need to enhance on skills development in the tourism sector is of critical importance to the country. The department hosted an Annual National Tourism Careers Expo (NTCE) in September 2012 in which 7 306 overall learners participated.

The Expo was in partnership with Department of Economic Development, Environmental Affairs and Tourism in the Eastern Cape (DEDEAT) and the Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA).

The Expo exposed young people from high schools, Further Education and Training (FET) colleges and universities to existing professions and career opportunities within the tourism industry.

During the Expo:

- 361 curriculum vitae from unemployed graduates were registered through the recruitment corner.
- Students from five (5) institutions of higher learning were in attendance.
- 100 students from Buffalo City Metro College and Walter Sisulu University participated as volunteers.
- 247 educators also participated.

It is a responsibility of the department to make a contribution to job creation and the reduction of unemployment. Efforts are continuously being made to drive inclusive economic growth and development, and enhancing the vibrancy, equitability and sustainability and food security of our rural communities.

The National Responsible Tourism Strategy and the Universal Accessibility (UA) Action Plan were successfully developed and launched. Plans were also put in place to support the sector to be UA compliant in promotion of responsible tourism best practices. A report exists on UA Compliance of Top Tourism Attractions and Meeting Venues, as well as approved Framework for Tourism UA Compliant City Destination.

Improving and maintaining service levels at all service points speaks to one of the National Tourism Sector Strategy's objective of positioning South Africa as one of the top 20 global tourism destinations. Token of Excellence for grading purpose exists and continues to guide all service providers in the delivery and maintenance of quality service, and creation of an experience that meet the world tourist standards for all service providers to adhere to.

This past year presented us with many exciting and innovative opportunities to enhance what we have to offer to our citizens and visitors, and our accomplishments are highlighted in this report. We look forward to building on our achievements in the year ahead to ensure our quality of service continues to be second to none.

In implementing its mandate, the department received support from the industry partners and other stakeholders. We acknowledge and thank them for their support and cooperation.

Special thanks go to the management and staff of the Department of Tourism who made invaluable contributions towards ensuring that we fulfil our mandate to meet the demands of our strategic objectives.

I hope this report will enable our esteemed readers to understand and appreciate better the role of the Department of Tourism, in ensuring that South Africa's tourism develops to sustain economic growth and social transformation.



**MS TOKOZILE XASA**  
Deputy Minister of Tourism





# I.9 INTERNATIONAL SCHEDULE: MINISTER, MR MARTHINUS VAN SCHALKWYK

1 April 2012 - 31 March 2013

Dates	Country	Purpose of visit
16-25 April 2012	Japan and United States of America (USA)	<p>World Travel and Tourism Council's (WTTC) 12<sup>th</sup> Global Summit in Japan.</p> <p>SA Tourism Ubuntu Awards and media briefings to the USA media and trade:</p> <ul style="list-style-type: none"> <li>• Minister delivered a keynote speech at the WTTC Summit.</li> <li>• Minister also served as a judge for the WTTC Tourism for Tomorrow Awards 2012 Winner Selection Committee.</li> <li>• Minister and Ambassador Pheko addressed media and tourism stake holders in Japan.</li> <li>• Minister addressed the South African Tourism 3<sup>rd</sup> Annual UBUNTU Tourism Awards – the awards celebrate key partnerships in both leisure and business tourism, while honouring excellence in selling South Africa.</li> <li>• Minister addressed a press conference and the tourism trade in the USA.</li> </ul>
14-19 May 2012	Mexico	<p>Fourth Meeting of Tourism Ministers (T20) in Mexico.</p> <p>First Regional Summit of the Americas of the WTTC:</p> <ul style="list-style-type: none"> <li>• Minister attended the Fourth T20 Ministerial Meeting with the topic "Tourism, an alternative to stimulate job creation".</li> <li>• The objective of the Ministerial summit was to set concrete solutions for job creation through travel facilitation policies, between members of the T20.</li> <li>• The T20 Ministers also met with the President of Mexico, Felipe Claderón Hinojosa. At this meeting the final results and proposals reached at the Fourth T20 Ministerial Meeting was presented to the President.</li> <li>• Minister also addressed the WTTC's Americas Summit.</li> <li>• The Summit for the first time united travel and tourism leaders from across the whole region, brought together top representatives from the public and private sectors, NGOs and the media.</li> <li>• Minister also addressed the Summit during the plenary session – Working together for jobs and growth. This session looked at the role of governments in driving jobs and economic growth and where there are opportunities for closer working with the private sector.</li> </ul>
11-14 June 2012	Spain	<p>United Nations World Tourism Organisation (UNWTO) 93<sup>rd</sup> Session of the Executive Council.</p> <ul style="list-style-type: none"> <li>• The South African Government is a member of the Executive Council.</li> </ul>

Dates	Country	Purpose of visit
4-12 July 2012	Seychelles	<p>Routes Africa Forum.</p> <ul style="list-style-type: none"> <li>Minister was invited by Mr Alain St. Ange, Minister of Tourism and Culture to deliver a keynote address and attend the Routes Africa Forum.</li> <li>Routes Africa is in its 7<sup>th</sup> year and is the annual gathering of air service decision makers for the Africa region.</li> <li>It was the first time the event was held in the Indian Ocean region and raised awareness for the need to increase connectivity between Africa, the Middle East and the Indian Ocean region.</li> <li>Minister also met with the Ministers of Tourism and Culture and Foreign Affairs from Seychelles to strengthen bilateral ties between the two countries.</li> </ul>
8-17 September 2012	People's Republic of China and USA	<p>First Global Tourism Economy Forum.</p> <p>Tourism industry meetings in USA:</p> <ul style="list-style-type: none"> <li>Minister was invited by Mr Cheong U, Secretary for Social Affairs and Culture and Executive Chairman of the Global Tourism Economy Forum (GTEF) to deliver a keynote address at the First Tourism Economy Forum Macau 2012.</li> <li>Theme of keynote address: "Emerging New Markets".</li> <li>The Forum provided an interactive discussion platform designed to capture a macro view of how tourism and other major pillars in the economy can work hand in hand and build growth momentum upon the strength of each other.</li> <li>SAT requested Minister to visit the USA to meet with tourism stakeholders, and do selected media interviews to further promote South Africa as a tourist destination and to capitalise on the very positive first quarter growth from this market.</li> </ul>
1-5 October 2012	Italy	<p>SAT related meetings.</p> <p>Meeting with the Italian Minister of Tourism.</p> <p>Officiated at the South African Heritage Day celebrations in Italy:</p> <ul style="list-style-type: none"> <li>Minister officiated at the South African Trade Awards. At this event SAT honoured members of the private sector who have contributed to the success of South Africa as a destination to the Italian markets.</li> <li>Minister had a meeting with Mr Piero Gnudi, Minister of Tourism and Sport. The Agenzia Nazionale del Turismo (National Tourism Agency) formed part of this meeting.</li> </ul>



# I.9 INTERNATIONAL SCHEDULE: MINISTER, MR MARTHINUS VAN SCHALKWYK

1 April 2012 - 31 March 2013

Dates	Country	Purpose of visit
		<ul style="list-style-type: none"> <li>Minister also had meetings with Turismo Roma Capitale (Rome Capital Tourism Office) and Federturismo Confindustria (National Travel and Tourism Federation).</li> <li>Minister also addressed the official Heritage Day Celebrations which was hosted by the South African Embassy in Rome.</li> </ul>
20-27 October 2012	USA and Mexico	<p>World Wildlife Fund (WWF) Travel and Aviation meeting in USA.</p> <p>UNWTO 94<sup>th</sup> Executive Council meeting:</p> <ul style="list-style-type: none"> <li>Minister delivered a speech during the Plenary Session of a multi-stakeholder workshop on managing greenhouse gas emission in the travel and aviation sector which was hosted by WWF in the USA.</li> <li>Minister attended the 94<sup>th</sup> Executive Session of the UNWTO in Mexico.</li> <li>South Africa was elected to serve on the Executive Council of the UNWTO for a period of four years (2009-2013).</li> <li>Minister also held a bilateral meeting with Mr Taleb Rifai, Secretary-General: UNWTO.</li> </ul>
5-8 November 2012	United Kingdom (UK)	<p>World Travel Market (WTM):</p> <ul style="list-style-type: none"> <li>Minister attended the WTM – this is one of the leading global events of the travel and tourism industry.</li> <li>SAT had a pavilion at WTM showcasing various South African tourism product offerings.</li> <li>Minister was also invited by Ms Fiona Jeffery, Chairman: WTM and Mr Taleb Rifai, Secretary-General: UNWTO to address the 2012 UNWTO and WTM Minister's Summit.</li> <li>Minister officiated at the SAT Trade Luncheon where the latest tourist statistics and developments were shared with our UK trade industry partners. Minister also opened a wine tourism marketing drive at the SAT pavilion.</li> <li>Minister conducted various trade media interviews to market South Africa as a destination.</li> <li>Minister had bilateral meetings with the Indian Minister of Tourism and also with the Tourism Ministers from Zimbabwe, Uganda, Nigeria, Kenya and Seychelles.</li> </ul>
6-10 December 2012	Germany	<p>SAT and other related meetings:</p> <ul style="list-style-type: none"> <li>Minister met with Ambassador Stofile, briefing the Ambassador on current tourism trends in the South African and German markets.</li> <li>Ambassador Stofile updated Minister on current political dynamics and economic developments in Germany.</li> <li>Minister also met with Mr Ernst Burgbacher, Parliamentary State Secretary in the Federal Government for SMEs and Tourism.</li> <li>As part of SAT's drive to consolidate market share in Germany, Minister conducted interviews with key media channels.</li> </ul>

Dates	Country	Purpose of visit
15-18 January 2013	Switzerland	<p>Briefings with the International Air Transport Association (IATA) and World Meteorological Organisation (WMO).</p> <ul style="list-style-type: none"> <li>Minister attended a series of briefing meetings at IATA. This environmental scan of macro-level aviation trends informs our annual tourism planning. Minister was therefore also accompanied by the senior leadership of his department and SAT.</li> <li>Minister and delegation also attended a briefing meeting on tourism and climate change at the WMO.</li> </ul>
22-24 January 2013	China	<p>Bilateral Relations.</p> <p>SAT Media Campaign:</p> <ul style="list-style-type: none"> <li>Minister had a bilateral meeting with his Chinese counterpart, the China National Tourism Administration (CTNA) Chairman, Mr Shao Qiwei.</li> <li>Minister launched the SAT Media Campaign in Beijing.</li> </ul>
29-31 January 2013	Spain	<p>Fourth edition of the Tourism Investment and Business Forum for Africa (INVESTOUR) of the UNWTO.</p> <p>Minister participated at INVESTOUR where sustainable tourism development in Africa is promoted by bringing together representatives from African National Tourism Administrators, the UNWTO, the Spanish government and the private sector to meet and discuss business and cooperation opportunities.</p> <ul style="list-style-type: none"> <li>Minister took part in a panel regarding Air Connectivity and Regional Development.</li> <li>Minister also attended the FITUR Tourism Trade Exhibition and met with the South African exhibitors at the SAT pavilion where he conducted media interviews to raise the profile of SA.</li> <li>Minister had bilateral meetings with Mr Alain St Ange, Minister for Tourism and Culture, Seychelles, Mr Youssou N'Dour, Minister of Tourism, Senegal and Ms Fatou Mass Jobe-Njie, Minister of Tourism and Culture from Gambia.</li> </ul>
4-7 March 2013	Germany	<p>International Tourism Trade Show (ITB):</p> <ul style="list-style-type: none"> <li>Minister attended the ITB, this is one of the biggest global tourism fairs.</li> <li>SAT had a pavilion at the ITB, providing a platform for country branding and for our trade to exhibit.</li> <li>Minister officiated at the opening of the SAT stand and conducted media interviews.</li> </ul>



# I.9 INTERNATIONAL SCHEDULE: MINISTER, MR MARTHINUS VAN SCHALKWYK

1 April 2012 - 31 March 2013

Dates	Country	Purpose of visit
		<ul style="list-style-type: none"> <li>Minister had a meeting with Mr Taleb Rifai, Secretary-General: UNTWO, the Minister from Indonesia and Mr David Scowsill, President and CEO: WTTC to discuss the next T20 Tourism Ministers' Meeting.</li> <li>Minister had a bilateral meeting with his counterpart, Mr McNeill, Minister of Tourism and Environment, Jamaica.</li> <li>Minister also delivered a keynote address during the Plenary Session of a high-level multi-stakeholder dialogue of the WWF. The event involved aviation, tourism, trade and environment stakeholders and considered the current status of multilateral negotiations under the International Civil Aviation Organisation (ICAO) as well as ways of addressing major barriers to progress in multilateral negotiations on aviation emissions.</li> </ul>
15-20 March 2013	Canada and Brazil	<p>Pre-conference Symposium to the Sixth Worldwide Air Transport Conference (ATConf/6) of the ICAO, Canada and Panrotas Forum on Tourism Trends 2013, Brazil.</p> <ul style="list-style-type: none"> <li>Minister attended the Pre-conference Symposium. Minister was a speaker on the panel on "Air Transport: Freedom to do Business" during which the Minister provided a tourism facilitation perspective.</li> <li>The ICAO meeting marked a first step towards closer cooperation between the UNWTO and the aviation sector. A MoU between ICAO and UNWTO was also concluded, included cooperation on travel facilitation and e-visas.</li> <li>At the invitation of our Ambassador in Canada, Minister also participated in a very constructive meeting involving the SA Ambassador, the SA Deputy Minister of Transport, the Secretary-General of ICAO and the President of the Council of ICAO. During the dinner, SA was approached to co-chair a deadlock breaking mechanisms in the ICAO negotiations on a market-based mechanism for aviation emissions, at Ministerial level, in the run-up to the ICAO General Assembly later in 2013.</li> <li>At the invitation of Minister Gastão Dias Vieira, Minister of Tourism, Federal Republic of Brazil, Minister delivered an opening keynote address focusing on Brazil, Russia, India, China and South Africa (BRICS) cooperation, tourism from emerging markets and lessons from hosting the FIFA World Cup at "Panrotas Forum on Tourism Trends 2013".</li> <li>The two ministers also had a bilateral meeting to discuss proposal for intensifying the tourism flow amongst the BRICS nations as well as bilateral cooperation between Brazil and South Africa.</li> </ul>

# I.9 INTERNATIONAL SCHEDULE: DEPUTY MINISTER, MS TOKOZILE XASA

1 April 2012 - 31 March 2013

Dates	OFFICIAL	Country	Purpose of visit
20-22 May 2012	Vuyokazi Hlazo	Frankfurt, Germany	<ul style="list-style-type: none"> <li>To attend IMEX 2012. IMEX is an annual exhibition that hosts a Ministerial Session in conjunction with UNWTO. The session gives government ministers, leading individuals in the tourism sector internationally to discuss latest developments and policies that strengthen the industry.</li> </ul>
16-23 June 2012	Nontuthuzelo Nqabeni Tandokazi Deyi	Guernsey and London	<ul style="list-style-type: none"> <li>Deputy Minister was invited by the Chief Minister of Guernsey, to explore and discuss ways in which South Africa and Guernsey can work together to better the economies of both South Africa and Guernsey.</li> <li>Invited to London by the International Centre for Tourism and Hospitality Research (ICTHR), to give a keynote address to the Conference on Responsible Tourism.</li> </ul>
10-15 September 2012	Nontuthuzelo Nqabeni	China	<ul style="list-style-type: none"> <li>To attend the China Incentive Business Travel and Meeting Exhibition (CIBTM) to promote South Africa as a suitable destination to host international conferences.</li> </ul>
15-18 October 2012	Singabakho Nxumalo	Tanzania	<ul style="list-style-type: none"> <li>The Deputy Minister was invited to the first Pan-African conference on "Sustainable Tourism Management in African National Parks and Protected Areas: Challenges and Opportunities" organised by UNWTO and the Ministry of Natural Resources and Tourism of the United Republic of Tanzania held in Arusha, Tanzania.</li> </ul>
25-30 November 2012	Tandokazi Deyi	Barcelona, Spain	<ul style="list-style-type: none"> <li>Invited by the SA Conventions Bureau to attend the EIBTM which is on its 25<sup>th</sup> year of existence. The Global Meeting and Events Expo (EIBTM) is one of the important international platforms. The event delivers three days of focused access to a dynamic business environment, thought provoking professional education and business networks for all attendees.</li> </ul>



## I.9 INTERNATIONAL SCHEDULE: DEPUTY MINISTER, MS TOKOZILE XASA

1 April 2012 - 31 March 2013

Dates	Official	Country	Purpose
16-22 March 2013	Singabakho Nxumalo	Moscow, Russia	<ul style="list-style-type: none"><li>At the invitation of the South African Mission in Russia to promote destination South Africa and to attend the first Ministerial Meeting at the Moscow International Exhibition Travel and Tourism (MITT) 2013, to address trade partners in Moscow that sell South Africa in Russia.</li></ul>
30 March-3 April 2013	Singabakho Nxumalo Tandokazi Deyi	Beijing, China	<ul style="list-style-type: none"><li>Accompanying and supporting 15 South African students that were awarded an opportunity to attend a course in jewellery design for a period of six months by SA Vaal Star Diamonds, a jewellery company in Beijing.</li></ul>

## I.10 OVERVIEW BY THE ACCOUNTING OFFICER, AMBASSADOR KINGSLEY MAKHUBELA



**AMBASSADOR KINGSLEY MAKHUBELA**  
DIRECTOR-GENERAL

It affords me great pleasure to present my department's Annual Report for 2012/13 financial year. It provides a detailed account of our achievements to Parliament, the public and all our stakeholders.

We are guided by our vision of being a catalyst for tourism growth and development in our country, and our mission of creating the conducive conditions for growth and development tourism. As a department, we remain committed to asserting the position of tourism as a key economic growth pillar in South Africa, for contribution to the targets recognised in the National Development Plan (NDP) and the New Growth Path (NGP). In this regard the National Tourism Sector Strategy (NTSS) remains the blueprint of the growth of the tourism sector, to which we have aligned our actions for implementation in the medium term.

As part of our social responsibility function, our department has implemented programmes that contribute to the government's Expanded Public Works Programme (EPWP). These labour intensive programmes targeted at the unemployed, youth, women and people with disabilities, have supported many tourism products and created many jobs.

Through the EPWP we have implemented the Youth Skills Programme to prepare the youth to develop employability

skills. The projects involved in the programme included the Chefs Training, Tourism Monitors, and Sommeliers. The aim is to provide young people with work experience through exposing them to vocational training, career counseling, etc. Our National Young Chefs Training Programme was able to place in SACA Hotel Schools and Lodges for experiential training, 133 learners, while a further 300 of such are continuing with their Diploma.

We have entered into a partnership with the Tourism Enterprise Partnership (TEP) to ensure support for the Small-medium and Macro Enterprises (SMMEs). The beneficiaries included 1 664 Rural Enterprises and 4 145 members from Designated Groups. The support we have provided include 104 mentorships, training on skills development such as business skills and customer service. Furthermore, over 5 000 full time equivalent jobs created, supporting many livelihoods, and thereby responding to the government's job creation priority. For the 2012/13 financial year, the department's contribution to TEP SMME support programme was in the order of R25 million.

Our department has co-hosted an annual National Tourism Careers Expo (NTCE) from 28 to 30 September 2012, at the East London International Convention Centre. The Expo was in partnership with the Department of Economic Development, Environmental Affairs and Tourism in the Eastern Cape (DEDEAT), as well as the Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA). This annual event exposes young people to professions and career opportunities in the tourism sector. Over 7 300 learners participated, and a total of 361 curriculum vitae from unemployed graduates were received from the recruitment corner.

To support our mandate of creating conditions for tourism growth and development, we have compiled the State of Tourism Report (STR) that provides an overview of tourism performance. In recognising the important role played by





## I.10 OVERVIEW BY THE ACCOUNTING OFFICER, AMBASSADOR KINGSLEY MAKHUBELA

Local Government in our sector, we have developed and rolled out Tourism Training Programme as part of our capacity building programme for municipalities. The Local Government Conference hosted in this reporting period provided a platform for dialogue between public and private sector stakeholders and leadership to engage, share information on challenges and tourism developments at local government.

To support planning for tourism growth and development the department has completed the development of a jobs forecasting model and initiated a process for the development of a tourist arrivals model. We have continued to monitor policies globally that might have direct bearing to tourism business to enable responsiveness of our sector. In order to curb illegal tourist guiding activities in our country and ensure compliance with the legislation and regulations for tourist guiding, we worked with our partners in law enforcement agencies with regard to integration of tourist guiding module into their training programmes.

Current strained global economic conditions in some of South Africa's major markets continues to be a challenge and tourists from these markets seem to spend less when they are in the country which might have an impact on the targets set on revenue from tourism even if the number of foreign tourist arrivals increases. Domestic tourism growth strategy was implemented to cushion the impact of global economic conditions on our international markets. We have strengthened our capacity to understand our international markets to inform our interventions to unlock South Africa's tourism potential the various regions of the world.

To crystallise the tourism mandate, the Tourism Bill, 2012 has been developed as a legal framework for the development

and promotion of sustainable tourism for the social, economic and environmental benefit of South African citizens and for the benefit of all its residents and foreign visitors. At the end of the 2012/13 financial year the Bill was already in the parliamentary process.

Although the department's Employment Equity (EE) targets in terms of women, Black people and persons with disabilities were achieved, we have experienced a high vacancy rate of 11.17% from a baseline of 9.2%. This was against our commitment to maintain the target of 5% vacancy rate. The reasons for this challenge include the growth in the establishment, staff turnover, and withdrawal by nominated candidates.

I greatly appreciate the sterling work and commitment shown by our management and staff towards ensuring that our mandate translates into reality. As dedicated public servants, they continue to stretch their capacity to support our government's efforts to deliver even more. We are also grateful for the leadership and support of our Minister and our Deputy Minister. We would like to extend our appreciation to the Chairpersons of our Portfolio and Select committees in Parliament, Mr Donald Gumede and Mr Dumisani Gamede respectively, and all members of both Committees for the continued support they have provided for our work. It is also with the support of our partners in the public and private sectors that we are able to move forward in our efforts to increase tourism's contribution to job creation and economic growth in South Africa.



**AMBASSADOR LM MAKHUBELA**  
**Director-General**

## PART B: PERFORMANCE INFORMATION



Image from the Department of Tourism

### **Strategic outcome-oriented goal: Increase contribution of the tourism sector to inclusive economic growth (page 49)**

The Department of Tourism co-hosted the annual National Tourism Careers Expo (NTCE) from 28 to 30 September 2012 at the East London International Convention Centre (ELICC). The NTCE was hosted in partnership with the Eastern Cape Provincial Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) and the Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA). The aim of this event was to expose young people to career opportunities in the tourism sector. Over 7 300 learners, students, unemployed graduates and educators participated in the Expo.

## 2.1 STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

The Accounting Officer is responsible for the preparation of the department's performance information and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the performance information of the department for the financial year ended 31 March 2013.



**AMBASSADOR LM MAKHUBELA**

**Director-General**

**Department of Tourism**

**Date: 31 May 2013**

## 2.2 AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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, with material findings being reported under the 'Predetermined objectives' heading in the report on other legal and regulatory requirements section of the Auditor's Report. Refer to page 103 of the Report of the Auditor-General, published as Part E: Financial information.



## 2.3 OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.3.1 Strategic outcome oriented goals

Strategic outcome-oriented goals	Goal statements	Government outcomes
1. Achieve good corporate and cooperative governance.	Provide 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.
2. Improve the impact of tourism on the livelihood of all South Africans.	Monitor and evaluate the implementation of tourism programmes, strategies and policies.	<b>Outcome 4:</b> Decent employment through inclusive economic growth.
3. Integrate tourism priorities in other sector departments, and provincial and local governments' planning.	Render policy frameworks, stakeholder management and planning-related support services at provincial and 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.
4. Improve tourism sector research, and information and knowledge management.	Advance research, information and knowledge management in the tourism sector.	<b>Outcome 4:</b> Decent employment through inclusive economic growth.
5. Increase contribution of tourism sector to inclusive economic growth.	Facilitate compliance to the gazetted Tourism Charter by identified tourism subsectors.	<b>Outcome 7:</b> Vibrant, equitable and sustainable rural communities and food security for all.
	Provide international tourism market (country and/or region) analysis to inform strategic interventions.	<b>Outcome 4:</b> Decent employment through inclusive economic growth.
	Profile regions and develop appropriate integrated support packages that respond to tourism development and growth needs.	
6. Improve levels of competitiveness and sustainability in the tourism sector.	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.
7. Strengthen regional, African and international collaboration and partnerships.	Strengthen regional, African 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.

The National Development Plan (NDP) recognises tourism as one of the main drivers of the country's economy and employment. The plan envisages the promotion of South Africa as a major tourist destination, with unique features, in order to boost tourist numbers and enable tourism to contribute to sustainable economic growth and poverty reduction. The department supports these objectives and implements ongoing strategies to set and maintain high standards and encourage growth in the sector. The implementation of the NTSS through partnerships with the public and private sectors will be key to realising tourism's potential. In line with the NDP to create an additional 11 million jobs by 2030, and increase the GDP by an annual 5.4% over the period, the tourism sector's targets for 2020 are the creation of 225 000 jobs and a total direct and indirect contribution to the GDP of R499 billion by 2020. This will contribute to the overall objective of increasing the proportion of national income in 40% of the population earning the lowest wages.

### 2.3.2 Service delivery environment

Part D: Human-resource management (Page 60).

### 2.3.4 Overview of the organisational environment

To meet the targets, the department had to focus on supporting the growth of both domestic and international markets. The organisational structure of the department was redesigned to improve access to the various regions of the world through Branch International Tourism Management; and to provide guidance and coordination for the development of the tourism sector, focusing on each of the nine provinces through Branch Domestic Tourism Management.

The four departmental programmes are:

*Programme 1: Administration*

*Programme 2: Policy and Knowledge Services*

*Programme 3: International Tourism*

*Programme 4: Domestic Tourism*

Of the approved establishment, 526 posts are funded. All key management positions were funded and filled for the report period and no measures had to be adopted to mitigate any impact on service delivery.



## 2.4 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

	Main appropriation	Adjustment estimates	Budget after shifts approved by National Treasury	Virements	Final budget (Adjustment estimates plus/minus virement)	Actual amount spent	Over / (under) expenditure	% Spent	Virement as a % of budget
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	%
Administration	195,043	191,936	181,936	(12,712)	179,224	179,224	-	100%	-1.4%
Policy and Knowledge Services	787,994	793,395	793,395	629	794,024	794,024	-	100%	0%
International Tourism	46,834	41,830	31,830	(13,038)	28,792	27,133	(1,659)	94.2%	-6.5%
Domestic Tourism	337,450	346,982	366,982	25,121	372,103	371,578	(525)	99.9%	1.5%
<b>TOTAL</b>	<b>1,367,321</b>	<b>1,374,143</b>	<b>1,374,143</b>	<b>-</b>	<b>1,374,143</b>	<b>1,371,959</b>	<b>(2,184)</b>	<b>99.8%</b>	

### Programme 1: Administration

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

Administration	Main appropriation	Adjustment estimates	Budget after shifts approved by National Treasury	Virements	Final budget (Adjustment estimates plus/minus virement)	Actual amount spent	Over / (under) expenditure	% Spent
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%
Ministry	32,955	33,066	29,066	(4,368)	28,698	28,698	-	100%
Management	16,550		16,662	(511)	16,151	16,151	-	100%
Corporate Affairs	121,538	16,662	116,208	(8,534)	109,674	109,674	-	100%
Office		118,208						
Accommodation	24,000	24,000	20,000	701	24,701	24,701	-	100%
<b>TOTAL</b>	<b>195,043</b>	<b>191,936</b>	<b>181,936</b>	<b>(12,712)</b>	<b>179,224</b>	<b>179,224</b>	<b>-</b>	<b>100%</b>

**Strategic outcome-oriented goal: Achieve good corporate and cooperative governance.**

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
Effective organisational performance management system.	1. Percentage of compliance with provisions of government's performance and risk management prescripts.	100%	100%	100%	None
	2. Intergovernmental policy integration and implementation support system developed and implemented.	Internal protocol was developed and 100% implemented.	100% compliance.	100%	None
Capable and skilled workforce.	3. Percentage of vacancy rate.	9.42%	Maintain a maximum vacancy rate at 5%.	11.17%	High vacancy rate after restructuring. The department experienced a high staff turnover and internal promotions, withdrawal of suitably nominated candidates and personnel suitability checks not timeously available impacted on vacancy rate not achieved.





## 2.4 PERFORMANCE INFORMATION BY PROGRAMME

### Strategic outcome-oriented goal: Achieve good corporate and cooperative governance.

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
	4. Percentage implementation of Workplace Skills Plan (WSP).	118%	100% implementation.	103%	Based on a needs assessment, an additional skills programme was offered to staff in the International Tourism Management Branch.
	5. Percentage implementation of Performance Management Development System (PMDS).	100%	100% implementation.	100% implemented.	None
	6. Number of interventions on HIV and AIDS and Employee Health Wellness (EHW) conducted.	4	Interventions.	4 interventions held over 4 quarters.	None
	7. Percentage compliance on management of labour relations cases in line with prescripts.	100%	100% compliance.	100% compliance	None
	8. Percentage representation of designated groups.	54%	Maintain minimum 50% women representation.	54.37%	None
		2.97%	Maintain minimum 4% disability rate.	4.26%	None
		93%	Maintain minimum 89% Black representation.	93.6%	None

**Strategic outcome-oriented goal: Achieve good corporate and cooperative governance.**

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
Efficient service delivery.	9. Percentage implementation of Information Technology Strategic Plan (ITSP).	NDT Master Systems Plan was reviewed.  100% of Phase 1 was implemented.	100% implementation of Phase 2.	80% implementation of Phase 2.	Project initiation delayed.
	10. Uptime of network and services availability.	99%	Maintain 97% uptime.	99.987%	None
			Maximum of 3% service time.	0.013%	None
Reach out to tourism stakeholders through targeted communication.	11. Percentage implementation of the annual implementation plan of the Communication Strategy.	92%	100% implementation.	100% implemented.	None
Effective Internal Audit services.	12. Percentage of completion of approved rolling three year strategic and one year operational plan.	100%	100% implementation.	100% implemented.	None
Corporate legal support.	13. Percentage compliance with case management requirements.	100%	100% compliance.	100% compliance.	None
	14. Percentage compliance with agreed service delivery standards.	100%	100% compliance.	100% compliance.	None



## 2.4 PERFORMANCE INFORMATION BY PROGRAMME

### Strategic outcome-oriented goal: Achieve good corporate and cooperative governance.

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
	15. Percentage compliance with Legislative Programme of the NDT.	100%	100% compliance.	100% compliance.	None
	16. Percentage of tourists' complaints referred to appropriate authorities for a resolution within agreed time frame.	None	100% of tourists' complaints referred to appropriate authorities.	100% of tourists' complaints referred to appropriate authorities.	None
Economic, efficient and effective use of departmental resources.	17. Percentage compliance with financial and supply chain management regulatory requirements.	100%	100% compliance.	100% compliance.	None
	18. Percentage procurement from enterprises with B-BBEE status Level 1-4 contributor.	59% of expenditure on procurement from Broad-Based Black Economic Empowerment (B-BBEE) and BEE enterprises.	100%	100% procurement from B-BBEE level 1-8.	For compliance with B-BBEE Amendment Act.



## Changes to planned targets

The department conducted a mid-term review of its Strategic Plan and Annual Performance Plan for the 2012/13 financial year with the emphasis on its annual targets on 17 to 19 October 2012. During the review, the department considered emerging issues such as departmental priorities, targets and resource allocation for the next bi-annual of the 2012/13 financial year. The following mentioned amendments were accordingly approved by the Director-General:

Strategic objective	Programme performance indicators	Original target	Approved amendments	Reasons
Capable and skilled workforce.	3. Percentage of vacancy rate.	Maintain a maximum vacancy rate at 5%.	Maintain a maximum vacancy rate at 10%.	High vacancy rate after restructuring. The department experienced a high staff turnover and internal promotions, withdrawal of suitable nominated candidates and personnel suitability checks not timeously available impacted on vacancy rate not achieved.
Economic, efficient and effective use of departmental resources.	18. Percentage procurement from enterprises with B-BBEE status level 1-4 contributor.	100% procurement from B-BBEE level 1-4.	100% procurement from B-BBEE level 1-8.	For compliance with B-BBEE Amendment Act.



## 2.4 PERFORMANCE INFORMATION BY PROGRAMME

### Programme 2: Policy and Knowledge Services

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

Policy and Knowledge Services	Main appropriation	Adjustment estimates	Budget after shifts approved by National Treasury	Virements	Final budget (Adjustment estimates plus/minus virement)	Actual amount spent	Over / (under) expenditure	% Spent
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%
Policy and Knowledge Services Management	3,377	3,401	3,401	874	4,275	4,275	-	100%
Policy Development and Evaluation	18,122	17,235	17,235	(110)	17,125	17,125	-	100%
Research and Knowledge Management	13,192	17,830	17,830	(135)	17,695	17,695	-	100%
South African Tourism	753,303	754,929	754,929	-	754,929	754,929	-	100%
<b>TOTAL</b>	<b>787,994</b>	<b>793,395</b>	<b>793,395</b>	<b>629</b>	<b>794,024</b>	<b>794,024</b>	<b>-</b>	<b>100%</b>

### Strategic outcome-oriented goal: Improve impact of tourism on the livelihood of all South Africans.

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
Monitoring and evaluation of tourism sector performance, strategies and policies.	1. Frequency of the state of tourism reports.	2009/10 State of Tourism Report.	1	2011 State of Tourism Report finalised and approved.	None
	2. Number of impact evaluation reports for the tourism sector and NDT initiatives.	1 report (SRI Evaluation Survey).	2	Evaluation of SRI (Phase 2) Report approved.	None
			Ettheya Awards.	Ettheya Awards Report approved.	
3. NTSS implementation reports.	Monitoring and Evaluation (M&E) Framework for NTSS.	2011/12 NTSS Annual Progress Report.	2011/12 NTSS Annual Progress Report developed and approved.	None	

**Strategic outcome-oriented goal: Achieve good corporate and cooperative governance.**

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
	4. Number of tourism forecasting models developed.	1 model (direct and indirect jobs) developed.	One (jobs model) finalised.	Job model finalised and approved.	None
			One (tourist arrivals) initiated.	Forecasting model for tourist arrivals initiated and progress report developed.	None
	5. Number of oversight reports on departmental entities and partners.	M&E framework developed for entities.	Four SAT oversight reports.	Four SAT oversight reports have been done (Analysis of SAT Strategy and APP done, with 3 quarterly progress reports.	None
			Four TEP oversight reports.	The analysis of four quarterly progress reports done including 1 Annual Report.	

**Strategic outcome-oriented goal: Tourism priorities integrated within other sector departments, provincial and local governments' planning.**

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
Create an enabling policy environment and improve intergovernmental coordination.	6. Number of tourism-related policies, strategies and frameworks reviewed, developed and implemented.	5  Draft Domestic Tourism Strategy was developed.  Crisis Management Framework was developed.	3		
			Resilience Strategy initiated.	Resilience Strategy initiated.	None
			Review of the Tourism Safety & Awareness Strategy (TS&AS).	Review of the Tourism Safety & Awareness Strategy (TS&AS) completed.	None
			Quarterly policy watch released.	Quarterly policy watch released.	None



## 2.4 PERFORMANCE INFORMATION BY PROGRAMME

### Strategic outcome-oriented goal: Tourism priorities integrated within other sector departments, provincial and local governments' planning.

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
		<p>Inter-governmental and Stakeholder Engagement Framework was developed.</p> <p>Sector budget structure was developed.</p> <p>2 policy papers on transport review and compendium of legislation with impact on tourism developed.</p>			
	7. Framework for the alignment and integration of NTSS at provincial and local government developed and implemented.	Framework for the budget structure developed.	Budget structure submitted to National Treasury for approval.	Budget structure submitted to National Treasury for approval.	None
	8. Capacity building programme targeting municipalities initiated.	Local Government Tourism Growth and Development Programme.	Tourism Training Programme for municipalities developed.	Tourism Training Programme for municipalities developed.	None
			Municipal Tourism Self-assessment Tool developed.	Municipal Tourism Self-Assessment Tool developed.	None

**Strategic outcome-oriented goal: Tourism priorities integrated within other sector departments, provincial and local governments' planning.**

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
	9. Number of initiatives facilitated to reduce barriers to tourism growth.	MoU with the Department of Home Affairs (DHA).	2 Implementation of the DHA MoU.	Reports on implementation of the DHA MoU developed.	None
		Review report of the implementation of the Airlift Strategy.	Annual Tourism State of Airlift Report.	Annual Tourism State of Airlift Report developed.	None
10. Number of initiatives and platforms aimed at improving stakeholder engagement within tourism industry.		Inter-governmental Relations Framework Act, 2005.	3 Quarterly intergovernmental coordination (working group) meetings convened.	Quarterly intergovernmental coordination (working group) meetings convened.	None
		Inter-governmental Relations Stakeholder Engagement Framework.	Electronic stakeholder database.	Electronic stakeholder database developed.	None
			NDT Stakeholder Engagement Framework implemented.	Report on the implementation of the NDT Stakeholder Engagement Framework developed.	None





## 2.4 PERFORMANCE INFORMATION BY PROGRAMME

### Strategic outcome-oriented goal: Improved tourism sector research, information and knowledge management

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
Provide knowledge management for tourism sector.	11. Number of information, knowledge systems and services developed and maintained.	1 E-Library.	2		
			Tourism Knowledge Portal (TKP).	Tourism Knowledge Portal (TKP)	None
		Electronic Events Calendar.	Electronic Events Calendar developed, approved and 'live'. <a href="https://tkp.tourism.gov.za">https://tkp.tourism.gov.za</a>	None	
	12. National Visitors' Information Framework (NVIF) developed and implemented.	NVIF brand developed.	Implementation report.	Implementation report developed and approved.	None
13. Number of National Tourism Information Gateways (NTIG) operational.	Framework for National Tourism Information Gateways developed.	2 gateways (airports of entry and land ports of entry) operational.	1 NTIG pilot operational (OR Tambo International Airport). 1 NTIG pilot not operational, still under construction (Beit Bridge Border Post) and awaiting installation. NTIG Operational Report developed.	Beit Bridge pilot mobile structure awaiting geotechnical site preparation and approval of installation from Department of Public Works (DPW).	
14. Standardised Knowledge Management Framework for the tourism sector developed and implemented.	Knowledge Management Framework.	Knowledge Management Framework implemented.	Knowledge Management Framework implemented, report developed and approved.	None	
To professionalise tourism guiding services.	15. Feasibility of regulating cross-border tourists' guiding activities between SADC countries that share borders with RSA investigated.	Draft Framework on harmonising guiding standards.	Feasibility study report.	Feasibility study report done.	None

**Strategic outcome-oriented goal: Improved tourism sector research, information and knowledge management**

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
16. Ensure compliance with the tourist guiding legislation and regulations.		Strategy to professionalise tourist guiding.	Integration of tourist guiding module into the law enforcement agencies' training programme.	Tourist guiding module was integrated into the law enforcement agencies' training programme.	None
			Create awareness on tourist guiding registration.	Awareness creation was conducted during 2012/13 financial year and a report was developed.	None
17. Development and integration of standards for tourists guiding.		Strategy to professionalise tourist guiding.	Report on the implementation of the training recommendations in the professionalisation of tourist guides strategy.	A report was developed and approved on the implementation of the training recommendations in the Strategy to professionalise tourist guiding.	None
18. Protocol for reporting standardised.		Audit of the tourist guides register system and database.	Implementation of the audit recommendation initiated.	Implementation of the audit recommendation was initiated and a report on the progress made was developed and approved.	None
19. Rules of engagement and guidelines between the NDT and tourist guiding stakeholders.		Strategy to professionalise tourist guiding.	MoU on rules of engagement with stakeholders.	MoU on rules of engagement between NDT and tourist guide associations was developed, approved and signed by NDT and Field Guides Association of South Africa (FGASA).	None



## 2.4 PERFORMANCE INFORMATION BY PROGRAMME

### Strategic outcome-oriented goal: Improved tourism sector research, information and knowledge management

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
Manage and conduct tourism research to inform tourism growth and development.	20. Number of research studies initiated and conducted.	2 conducted (Cultural and Heritage Tourism Research Reports).  2 initiated economic cases for tourism study and skills need report for new markets.	5 research studies conducted through universities.	6 research studies were conducted through universities and reports were approved.	University of Pretoria produced 2 reports as it has 2 departments focusing on tourism-related issues hence the variance.
			2 research studies conducted internally.	2 research studies were conducted internally and reports were approved.	None
	21. Number of baseline studies conducted on tourism indicators identified in the NTSS.	Bed nights spent in rural areas.  Project owned and led by communities.  Participation of communities in tourism.	3	3 baseline studies were conducted and reports approved.	None
			Progress on implementation of the research framework.	Progress report on the implementation of the research framework was compiled and approved.	None
	22. Standardised Research Framework for the tourism sector developed and implemented.	National Tourism Research Framework.	Indicator table.	The indicator table was compiled and approved.	None
			Proposal on the establishment of the Tourism Journal.	Proposal for the development of a tourism research journal was compiled and approved.	None
		Tourism research colloquium.	Tourism research colloquium was held.		

**Strategic outcome-oriented goal: Increased contribution of tourism sector to inclusive economic participation**

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
Increase compliance with the gazetted tourism charter.	23. Number of reports on the tourism enterprises using tourism sector verification scorecard.	Monitoring criteria in place (Department of Trade and Industry).	2 reports (bi-annual).	2 reports on the enterprises using tourism sector verification scorecard developed.	None
	24. Annual Report published on public sector spend on empowered tourism goods and services.	None	1 Annual Report.	Annual Report on the public sector spend on empowered tourism goods and services was developed and approved.	None
	25. Number of reports on the extent of empowerment from PPPs, concessions, and assets disposal by state entities in tourism.	None	1	Report on the extent of empowerment from PPPs, concessions, and assets disposal by state was developed and approved.	None
	26. Number of reports on the state of sector transformation.	None	1	Annual Report on the state of sector transformation was developed and approved.	None
	27. Tourism BEE Charter Council established and operational.	None	Charter Council with functional Secretariat.	Charter Council with functional Secretariat was appointed.	None



## 2.4 PERFORMANCE INFORMATION BY PROGRAMME

### Strategic outcome-oriented goal: Improved levels of competitiveness and sustainability in the tourism sector

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
To promote responsible tourism best practice.	28. Development and implementation of the National Minimum Standards for Responsible Tourism (NMSRT) accreditation system for certification agencies facilitated.	National Minimum Standard and Responsible Tourism (NSMRT).	Develop incentives to encourage implementation.	Incentive packages were developed.	None
			Develop toolkits for Certification Agencies and tourism businesses.	Toolkits for Certification Agencies and tourism businesses were developed.	None
	29. Development and implementation of the National Responsible Tourism Strategy.	National Responsible Tourism Strategy including annual action plan was developed.	State of Responsible Tourism Report for hospitality sub-sector (implementation readiness assessment).	Report on State of Responsible Tourism for hospitality sub-sector was developed and approved.	None
	30. National tourism response programme for climate change developed and implemented.	National Climate Change and Tourism Action Plan.	Implementation of Phase 1 of the Action Plan.	Phase 1 of the Action Plan was implemented.	None
	31. Community participation programme developed and implemented.	None.	Develop community capacity-building initiative for sustainable tourism.	Community capacity-building initiatives for sustainable tourism were developed.	None
	32. Tourism Universal Accessibility (UA) Action Plan developed and implemented.	UA Action Plan.	Conduct research on number and quality of tourism UA compliant establishments and attractions.	Research report on number and quality of tourism UA compliant establishments and attractions produced and approved.	None
Develop framework and requirements for UA compliant city destination.			Framework and requirements for UA compliant city destination was developed.	None	

### 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.

International Tourism	Main appropriation	Adjustment estimates	Budget after shifts approved by National Treasury	Virements	Final budget (Adjustment estimates plus/minus virement)	Actual amount spent	Over / (under) expenditure	% Spent
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%
International Tourism								
Management	3,945	4,551	4,551	808	5,359	3,700	(1,659)	69%
Americas and Caribbean	11,490	8,945	6,945	(3,144)	5,801	5,801	-	100%
Europe	9,244	9,096	6,796	(3,432)	5,664	5,664	-	100%
Africa and Middle East	12,768	11,815	8,615	(3,757)	8,058	8,058	-	100%
Asia and Australasia	9,387	7,423	4,923	(3,513)	3,910	3,910	-	100%
<b>TOTAL</b>	<b>46,834</b>	<b>41,830</b>	<b>31,830</b>	<b>(13,038)</b>	<b>28,792</b>	<b>27,133</b>	<b>(1,659)</b>	<b>94.2%</b>

#### Strategic outcome-oriented goal: Increase contribution of the tourism sector to inclusive economic growth

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
To provide international tourism market analysis to inform strategic interventions.	1. Number of country profiles developed and updated per year.	0	180	221 country profiles developed and updated including the analysis.	The department was mandated to conduct market analysis in order to inform strategic interventions and to develop country profiles. The information at hand during the time of exercise excluded some smaller countries which were later identified as more in-depth work was conducted in getting tourism related information.



## 2.4 PERFORMANCE INFORMATION BY PROGRAMME

### Strategic outcome-oriented goal: Increase contribution of the tourism sector to inclusive economic growth

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
	2. Number of regional profiles developed and updated per year.	0	2	3 regional profiles developed and updated.	During the period under review the branch embarked on the process of getting a better understanding of the various regions and countries in the world. Regional profiles had to be developed and information was collated from various sources. The availability of this information assisted the department to develop an additional regional profile. Hence 3 regional profiles were developed.
	3. Market intervention toolkit developed.	0	Concept document developed.	Concept document developed.	None
	4. Number of strategic interventions introduced for selected tourism markets.	0	None (Targets in the annual performance plan are for second- and third years medium term).	None	None
	5. Number of SA missions abroad supported for tourism mainstreaming.	0	4	4 status reports of South African missions supported.	None

**Strategic outcome-oriented goal: Strengthen regional, African and international collaboration and partnership.**

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
To utilise bilateral and multilateral engagements to advance the tourism national, regional, African and global agenda.	6. Annual Report on international (bilateral/multilateral) agreements and strategic national priorities facilitated.	0	1	Annual Report on international agreements and strategic national priorities facilitated is in place.	None
	7. Number of multilateral fora for which participation is supported.	5	7	Reports on 7 multilateral fora supported have been developed (IOR-ARC, Nepad, RETOSA, T20, OECD, WTTC and UNWTO).	None





## 2.4 PERFORMANCE INFORMATION BY PROGRAMME

### Programme 4: Domestic Tourism

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

Domestic Tourism	Main appropriation	Adjustment estimates	Budget after shifts approved by National Treasury	Virements	Final budget (Adjustment estimates plus/minus virement)	Actual amount spent	Over / (under) expenditure	% Spent
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%
Domestic Tourism Management	11,007	15,331	10,687	(4,730)	10,601	10,076	(525)	95%
Domestic Tourism Management Southern Region	11,852	14,516	10,016	(2,967)	11,549	11,549	-	100%
Domestic Tourism Management Northern Region	12,177	12,954	11,054	(2,351)	10,603	10,603	-	100%
Social Responsibility Implementation	277,414	279,181	310,225	35,169	314,350	314,350	-	100%
Strategic Partners in Tourism	25,000	25,000	25,000	-	25,000	25,000	-	100%
<b>TOTAL</b>	<b>337,450</b>	<b>346,982</b>	<b>366,982</b>	<b>25,121</b>	<b>372,103</b>	<b>371,578</b>	<b>(525)</b>	<b>99.9%</b>

#### Strategic outcome-oriented goal: Increase contribution of the tourism sector to inclusive economic growth

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
To facilitate the implementation of appropriate support packages for regions.	1. Number of provincial profiles developed.	None	9 provincial profiles.	9 provincial profiles completed and signed by HODs.	None
	2. Number of regional support packages delivered, informed by relevant strategies (e.g. rural strategy) per year.	None	2 regional support packages developed.	2 regional support packages developed.	None
			National Domestic Tourism Campaign initiated.	Campaign initiated through provincial road shows, National Tourism Planning Forum, South African Heritage Resources Agency Conference and facilitating the development of the national events calendar for Tourism Month.	None

**Strategic outcome-oriented goal: Increase contribution of the tourism sector to inclusive economic growth**

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
To facilitate the implementation of national tourism imperatives.	3. Number of tourism products supported through the social responsibility funding (EPWP).	76 funded.	50 funded.	70 projects were actively funded during the reporting period.	Over achievement was due to projects under planning moving quicker into implementation, as well as the allocation of the EPWP incentive funding from National Treasury to fund additional 20 active projects.
	4. Number of national programmes supported.	2011 National Tourism Careers Expo (NTCE).	NTCE 2012.	NTCE 2012 hosted on 28-30 September 2012 draft report in place.	None
			Curriculum Analysis Report.	Curriculum Analysis Report in place.	None
			Nine educator capacity development seminars held.	Nine educator capacity development seminars held.	None
			Six annual tourism leadership dialogues facilitated.	Six dialogues hosted covering the following topics - National Transport Strategy, Skills Development, Adventure Tourism, Trade Shows, Local Government and Minister's Dialogue	None



## 2.4 PERFORMANCE INFORMATION BY PROGRAMME

### Strategic outcome-oriented goal: Increase contribution of the tourism sector to inclusive economic growth

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
			Service excellence requirements implemented.	Service excellence requirements implemented. Booklet developed and distributed, final criteria developed, self-assessment tool in place. Token in place.	None
			Implementation of Phase 2 based on the recommendations of the strategy – national campaign.	Phase 2 of the national campaign based on the recommendations of the strategy implemented.  Phase 2: Implementation of the national campaign: included the following deliverables: <ul style="list-style-type: none"> <li>• Media campaign</li> <li>• Power of One Provincial Roadshows</li> </ul>	None
To provide support to SMMEs for economic development and job creation.	5. Number of rural enterprises supported per year.	981	530	1 664	The department approved Rural Tourism Development Strategy in 2011, thus the focus shifted to supporting rural tourism enterprises.
	6. Number of enterprises supported to grow through mentorship.	99	50	104	The target was exceeded due to TEPs partnerships with provinces in rolling out the mentorship programme.

**Strategic outcome-oriented goal: Increase contribution of the tourism sector to inclusive economic growth**

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
	7. Number of businesses supported with market access.	186	170	852	There is a great demand for market access from SMMEs. It becomes an affordable assistance through using economies of scale and additional numbers are achieved within budget.
	8. Number of members of designated groups Historically Disadvantaged Enterprises (HDEs) supported per year.	2 253	3 351 HDE enterprises supported.	4 145	Overachievement was due to TEP focusing on this target in order to ensure that underachievement in the previous quarters are corrected by the end of the contract.
	9. Number of enterprises trained (skills development, tourism awareness, customer service, toolkits and business skills).	None	3 250	3 267	Overachievement was due to TEP focusing on this target in order to ensure that underachievement in the previous quarters are corrected by the end of the contract.



## 2.4 PERFORMANCE INFORMATION BY PROGRAMME

### Strategic outcome-oriented goal: Increase contribution of the tourism sector to inclusive economic growth

Strategic objective	Measure/indicator	Baseline	Actual performance against target		Reason for variance
			Target	Actual	
	10. Number of full-time equivalent (FTE) jobs supported through enterprise partnership per year.	593	5 000	5 003	Overachievement was due to TEP focusing on this target in order to ensure that underachievement in the previous quarters are corrected by the end of the contract.
Create employment opportunities by implementing tourism projects targeted at the unemployed.	11. Number of FTE jobs created through the social responsibility programme Expanded Public Works Programme (EPWP) per year.	5 036	5 054	5 645	Overachievement was due to projects under-planning moving quicker into implementation and further verification of projects in the first three quarters revealed FTE jobs that had not been reported in the previous quarters. Also we received an allocation of the EPWP incentive funding from National Treasury.

## PART C: GOVERNANCE



Image courtesy of South African Chefs Association

### **Strategic outcome-oriented goal: Increase contribution of the tourism sector to inclusive economic growth (page 52)**

The department continue grow the tourism sector on many fronts through the collaboration with the Tourism Enterprise Partnership (TEP). Supporting SMMEs and established businesses for economic development through TEP, see the department contributing to government's outcomes approach to service delivery, Outcome 4: Decent employment through inclusive economic growth and Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all. The collaboration so far has seen:

- 5 003 full time equivalent (FTE) jobs created through SMMEs.
- 4 145 members of designated groups supported.
- 104 enterprises supported to grow through mentorship.

Progress was reported through participation in the Expanded Public Works Programme (EPWP) in 2012/13 financial year, particularly with the Chefs Programme. A total of 133 learners (about 25%) of the first group of graduates were placed in SACA hotel schools and lodges for experiential learning for permanent absorption by the industry. Positively, 300 (40%) are continuing with the Diploma, whilst other trainees were placed in wine farms, hotels, and restaurants through the Sommelier Project.

## 3.1 Risk management

The department is committed to a process of risk management that is aligned with the principles of good corporate governance, as supported by the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA), as amended. Furthermore, it is committed to all the indispensable risk management principles as defined in the Public Sector Risk Management Framework issued by the National Treasury.

Risk management is a central part of the department's strategic management process. Through the risk management function, the department both methodically and intuitively addresses potential risks and opportunities in all activities. The aim is to achieve sustained benefit across the portfolio of activities.

Risk management is also recognised as a valuable management tool, which increases the department's prospects of success through minimising the negative impacts and optimising opportunities that emanate from its operating environment. It is further understood that risk management is ideally positioned to ensure that the challenges facing the department are managed effectively. The risk management processes thus add value in the department, through which the department systematically identifies, assesses, prioritises, monitors and evaluates key risks in a systematic and disciplined manner.

The foundation is currently set for a successful risk management function. The Risk Management Policy, risk management strategies and fraud prevention plans have been developed. Furthermore, the process of establishing the Risk Management Committee (RMC) is also underway. This is in compliance with the PFMA as well as the National Treasury Regulations. This committee will be established separately and independent of the department's Audit Committee to assist the Accounting Officer (Director-General) in addressing his oversight requirements of risk management, that is, evaluation and monitoring of the department's performance with regard to risk management. A separate

RMC will therefore provide the Director-General with confidence that the department's risk management objectives will be achieved. This approach is also consistent with the recommendations made in the Public Sector Framework and the King Code of Corporate Governance Principles (King III).

The management identifies risk management strategy options, which include a Fraud Prevention Plan, and considers their effect on the event likelihood and impact, and thereafter designs and implements response options. The consideration of Risk Management Strategy is integral to risk management and it requires that the management should select responses that are expected to bring the likelihood and impact within the department's tolerance level. However, all other employees are also encouraged to continuously manage their risks.

The department has set clear goals and assessed them in order to understand the intrinsic risks associated with achieving them. During the strategic planning process the department has identified and linked its strategic objectives with strategic risks; it has conducted a detailed strategic risk assessment, and allocated processes and risk owners, who are required to develop mitigation strategies, to actively monitor and report progress on implementation on a quarterly basis.

Furthermore the department has set risk indicators to assess, measure early warnings, and to identify potential events that may harm continuity of any activity or project. These provide information on the level of exposure to a given operational risk for the organisation. The risk indicators have an explicit relationship to the specific risk whose exposure they represent.

## 3.2 Internal control

In accordance with the PFMA, Section 38, the Accounting Officer has the responsibility to ensure that effective, efficient and transparent systems of financial and risk management and internal control have been implemented. Although the department does not have a dedicated Internal Control

Section, its policies do make provision for the segregation of duties as well as the delegation of authority. This ensures that the department is in full compliance with the PFMA and Treasury Regulations.

### 3.3 Fraud and corruption

The department recognises the impact of fraud on its ability to provide integrated, affordable and manageable public services. As a result, the department accepts fraud as an operational risk. Such acceptance however, does not mean that it condones fraud. On the contrary; the department has committed itself to actively combating fraud and all other acts of dishonesty on a zero tolerance basis. The department has set the foundation in terms of ensuring that the anti-fraud prevention structure is in place through the development of anti-fraud and corruption policies, strategies and plans.

The fraud prevention strategies and policies are designed to align department's endeavours with the PFMA, according to which government departments must develop an effective, efficient and transparent system of financial and risk management and internal control. The fight against corruption is a national priority and department has positioned itself to combat the scourge of fraud and corruption. The strategies and policies of the department demonstrate its stance in detecting and preventing all fraudulent and corrupt activities, as well as a determination to implement corrective actions on any fraud or corrupt activity committed.

In line with the department's Anti-Fraud Prevention Strategy and Plan, the Fraud and Corruption Reporting Hotline number has been published on the department's website.

Fraud represents a significant potential risk to the department's assets, service delivery efficiency and reputation. The department does not tolerate any corrupt or fraudulent activities by anyone; it will pursue and prosecute any parties, by all legal means available, engaging in any fraudulent or corrupt activity, or attempting to do so.

### 3.4 Minimising conflict of interest

The Directorate: Supply Chain Management is responsible for bid (tender) administration. This includes the appointment of Bid Evaluation Committees as well as a Departmental Bid Committee. Members of both committees have to sign declarations of interest prior to participation in committee activities to ensure that there is no conflict of interest.

### 3.5 Code of Conduct

The values that the department holds in its dealings with the public and organisations internally as well as externally, subscribe to the Code of Conduct for the Public Service contained in the Public Service Regulations, 2001, as well as the department's policies and procedures. Adherence to the Code of Conduct enhances professionalism and ensures confidence in the department.

Non-compliance with the provisions of the Code of Conduct or approved policies constitutes misconduct and may lead to disciplinary action.

### 3.6 Health, safety and environmental issues

The department subscribes to the provisions of the Occupational Health and Safety Act, 1993 (Act 85 of 1993) and has relevant structures and policies in place in order to monitor and advise on health, safety and environmental issues.

### 3.7 Portfolio Committees

#### Composition of the Portfolio Committees

National Assembly - Portfolio Committee on Tourism and National Council of Provinces (NCOP) - Select Committee on Trade and International Relations are committees established in terms of Chapter 4 Sections 42-79 of the Constitution. The primary role of these committees is to oversee the action of government, and ensure to Parliament





# GOVERNANCE

oversee the action of government, and ensure to Parliament that government is able to provide service delivery, so that all citizens can live a better life.

The Select Committee on Trade and International Relations comprises the following members as outlined in the table below:

Member of parliament	Political party affiliation
Mr DD Gamede (Chairperson)	ANC
Mr F Adams	ANC
Ms B Abrahams	DA
Ms MC Dikgale	ANC
Mr MC Maine	ANC
Mr BA Mnguni	ANC
Mr AJ Nyambi	ANC
Mr K Sinclair	COPE
Ms EC van Lingen	DA

National Assembly Portfolio Committee on Tourism consists of the following members as indicated in the table below:

Member of parliament	Political party affiliation
Mr D Gumede (Chairperson)	ANC
Ms V Bam-Mugwanya	ANC
Mr F Bhengu	ANC
Mr SB Farrow	DA
Mr LP Khoarai	ANC
Ms RMM Lesoma	ANC
Ms JM Maluleke	ANC
Ms XC Makasi	ANC
Ms J Manganye	ANC
Ms MA Njobe	COPE
Mr R Shah	DA
Ms CN Zikalala	IFP

## Role of committees

- These Parliamentary Committees are established as instruments of the Houses in terms of the Constitution to facilitate oversight and monitor the government.
- They can be seen as the “engine rooms” of Parliament’s oversight and legislative work.
- Committees are in general proportionally representative of the parties in Parliament. Committee meetings are open to the public, but may be closed if there is a good reason to do so.
- Committees have the power to summon any person to appear before them, give evidence and produce documents. They may require any person or institution to report to them. Committees may also receive petitions, representations or submissions from the public. Each committee is headed by a chairperson.

## Meeting dates of the Portfolio Committee on Tourism:

Month	Date	Topic/reason
April 2012	17 April	Briefing by NDT on the Strategic Plan, Annual Performance Plan (APP) and budget
May 2012	2-3 May	Budget Vote debate in the National Assembly (NA)
	22 May	Briefing by the Grading Council on the new grading system
	29 May	Briefing by NDT on revitalisation of heritage and cultural tourism
August 2012	7 August	Briefing by SAT on the Bi-annual Performance Report for the last six months of 2011/12 financial year
	14 August	Briefing by NDT on the MoUs in the field of tourism with Ghana, Zimbabwe and Lesotho
September 2012	11 September	Briefing on the MoUs between NDT and other departments
October 2012	9 October	Briefing on the 2011/12 NDT Annual Report
	16 October	Briefing on the 2011/12 SAT Annual Report
	30 October	Briefing by NDT on transformation in the tourism industry (Tourism B-BBEE)
February 2013	12 February	Workshop on the Tourism Bill 44-2012
March 2013	12-13 March	Public Hearings on the Tourism Bill 44-2012
	13 March	Tabling of the Strategic Plans of SAT and NDT
	19-20 March	Formal consideration of the Tourism Bill 44-2012



# GOVERNANCE

## Select Committee on Trade and International Relations:

Month	Date	Topic/reason
May 2012	16 May	Briefing by NDT on the Strategic Plan, APP and budget
	23 May	Policy debate in the NCOP
June 2012	6 June	Briefing by SAT on the Strategic Plan and APP
September 2012	5 September	Briefing on Universal Grading for Tourism Establishments by NDT and the Grading Council
November 2012	27 November	Briefing on the 2011/12 NDT Annual Report

### 3.8 SCOPA resolutions

The department has no SCOPA resolutions.

### 3.9 Audit Committee Report

Refer to page 89 of the Report of the Audit Committee, published as Part E: Financial Information.

## PART D: HUMAN-RESOURCE MANAGEMENT



Image from the Department of Tourism

**Strategic outcome-orientated goal: Improved levels of competitiveness and sustainability in the tourism sector (page 44)**

The Universal Accessibility (UA) Action Plan was developed in response to the National Responsible Tourism Strategy and launched in May 2012. The purpose UA Action Plan is to support the tourism sector to be UA compliant in promoting responsible tourism best practices.

## 4.1 Legislature governing human-resource management (HRM)

The following legislation governs HRM:

- Public Service Act, 1994, (Act 103 of 1994) as amended
- Public Service Regulations, 2001, as amended
- Labour Relations Act, 1995, (Act 66 of 1995) as amended
- Skills Development Act, 1998, (Act 97 of 1998) as amended
- Employment Equity Act, 1998, (Act 55 of 1998) as amended
- Basic Conditions of Employment Act 1997, (Act 75 of 1997) as amended

## 4.2 Introduction

### 4.2.1 The value of human capital in the department

Capable and skilled incumbents are essential to the overall success of all endeavours presently pursued by the department. Through the promotion of employee wellness and the improvement of labour relations within the department, employees are assured that the department is caring for their health as well as their occupational circumstances.

### 4.2.2 Overview of human resources (HR) matters at the department

In terms of the HR Strategy the following matters were elevated during the period under review:

- Staff recruitment and retention
- Capacity development
- Organisational development
- Employee management and labour relations management
- Employee well-being and Occupational Health and Safety

### 4.2.3 Set HR priorities for the year under review and the impact of these priorities

The following HR priorities are recorded in the HR Plan for 2012/13:

- Post provisioning

- Implementation of the Workplace Skills Plan (WSP)
- Structural changes
- Reduction in the vacancy rate
- Implementation of the Employment Equity Plan (EEP)
- Strengthening the Employee Wellness Support Programme (EWSP)

Priorities were carefully selected to address capacity and employee well-being following the reconfiguration of part of the department.

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

Workforce planning is guided by the strategy of the department. The Employment Equity Act, Public Service Act and Public Service Regulations are key in the legal framework.

Besides the HR Strategy 2012 to 2015, the department developed a Recruitment and Capacity Development Framework 2012 to 2014 in order to guide the process of attracting, recruiting and developing a skilled and capable workforce following the reconfiguration on 1 April 2012.

The HR and WSP recorded considerations during workforce planning.

### 4.2.5 Employee Performance Management Framework

Performance management is guided by the Public Service Act, Public Service Regulations, Resolutions of the Public Service Coordinating Bargaining Council (PSCBC), The Treasury Regulations and Departmental Performance Management and Development System (PMDS) Policy. The process and requirements of performance management and development for members of the Senior Management Service (SMS) are described in Chapter 4 of the SMS Handbook.

At the beginning of the financial year, employees signed performance agreements or work plans with their supervisors, bi-annual reviews were conducted and

annual performance assessments were conducted at the end of the financial year. The PMDS office facilitates the implementation and compliance of the PMDS Policy. The DG appointed moderation committees for all salary levels to ensure among others, consistency and fairness across the department, to moderate assessment results and to make recommendations to the DG on the granting of rewards and pay progressions.

#### 4.2.6 Employee wellness programmes

The department's Employee Health and Wellness Unit offers a variety of programmes including Take-a-Girl-Child-to-Work, candlelight memorial and health screening, sport and recreation and occupational health.

#### 4.2.7 Policy development

The department reviewed its existing policies and developed new policies in order to provide clarity during the implementation of the legislative framework of the public service.

These policies were consulted with stakeholders, vetted by the Legal Section and are in the approval and implementation stages.

#### 4.2.8 Achievements

A Departmental Learning Network was developed and successfully rolled out on the NTSS, Tourism Bill and Departmental Strategy to educate employees in terms of the new direction taken by the department.

Labour Relations training was conducted at all levels in order to create an understanding of employee rights, obligations and responsibilities as well as to capacitate managers in maintaining discipline in the work environment.

The department was one of eight departments, which reached government's targets on the employment of persons with disabilities.

One hundred percent of Senior Management Service members disclosed their financial interests.

One hundred percent compliance was reached on the implementation of the PMDS.

#### 4.2.9 Challenges faced by the department

The performance environment is in general over-regulated, which brings with it an administrative burden. Unfunded posts further impact on the capacity of the department.

#### 4.2.10 Future HR plans/goals

Building on the department's existing HR policies, procedures and systems (codes of practice), the department's HR Strategy provides an effective framework for recruiting, developing and retaining staff in a fair and supportive environment. To this end, the goals listed in the HR Strategy are as follows:

- To design and implement recruitment, retention and workforce planning strategies, which support the department's goal to achieve excellence in tourism and knowledge management.
- To provide capacity development in order to respond to the varying needs and requirements of the department.
- To enhance service delivery by supporting managers with organisational development.
- To promote sound labour relations within the department through facilitation of grievances, misconduct cases, dispute resolution processes, awareness creation and involvement of the Departmental Bargaining Council.
- To provide support to staff and promote a healthy working environment through wellness management; HIV and AIDS and TB management; health and productivity management; occupational health and safety; sport and recreation management; bereavement support; and Exit Management Strategy.



## 4.3 Human resources (HR) oversight statistics

April 2012 - March 2013

### 4.3.1 Service delivery environment

Table 1 - Main service for service delivery improvement and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Upskill frontline staff and executive leadership in service excellence.	Frontline staff, executive leadership and the tourism industry.	New entries in the frontline staff and tourism industry.	Frontline staff and executive leadership lack the necessary skills to provide excellent service in the tourism sector.	MoU signed between the NDT and the Tourism Business Council of South Africa (tbcsa).
Implement quality assurance programme in the tourism sector.	Tourism industry and tourists.	New entries in the tourism industry.	Grading of about 7 000 establishments by the Tourism Grading Council of South Africa (TGCSA).	Some 7 710 establishments were graded.

Table 2 - Consultation arrangements for customers

Type of arrangement	Actual customers	Potential customers	Actual achievements
Conferences hosted and presentations done for tourism stakeholders.	Frontline staff, executive leadership and the tourism industry.	New entries in the tourism industry.	Hosted conference and undertook all outlined activities.
Workshops, meetings (telephonic and electronic), visits to tourism and TGCSA.	Tourism industry and tourists.	New entries in the industry.	Workshops, meetings (telephonic and electronic), visits to tourism, TGCSA, improved use of local radio stations and other radio stations utilising different languages.

Table 3 - Service delivery access strategy

Access strategy	Actual achievements
Applications are received by NDT and provincial conservation authorities through internet, e-mail or fax.	Standards met.
Strategy and presentations made available to stakeholders in the sector.	Call centres and help desks, websites, e-mail as well as community radio stations. Presentations done during provincial forums and awareness campaigns and sessions. Information shared on the website as well as through discussions on radio stations.
Applications are received by tourism and provincial conservation authorities through internet, e-mail or fax.	Provincial regional offices must be equipped with the internet.

Table 4 - Service information tool

Type of information tool	Actual achievements
Tourism website, information available for visits to regional offices.	Standards are met.
Workshops are key platforms of communicating with stakeholders.	Local radio stations and other platforms of communication, including print media will be utilised to disseminate information and provincial workshops held with different stakeholders.
Additional road shows, workshops and the use of local radio stations to communicate critical aspects of the grading process in various languages.	Websites and exhibitions, meetings, manuals, accommodation guides, workshops, use of local radio stations in various languages to communicate critical aspects of the grading process.





# HUMAN-RESOURCE MANAGEMENT

Table 5 - Complaint mechanism

Complaint mechanism	Actual achievements
Complaints to the Minister, DG and NDT hotline.	Complaints received via hotline and letters to the Minister and DG addressed.
Complaints may be addressed to the Minister of Tourism or provincial offices.	Assessment was conducted to analyse TOPS implementation in provinces, the findings collated informed the development of the TOPS Implementation Plan.
Appeal processes for dissatisfaction with star allocations/grading process (internal arbiter).	<p>Oral and written feedback on complaints received and responded to.</p> <p>Local and national radio stations used mechanisms for capacity building and dealing with complaints.</p> <p>Talk shows with members of the public phoning in.</p>

## 4.3.2 Personnel-related expenditure

Table 6 - Personnel costs by programme

Programme	Total voted expenditure	Compensation of employees expenditure	Compensation of employees as % of total expenditure	Average compensation of employees cost per employee	Employment
	R'000	R'000	%	R'000	
Administration	179,224	89,898	50.2	195	-
Policy and Knowledge Services	794,024	24,721	3.1	54	-
International Tourism	27,133	17,963	66.2	39	-
Domestic Tourism	371,578	38,623	10.4	84	-
<b>TOTAL AS ON FINANCIAL SYSTEMS (BAS)</b>	<b>1,371,959</b>	<b>171,205</b>	<b>12.5</b>	<b>372</b>	<b>462</b>

Table 7 - Personnel costs by salary band

Salary band	Compensation of employees cost	Total personnel cost for department	Average compensation cost per employee	Total personnel cost for department including goods and transfers	Number of employees
	R'000	%	R'000	R'000	
Skilled (levels 3-5)	3,774	2	139	-	27
Highly skilled production (levels 6-8)	37,730	22	216	-	174
Highly skilled supervision (levels 9-12)	71,102	40	415	-	171
Senior management (levels 13-16)	47,103	27	798	-	59
Contract (levels 1-2)	1,274	1	70	-	18
Contract (levels 3-5)	1,115	1	278	-	4
Contract (levels 6-8)	742	-	247	-	3
Contract (levels 9-12)	2,747	2	686	-	4
Contract (levels 13-16)	5,097	3	1,274	-	4
Periodical remuneration	526	-	526	-	1
<b>TOTAL</b>	<b>171,210</b>	<b>98</b>	<b>368</b>	<b>174,900</b>	<b>465</b>

Table 8 - Salaries, overtime, home owners' allowance and medical aid by programme

Programme	Salaries	Salaries as % of personnel cost	Overtime	Overtime as % of personnel cost	HOA	HOA as % of personnel cost	Medical ass.	Medical ass. as % of personnel cost	Total personnel cost per programme
	R'000	%	R'000	%	R'000	%	R'000	%	R'000
Programme									
Administration	68,398	74	246	-	2,444	3	3,258	4	91,876
Policy and Knowledge Services	19,079	77	16	-	389	2	518	2	24,637
International Tourism	13,749	78	-	-	474	3	457	3	17,609
Domestic Tourism	29,779	73	-	-	677	2	1,225	3	40,778
<b>TOTAL</b>	<b>131,005</b>	<b>75</b>	<b>262</b>	<b>-</b>	<b>3,984</b>	<b>2</b>	<b>5,458</b>	<b>3</b>	<b>174,900</b>



# HUMAN-RESOURCE MANAGEMENT

Table 9 - Salaries, overtime, home owners allowance and medical aid by salary band

Salary band	Salaries	Salaries as % of personnel cost	Overtime	Overtime as % of personnel cost	HOA	HOA as % of personnel cost	Medical ass.	Medical ass. as % of personnel cost	Total personnel cost per salary band
	R'000	%	R'000	%	R'000	%	R'000	%	R'000
Skilled (levels 3-5)	2,581	68	30	1	276	7	274	7	3,808
Highly skilled production (levels 6-8)	27,207	72	171	1	1,570	4	2,240	6	37,894
Highly skilled supervision (levels 9-12)	53,524	74	55	-	1,249	2	2,272	3	72,598
Senior management (levels 13-16)	38,236	79	-	-	689	1	570	1	48,641
Contract (levels 1-2)	1,269	96	5	-	-	-	-	-	1,329
Contract (levels 3-5)	1,094	96	-	-	-	-	-	-	1,140
Contract (levels 6-8)	670	87	-	-	-	-	9	1	769
Contract (levels 9-12)	2,193	77	-	-	15	1	37	1	2,851
Contract (levels 13-16)	4,229	79	-	-	185	4	56	1	5,344
Periodical remuneration	-	-	-	-	-	-	-	-	526
<b>TOTAL</b>	<b>131,003</b>	<b>75</b>	<b>261</b>	<b>-</b>	<b>3,984</b>	<b>2</b>	<b>5,458</b>	<b>3</b>	<b>174,900</b>

## 4.3.3 Employment and vacancies

Table 10 - Employment and vacancies by programme at end of period

Programme	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to establishment
Administration	296	264	10.8	19
Policy and Knowledge Services	67	57	14.9	-
International Tourism	59	47	20.3	-
Domestic Tourism	104	97	6.7	1
<b>TOTAL</b>	<b>526</b>	<b>465</b>	<b>11.6</b>	<b>20</b>

Table 11 - Employment and vacancies by salary band at end of period

Salary band	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to establishment
Lower skilled (levels 1-2), permanent	-	-	-	-
Skilled (levels 3-5), permanent	29	28	3.4	-
Highly skilled production (levels 6-8), permanent	201	174	13.4	-
Highly skilled supervision (levels 9-12), permanent	202	174	13.9	-
Senior management (levels 13-16), permanent	65	60	7.7	-
Contract (levels 1-2), permanent	18	18	-	18
Contract (levels 3-5), permanent	4	4	-	-
Contract (levels 6-8), permanent	3	3	-	-
Contract (levels 9-12), permanent	4	4	-	2
Contract (levels 13-16), permanent	-	-	-	-
<b>TOTAL</b>	<b>526</b>	<b>465</b>	<b>11.6</b>	<b>20</b>

Table 12 - Employment and vacancies by critical occupation at end of period

Critical occupations	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to establishment
Administrative related, permanent	66	55	16.7	2
Other administrative and related clerks and organisers, permanent	24	21	12.5	17
Senior managers, permanent	65	60	7.7	1
<b>TOTAL</b>	<b>155</b>	<b>136</b>	<b>12.3</b>	<b>1</b>

#### 4.3.4 Job evaluation

Table 13 - Job evaluation

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)	4	-	-	-	-	-	-
Contract (levels 1-2)	18	-	-	-	-	-	-
Contract (levels 3-5)	4	-	-	-	-	-	-
Contract (levels 6-8)	3	-	-	-	-	-	-
Contract (levels 9-12)	4	-	-	-	-	-	-
Contract (band A)	2	-	-	-	-	-	-
Contract (band D)	2	-	-	-	-	-	-
Skilled (levels 3-5)	29	-	-	-	-	-	-
Highly skilled production (levels 6-8)	199	2	1	1	50	-	-
Highly skilled supervision (levels 9-12)	197	12	6.1	3	25	3	25
Senior management service (band A)	43	12	27.9	-	-	-	-
Senior management service (band B)	15	3	20	-	-	-	-
Senior management service (band C)	4	2	50	-	-	-	-
Senior management service (band D)	2	-	-	-	-	-	-
<b>TOTAL</b>	<b>526</b>	<b>31</b>	<b>5.9</b>	<b>4</b>	<b>12.9</b>	<b>3</b>	<b>9.7</b>



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Table 14 - Profile of employees whose positions were upgraded due to their posts being upgraded

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

Table 15 - Employees whose salary level exceeded the grade determined by job evaluation [in terms of PSR I.V.C.3]

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation	Number of employees in dept
Female	-	-	-	-	-
Male	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-
Percentage of total employment	-	-	-	-	-

Table 16 - Profile of employees whose salary level exceeded the grade determined by job evaluation [in terms of PSR I.V.C.3]

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

## 4.3.5 Employment changes

Table 17 - Annual turnover rates by salary band

Salary band	Employment at beginning of period (April 2012)	Appointments	Terminations	Turnover rate
Skilled (levels 3-5), permanent	28	-	1	3.6
Highly skilled production (levels 6-8), permanent	159	19	6	3.8
Highly skilled supervision (levels 9-12), permanent	149	24	13	8.7
Senior management service (band A), permanent	33	-	4	12.1
Senior management service (band B), permanent	14	-	-	-
Senior management service (band D), permanent	2	4	-	-
Contract (levels 1-2), permanent	-	21	17	80.95
Contract (levels 3-5), permanent	-	20	13	65
Contract (levels 6-8), permanent	1	3	-	-
Contract (levels 9-12), permanent	1	-	-	-
Contract (band A), permanent	2	-	-	-
Contract (band C), permanent	3	-	-	-
Contract (band D), permanent	1	-	-	-
<b>TOTAL</b>	<b>393</b>	<b>91</b>	<b>54</b>	<b>13.74</b>

Table 18 - Annual turnover rates by critical occupation

Occupation	Employment at beginning of period (April 2012)	Appointments	Terminations	Turnover rate
Other administrative policy and related officers, permanent	40	3	3	7.5
Senior managers, permanent	45	3	-	-
<b>TOTAL</b>	<b>85</b>	<b>6</b>	<b>3</b>	<b>3.5</b>

Table 19 - Reasons why staff are leaving the department

Termination type	Number	% of total resignations	% of total employment	Total	Total employment
Resignation, permanent	19	35.2	4.7	-	-
Expiry of contract, permanent	33	61.1	8.2	-	-
Retirement, permanent	2	3.7	0.5	-	-
<b>TOTAL</b>	<b>54</b>	<b>100</b>	<b>13.4</b>	<b>54</b>	<b>404</b>
<b>Resignations as % of employment</b>	<b>11.8</b>				

Table 20 - Granting of employee-initiated severance packages

Category	Number of applications received	Number of applications referred to MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (level 1-2)	-	-	-	-
Skilled (level 3-5)	-	-	-	-
Highly skilled production (level 6-8)	-	-	-	-
Highly skilled production (level 9-12)	-	-	-	-
Senior management (level 13 and higher)	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 21 - Promotions by critical occupation

Occupation	Employment at beginning of period (April 2012)	Promotions to another salary level	Salary level promotions as a % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Other administrative policy and related officers	40	4	10	29	72.5
Senior managers	56	2	3.6	36	64.3
<b>TOTAL</b>	<b>96</b>	<b>6</b>	<b>6.3</b>	<b>65</b>	<b>67.7</b>



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Table 22 - Promotions by salary band

Salary band	Employment at beginning of period (April 2012)	Promotions to another salary level	Salary level promotions as a % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Skilled (levels 3-5), permanent	28	1	3.6	15	53.6
Highly skilled production (levels 6-8), permanent	159	26	16.4	75	47.2
Highly skilled supervision (levels 9-12), permanent	149	30	20.1	94	63.1
Senior management (levels 13-16), permanent	55	7	12.7	36	65.5
Contract (levels 1-2), permanent	9	-	-	-	-
Contract (levels 3-5), permanent	1	-	-	1	100
Contract (levels 6-8), permanent	1	1	100	-	-
Contract (levels 9-12), permanent	1	1	100	1	100
Contract (levels 13-16), permanent	1	1	100	2	200
<b>TOTAL</b>	<b>404</b>	<b>67</b>	<b>16.6</b>	<b>224</b>	<b>55.4</b>

### 4.3.6 Employment equity

Table 23 - Total number of employees (includes employees with disabilities) per occupational category (SASCO)

Occupational categories	Male, African	Male, Coloured	Male, Indian	Male, total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, total Blacks	Female, White	Total
Legislators, senior officials and managers, permanent	22	2	2	26	6	18	2	3	23	5	60
Professionals, permanent	74	3	4	81	6	73	7	2	82	7	176
Technicians and associate professionals, permanent	65	2	-	67	-	92	9	2	103	4	174
Clerks, permanent	14	-	-	14	-	17	1	-	18	1	33
Service and sales workers, permanent	10	-	-	10	-	9	-	-	9	-	19
Plant and machine operators and assemblers, permanent	3	-	-	3	-	-	-	-	-	-	3
Elementary occupations, permanent	-	-	-	-	-	-	-	-	-	-	-
Other, permanent	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>188</b>	<b>7</b>	<b>6</b>	<b>201</b>	<b>12</b>	<b>209</b>	<b>19</b>	<b>7</b>	<b>235</b>	<b>17</b>	<b>465</b>
Employees with disabilities	11	-	1	12	2	6	-	-	6	-	20





# HUMAN-RESOURCE MANAGEMENT

Table 24 - Total Number of employees (includes employees with disabilities) per occupational band

Occupational band	Male, African	Male, Coloured	Male, Indian	Male, total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, total Blacks	Female, White	Total
Top management, permanent	1	-	-	1	2	1	-	-	1	1	5
Senior management, permanent	20	3	2	25	4	16	2	3	21	4	54
Professionally qualified and experienced specialists and middle management, permanent	73	2	4	79	4	72	6	2	80	7	170
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	64	2	-	66	-	92	9	2	103	4	173
Semi-skilled and discretionary decision making, permanent	17	-	-	17	-	13	1	-	14	-	31
Unskilled and defined decision making, permanent	-	-	-	-	-	-	-	-	-	-	-
Contract (top management), permanent	1	-	-	1	1	-	-	-	-	-	2
Contract (senior management), permanent	-	-	-	-	-	1	-	-	1	-	1
Contract (professionally qualified), permanent	1	-	-	1	1	1	1	-	2	-	4
Contract (skilled technical), permanent	1	-	-	1	-	2	-	-	2	-	3
Contract (semi-skilled), permanent / temporary	2	-	-	2	-	2	-	-	2	-	4
Contract (unskilled), permanent / temporary	8	-	-	8	-	9	-	-	9	1	18
<b>TOTAL</b>	<b>188</b>	<b>7</b>	<b>6</b>	<b>201</b>	<b>12</b>	<b>209</b>	<b>19</b>	<b>7</b>	<b>235</b>	<b>17</b>	<b>465</b>

Table 25 - Recruitment

Occupational band	Male, African	Male, Coloured	Male, Indian	Male, total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, total Blacks	Female, White	Total
Senior management, permanent	4	-	-	4	1	1	0	2	3	1	9
Professionally qualified and experienced specialists and middle management, permanent	17	-	-	17	1	21	4	-	25	2	45
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	15	-	-	15	-	19	3	-	20	-	37
Semi-skilled and discretionary decision making, permanent	2	-	-	2	-	-	-	-	-	-	2
Contract (professionally qualified), permanent	-	-	-	-	-	-	-	-	-	-	-
Contract (skilled technical), permanent	1	-	-	1	-	2	-	-	2	-	3
Contract (semi-skilled), permanent	7	-	-	7	-	6	-	-	6	-	13
Contract (unskilled), permanent	13	-	-	13	-	12	-	-	12	1	26
<b>TOTAL</b>	<b>59</b>	<b>-</b>	<b>-</b>	<b>59</b>	<b>2</b>	<b>61</b>	<b>7</b>	<b>2</b>	<b>68</b>	<b>4</b>	<b>135</b>
Employees with disabilities	2	-	-	2	-	2	-	-	2	-	4



# HUMAN-RESOURCE MANAGEMENT

Table 26 - Promotions

Occupational band	Male, African	Male, Coloured	Male, Indian	Male, total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, total Blacks	Female, White	Total
Senior management, permanent	15	3	2	20	3	16	1	1	18	2	43
Professionally qualified and experienced specialists and middle management, permanent	57	2	4	63	4	48	3	1	52	5	124
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	35	2	1	38	-	54	5	2	61	2	101
Semi-skilled and discretionary decision making, permanent	7	-	-	7	-	8	1	-	9	-	16
Contract (top management), permanent	1	-	-	1	1	-	-	-	-	-	2
Contract (senior management), permanent	-	-	-	-	-	1	-	-	1	-	1
Contract (professionally qualified), permanent	-	-	-	-	1	-	-	-	-	1	2
Contract (skilled technical), permanent	-	-	-	-	-	1	-	-	1	-	1
Contract (semi-skilled), permanent	1	-	-	1	-	-	-	-	-	-	1
<b>TOTAL</b>	<b>116</b>	<b>7</b>	<b>7</b>	<b>130</b>	<b>9</b>	<b>128</b>	<b>10</b>	<b>4</b>	<b>142</b>	<b>10</b>	<b>291</b>
Employees with disabilities	4	-	2	6	1	4	-	-	4	-	11

Table 27 - Terminations

Occupational band	Male, African	Male, Coloured	Male, Indian	Male, total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, total Blacks	Female, White	Total
Senior management, permanent	1	-	-	1	1	2	-	-	2	1	5
Professionally qualified and experienced specialists and middle management, permanent	10	-	-	10	-	8	2	-	10	-	20
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	3	-	-	3	-	7	-	-	8	-	10
Semi-skilled and discretionary decision making, permanent	2	-	-	2	-	3	-	-	5	-	5
Contract (professionally qualified), permanent	-	-	-	-	-	-	-	-	1	-	-
Contract (skilled technical), permanent	1	-	-	1	-	1	-	-	1	-	2
Contract (semi-skilled), permanent	8	-	-	8	-	2	-	-	7	-	10
Contract (unskilled), permanent	6	-	-	6	-	11	-	-	7	-	17
<b>TOTAL</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>31</b>	<b>1</b>	<b>34</b>	<b>2</b>	<b>0</b>	<b>41</b>	<b>1</b>	<b>69</b>

Table 28 - Disciplinary action

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, total Blacks	Female, White	Total	Not available
<b>TOTAL</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>-</b>



# HUMAN-RESOURCE MANAGEMENT

Table 29 - Skills Development

Occupational categories	Male, African	Male, Coloured	Male, Indian	Male, total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, total Blacks	Female, White	Total
Legislators, senior officials and managers	53	4	2	59	8	61	1	5	67	4	138
Professionals	42	-	3	45	1	57	8	-	65	-	111
Technicians and associate professionals	14	-	-	14	-	49	-	-	49	-	63
Clerks	30	-	-	30	-	32	-	1	33	2	65
Service and sales workers	4	-	-	4	-	5	-	-	5	-	9
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	0	-	-
Interns and bursars	21	-	-	21	-	22	-	-	22	2	45
Elementary occupations	5	-	-	5	-	8	-	-	8	-	13
<b>TOTAL</b>	<b>169</b>	<b>4</b>	<b>5</b>	<b>178</b>	<b>9</b>	<b>234</b>	<b>9</b>	<b>6</b>	<b>249</b>	<b>8</b>	<b>444</b>
Employees with disabilities	9	-	-	9	-	8	-	-	8	-	17

## 4.3.7 Performance rewards

Table 30 - Performance rewards by race, gender and disability

Demographics	Number of beneficiaries	Total employment	% of total employment	Cost (R'000)	Average cost per beneficiary (R'000)
African, female	31	125	25	470	15
African, male	25	107	23	501	20
Asian, female	-	3	-	-	-
Asian, male	2	6	33	45	22
Coloured, female	8	12	67	90	11
Coloured, male	2	6	33	31	15
Total Blacks, female	39	140	28	560	14
Total Blacks, male	29	119	24	578	19
White, female	10	15	67	211	21
White, male	5	9	56	176	35
Employees with a disability	3	6	50	82	27
<b>TOTAL</b>	<b>83</b>	<b>283</b>	<b>29</b>	<b>2,744</b>	<b>33</b>

Table 31 - Performance rewards by salary band for personnel below SMS

Salary band	Number of beneficiaries	Total employment	% of total employment	Cost	Average cost per beneficiary
				(R'000)	(R'000)
Skilled (levels 3-5)	7	14	50	42	6
Highly skilled production (levels 6-8)	35	104	33.7	303	9
Highly skilled supervision (levels 9-12)	24	108	22.2	544	23
Contract (levels 1-2)	-	6	-	-	-
Contract (levels 3-5)	-	1	-	-	-
Contract (levels 6-8)	-	1	-	-	-
Contract (levels 9-12)	1	3	33.3	10	10
<b>TOTAL</b>	<b>67</b>	<b>237</b>	<b>28</b>	<b>899</b>	<b>13</b>

Table 32 - Performance rewards by critical occupation

Critical occupations	Number of beneficiaries	Total employment	% of total employment	Cost	Average cost per beneficiary
				(R'000)	(R'000)
Other administrative policy and related officers	8	31	26	73	9
Senior managers	16	50	32	687	43
<b>TOTAL</b>	<b>24</b>	<b>81</b>	<b>30</b>	<b>760</b>	<b>32</b>

Table 33 - Performance-related rewards (cash bonus) by salary band for senior management service

Salary band	Number of beneficiaries	Total employment	% of total employment	Cost	Average cost per beneficiary	% of SMS wage bill	Personnel cost SMS
				(R'000)	(R'000)		(R'000)
Band A	11	32	34	373	34	1,838	20
Band B	4	14	29	223	56	2,436	9
Band C	1	3	33	91	91	2,368	4
Band D	-	3	-	-	-	-	-
<b>TOTAL</b>	<b>16</b>	<b>52</b>	<b>31</b>	<b>687</b>	<b>43</b>	<b>2,064</b>	<b>33</b>

#### 4.3.8 Foreign workers

Table 34 - Foreign workers by salary band

Salary band	Employment at beginning period	% of total	Employment at end of period	% of total	Change in employment	% of total	Total employment at beginning	Total employment at end of period	Total change in employment
<b>TOTAL</b>	-	-	-	-	-	-	-	-	-



# HUMAN-RESOURCE MANAGEMENT

Table 35 - Foreign workers by major occupation

Major occupation	Employment at beginning period	% of total	Employment at end of period	% of total	Change in employment	% of total	Total employment at beginning	Total employment at end of period	Total change in employment
<b>TOTAL</b>	-	-	-	-	-	-	-	-	-

## 4.3.9 Leave utilisation for the period 1 April 2012 to 31 March 2013

Table 36 - Sick leave for January 2012 to December 2012

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	Total number of employees using sick leave	Total number of days with medical certification
<b>R'000</b>								
Skilled (levels 3-5)	164	77	21	6	8	58	-	126
Highly skilled production (levels 6-8)	930	69	140	39	7	541	-	637
Highly skilled supervision (levels 9-12)	958	78	141	39	7	1,293	-	751
Senior management (levels 13-16)	234	76	41	11	6	685	-	178
Contract (levels 1-2)	29	52	11	3	3	7	-	15
Contract (levels 3-5)	8	63	4	1	2	3	-	5
Contract (levels 9-12)	40	95	4	1	10	73	-	38
Contract (levels 13-16)	8	100	2	1	4	35	-	8
<b>TOTAL</b>	<b>2,371</b>	<b>74</b>	<b>364</b>	<b>100</b>	<b>7</b>	<b>2,695</b>	<b>364</b>	<b>1,758</b>

Table 37 - Disability leave (temporary and permanent) for January 2012 to December 2012

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	Total number of days with medical certification	Total number of employees using disability leave
<b>R'000</b>								
Highly skilled production (levels 6-8)	39	100	4	40	10	25	39	-
Highly skilled supervision (levels 9-12)	105	100	4	40	26	158	105	-
Senior management (levels 13-16)	30	100	1	10	30	91	30	-
Contract (levels 9-12)	23	100	1	10	23	48	23	-
<b>TOTAL</b>	<b>197</b>	<b>100</b>	<b>10</b>	<b>100</b>	<b>20</b>	<b>322</b>	<b>197</b>	<b>10</b>

Table 38 - Annual leave for January 2012 to December 2012

Salary band	Total days taken	Average days per employee	Number of employees who took leave
Skilled (levels 3-5)	557	20	28
Highly skilled production (levels 6-8)	3,368	19	179
Highly skilled supervision (levels 9-12)	3,343	19	179
Senior management (levels 13-16)	1,276	21	60
Contract (levels 1-2)	233	7	32
Contract (levels 3-5)	64	7	9
Contract (levels 6-8)	20	4	5
Contract (levels 9-12)	69	14	5
Contract (levels 13-16)	69	17	4
<b>TOTAL</b>	<b>8,999</b>	<b>18</b>	<b>501</b>

Table 39 - Capped leave for January 2012 to December 2012

Salary band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2012	Number of employees who took capped leave	Total number of capped leave days available at 31 December 2012	Number of employees as at 31 December 2012
Highly skilled supervision (levels 9-12)	5	5	32	1	901	28
Senior management (levels 13-16)	7	7	51	1	873	17
<b>TOTAL</b>	<b>12</b>	<b>6</b>	<b>39</b>	<b>2</b>	<b>1,774</b>	<b>45</b>

Table 40 - Leave payouts

Reason	Total amount (R'000)	Number of employees	Average payment per employee (R'000)
Leave payout for 2012/13 due to non-utilisation of leave for the previous cycle	136	7	19,429
Capped leave payouts on termination of service for 2012/13	198	13	15,231
Current leave payout on termination of service for 2012/13	-	44	-
<b>TOTAL</b>	<b>334</b>	<b>64</b>	<b>5,219</b>

#### 4.3.10 HIV and AIDS and health promotion programmes

Table 41 - Steps taken to reduce the risk of occupational exposure

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





# HUMAN-RESOURCE MANAGEMENT

Table 42 - Details of health promotion and HIV and AIDS programmes

Question	Yes	No	Details if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		<b>SMS Member:</b> Advocate M A Mopeli - Director: Employee Relations and Employee Health and Wellness (EHW).
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees involved in this task and the annual budget that is available for this purpose.	Yes		<b>Dedicated Unit:</b> Ms M Sibande: Assistant Director-EHW and Mr S V Nkosi: Deputy Director-EHW and Special Projects.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/services of the programme.	Yes		<b>Introduction of the programme:</b> Yes, the department has introduced this programme to its entire staff and it was championed by the Director-General of the department. <b>Key services/elements:</b> Counselling services; health screening services in last 4 quarters; Conducted HIV and AIDS information session during the World AIDS Day; and employee assistance programme services.
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.		No	<b>Committee:</b> The department is in the process of establishing the Organisational Transformation Steering Committee where issues of HIV and AIDS will be discussed in line with the Public Service Regulations, 2001.
5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.		No	<b>Policy review:</b> The policy review will take place during the course of 2013. The unit has statistics reports on the implementation of the HIV, AIDS and TB Management Policy.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		<b>Measures in place:</b> There is a dedicated Unit which specialises in employee health and wellness including HIV and AIDS and TB in the workplace. This unit has measures in place to prevent discrimination of HIV-positive employees at work through HIV, AIDS and TB Management Policy, HIV counselling and wellness interventions.

Question	Yes	No	Details if yes
7. Does the department encourage its employees to undergo voluntary counselling and testing (VCT)? If so, list the results that you have achieved.	Yes		<b>VCT Services:</b> The Department had four interventions during the financial year 2012/13, where staff members were encouraged to undergo HIV testing. This was done in collaboration with the Health Screening Programme conducted by the department through the Government Employment Medical Scheme (GEMS). The average percentage of employees reached was approximately 45% of entire staff.
8. Has the department developed measures/indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures/indicators.	Yes		<b>Monitoring and Evaluation:</b> The unit compiled four reports on EHW quarterly intervention to assess the impact of health promotion programme per intervention.

#### 4.3.11 Labour relations

Table 43 - Collective agreements

Subject matter	Date
Policies	22 June 2012
Policies	8 August 2012
Policies	22 October 2012
Policies	30 October 2012
Policies	28 November 2012
Policies	1 March 2013

Table 44 - Misconduct and discipline hearings finalised

Outcomes of disciplinary	Number	% of total	Total
Guilty	2	100	100
<b>TOTAL</b>	<b>2</b>	<b>100</b>	<b>100</b>



# HUMAN-RESOURCE MANAGEMENT

Table 45 - Types of misconduct addressed and disciplinary hearings

Type of misconduct	Number	% of total	Total
Misrepresentation of rank	1	100	100
<b>TOTAL</b>	<b>1</b>	<b>100</b>	<b>100</b>

Table 46 - Grievances lodged

Number of grievances addressed	Number	% of total	Total
Not resolved	1	10	10
Resolved	9	90	90
<b>TOTAL</b>	<b>10</b>	<b>100</b>	<b>100</b>

Table 47 - Disputes lodged

Number of disputes addressed	Number	% of total
Upheld	-	-
Dismissed	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

Table 48 - Strike actions

Strike actions	
Total number of person working days lost	-
Total cost (R'000) of working days lost	-
Amount (R'000) recovered as a result of no work no pay	-

Table 49 - Precautionary suspensions

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

### 4.3.12 Skills development

Table 50 - Training needs identified

Occupational categories	Gender	Employment	Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	71	-	75	2	77
	Male	85	-	80	8	88
Professionals	Female	27	-	19	1	20
	Male	29	-	34	-	34
Technicians and associate professionals	Female	38	-	30	3	33
	Male	23	-	28	3	31
Clerks and administrative workers	Female	60	-	33	3	36
	Male	53	-	16	7	23
Service and sales workers	Female	5	-	10	1	11
	Male	7	-	40	3	43
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	1	-	1	-	1
Elementary occupations	Female	9	5	3	-	8
	Male	7	4	2	-	6
Unemployed youth	Female	-	-	-	-	-
<b>Gender subtotals</b>	<b>Female</b>	<b>210</b>	<b>5</b>	<b>170</b>	<b>10</b>	<b>185</b>
	<b>Male</b>	<b>205</b>	<b>4</b>	<b>201</b>	<b>21</b>	<b>226</b>
<b>TOTAL</b>		<b>415</b>	<b>9</b>	<b>371</b>	<b>31</b>	<b>411</b>



# HUMAN-RESOURCE MANAGEMENT

Table 51 - Training provided

Occupational categories	Gender	Employment	Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Male	71	-	67	3	70
	Female	85	-	71	3	74
Professionals	Male	27	-	46	5	51
	Female	29	-	65	5	70
Technicians and associate professionals	Male	38	-	14	6	20
	Female	23	-	49	4	53
Clerks and administrative workers	Male	60	-	30	1	31
	Female	53	-	35	1	36
Service and sales workers	Male	5	-	4	1	5
	Female	7	-	5	3	8
Plant and machine operators and assemblers	Male	-	-	-	-	-
	Female	-	-	-	-	-
Elementary occupations	Male	9	-	5	-	5
	Female	7	-	8	-	8
Interns/bursar	Male	-	17	21	1	39
	Female	-	18	24	-	42
<b>Gender subtotals</b>	<b>Male</b>	<b>210</b>	<b>17</b>	<b>187</b>	<b>17</b>	<b>221</b>
	<b>Female</b>	<b>204</b>	<b>18</b>	<b>257</b>	<b>16</b>	<b>291</b>
<b>TOTAL</b>		<b>414</b>	<b>35</b>	<b>444</b>	<b>33</b>	<b>512</b>

## 4.3.13 Injury on duty

Table 52 - Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	5	100
Temporary total disablement	-	-
Permanent disablement	-	-
Fatal	-	-
<b>TOTAL</b>	<b>5</b>	<b>100</b>

#### 4.3.14 Utilisation of consultants

Table 53 - Report on consultants appointed using appropriate funds

Project description	Total individual consultants	Total duration work	Total contract value	BEE credentials	Order number
Rand (R)					
<b>May 2012</b> OR-001894-Development, production and marketing of Bojanala <b>Bembani Sustainability Training</b>	2	Once-off	56,610.12	100% BEE	OR-001894
OR-001853- Dot on-sitesupport (Livelink Support Services) <b>Datacentrix</b>	3	12 Months	842,750.00	43% BEE	OR-001853
<b>June 2012</b> OR-001933--SRI system support services <b>Lisemma IT Solutions</b>	6	6 Months	370,430.64	43% BEE	OR-001933
<b>July 2012</b> OR-002136-Development of long-term tourism scenarios <b>University of Stellenbosch</b>	Not Indicated	Once-off	492,830.00	Learning institution	OR-002136
<b>August 2012</b> OR-002146-Development of a Government Wide Enterprise Architecture (GWEA) <b>SITA</b>	Not Indicated	6 Months	11,874,426.51	Government institution	OR-002559
<b>December 2012</b> OR-002559-Technical Resources for the Electronic Document Management System (EDMS) <b>Exponent</b>	6	Once-off	1,902,885.44	0% BEE	OR-002559
<b>January 2013</b> OR-002526-Internal Audit Services <b>KPMG</b>	21	Once-off	250,130.76	28% BEE 10% Women	OR-002526
OR-002531-SRI Process Review <b>Ngewu and Associates</b>	Not Indicated	4 Months	2,492,496.60	100% BEE	OR-002531
<b>February 2013</b> OR-002391-Technical Resources for the Electronic Document Management System (EDMS) <b>Exponent</b>	2	12 Months	446,070.24	0% BEE	OR-002391
<b>March 2013</b> OR-002758-Internal Audit Services <b>KPMG</b>	21	Once-off	1,389,094.72	28% BEE 10% Women	OR-002758
OR-002744-Internal Audit Services <b>KPMG</b>	21	Once-off	1,389,094.72	28% BEE 10% Women	OR-002744
OR-002759-Internal Audit Services <b>KPMG</b>	21	Once-off	250,130.76	28% BEE 10% Women	OR-002759
OR-002526-Internal Audit Services <b>KPMG</b>	21	Once-off	250,130.76	28% BEE 10% Women	OR-002526
OR-002738-Audit and Cost the Production of Tourism Road Info Signage along MDR <b>Haley Sharp SA</b>	6	4 Months	463,649.40	26% BEE 26% Women	OR-002738
<b>TOTAL</b>			<b>22,470,730.67</b>		



# HUMAN-RESOURCE MANAGEMENT

Table 54 - Analysis of consultant appointments using appropriated funds, in terms of HDIs

Project title	% ownership by HDI groups	% management by HDI groups	Number of consultants from HDI groups that worked on the project	BEE credentials	Order number
None					

Table 55 - Report on consultant appointments using donor funds

Project title	Total number of consultant that worked on the project	Duration work days	Donor and contract value (R)	BEE credentials	Order number
None					
Total number of projects	Total individual consultants	Total duration work days	Total contract value (R)	BEE credentials	Order number
None					

Table 56 - Analysis of consultant appointments using donor funds, in terms of HDIs

Project title	% ownership by HDI groups	% management by HDI groups	Number of consultants from HDI groups that worked on the project	BEE credentials	Order number
None					

## PART E: FINANCIAL INFORMATION



Image courtesy of South African Tourism

**Strategic outcome-orientated goal: Improved tourism sector, research, information and knowledge management (page 40)**

Amongst the department's efforts to professionalise tourism guiding services during 2012/13 was the development of a memorandum of understanding (MoU) on the rules of engagement with the tourist guide associations. The MoU was signed between the department and the Field Guides Association of South Africa (FGASA).



# ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

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# REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2013

We are pleased to present our report for the financial year ended 31 March 2013.

## Audit Committee members and attendance

The Audit Committee consists of the members listed hereunder and meets at least four times per annum as per its approved terms of reference.

During the year under review four meetings were held.

Name of member	Number of meetings attended
Prof. H de Jager (Chairperson) (external)	4
Mr J Rapoo (external)	4
Mr T Bouwer (external)	4
Mr R Rajcoomar (external)	3
Ms K Rapoo (external)	3

The Auditor-General South Africa (AGSA), National Treasury, Internal Audit and the Accounting Officer were invited to the meetings. The Chief Financial Officer and Chief Operating Officer attended the meetings ex-officio and the Accounting Officer attended occasionally.

## Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from sections 38(1) (a) of the PFMA and Treasury Regulations 3.1.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

## 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 Management Report of the AGSA on the annual financial statements was also submitted to and discussed by the committee.

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

## Quality of management monthly reports submitted in terms of the PFMA

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;



# REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2013

- 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; and
- 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. The charter is reviewed on an annual basis. The Internal Audit Unit follows a risk-based audit approach, whereby the department's Risk Strategy and the Internal Audit Unit's assessment of the risks drivers are taken into account.

The Internal Audit Plan was formally adopted and approved by the Audit Committee.

Progress on the execution of the plan was monitored and reported on at each Audit Committee meeting. Variations and amendments to the plan were justified and subsequently approved by the Audit Committee.

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

From April 2013 an in house audit function is in place.

## 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 South Africa

The Audit Committee has met with the Auditor-General to ensure that there are no unresolved issues.



**Chairperson of the Audit Committee**

**Date: 30 July 2013**

# REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2013

Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa.

## I. General review of the state of financial affairs

The mandate of the Department of Tourism is to promote sustainable tourism growth and development for South Africa. Tourism is regulated by the Tourism Act, 1993 (Act 72 of 1993) which, as amended, makes provision for further regulation and rationalisation of the tourism industry, including measures aimed at the maintenance and enhancement of the standards of facilities and services hired out or made available to tourists; as well as the co-ordination and rationalisation, as far as practicable, of the activities of persons who are active in the tourism industry.

Tourism is a national priority and can contribute to economic development. The 1996 White Paper on the Development and Promotion of Tourism in South Africa provides a framework and guidelines for the development and promotion of tourism in South Africa. Its vision is to develop the tourism sector as a national political and economic priority to maximise its contribution to improving the quality of life for all South Africans. The White Paper also defines the role that the national government must play in tourism development and promotion as that of facilitation, implementation, coordination, planning, policy-making, regulation and monitoring and development promotion.

The National Tourism Sector Strategy (NTSS) provides a blueprint for the tourism sector in the pursuit of growth targets contained in the new growth path. It will provide sufficient guidance on how best to achieve the Department of Tourism's strategic vision.

Tourism is further recognised in the National Development Plan (NDP) as one of the main drivers of the country's economy and employment. The plan envisages the promotion of South Africa as a major tourist destination, with unique features, in order to boost tourist numbers and enable tourism to contribute to sustainable economic growth and poverty reduction. The department supports these objectives and implements on-going strategies to set and maintain high

standards and encourage growth in the tourism sector. It further supports the transformation of the tourism sector through implementation of the tourism sector scorecard.

It is against this legislative framework that the department's aim is to promote and support the growth and development of an equitable, competitive and sustainable tourism sector, enhancing its contribution to national priorities. The department has therefore set for itself the following strategic orientated goals:

- achieve good corporate and cooperative governance
- integrate tourism priorities with other sector departments, provincial and local government's planning
- improve the impact of tourism on the livelihood of all South Africans
- improve tourism sector research, information and knowledge management
- increase tourism sector contribution to inclusive economic growth
- improve levels of competitiveness and sustainability in the tourism sector
- strengthen regional, Africa and international collaboration and partnerships

Upon establishment the department was structured around existing functions which served the Tourism industry to a large extent. The new strategic direction of Government however required the reconsideration of the composition of the department.

The NGP identifies tourism as one of six core pillars of growth whilst the Industrial Policy Action Plan 2011/12 – 2013/14 (IPAP2) indicates the expectation for tourism to contribute to the development of rural areas and culture by growing the economy and creating jobs.

The tourism sector is obliged to obtain a strategic oversight and application of the NTSS and Tourism Act, 1993 (Act No 72 of 1993). The Mission of the NTSS is to grow a sustainable tourism economy in South Africa, with domestic, regional and international components, based on innovation, service excellence, meaningful participation and partnerships.



# REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2013

The following new focal areas are further included in the Draft Tourism Draft Bill:

- (i) National Tourism Sector Strategy.
- (ii) National tourism information and monitoring system.
- (iii) Information by tourism businesses.
- (iv) Norms and standards for tourism.
- (v) Codes of good practice for tourism.
- (vi) Tourism Protector.

These can only be developed with 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 Branch International Tourism Management; and to provide guidance and coordination for the development of the tourism sector, focusing on each of the nine provinces through Branch Domestic Tourism Management.

## The purposes of the 4 departmental programmes are:

### **Programme 1: Administration**

Provide strategic governance and risk management, legal, corporate affairs, information technology, internal audit, financial management and strategic communications support services to the department.

### **Programme 2: Policy and Knowledge Services**

Support tourism sector policy development, monitoring and evaluation, and research and knowledge management services, and promotion of transformation and responsible tourism.

### **Programme 3: International Tourism**

Develop and support South Africa's tourism potential throughout the various regions of the world.

### **Programme 4: Domestic Tourism**

Promote the development and growth of sustainable domestic tourism throughout South Africa.

## Spending trends

Programme	Adjustment appropriations	Shifts approved by National Treasury	Virement	Final appropriations	Expenditure	Over/(under) expenditure
R'000	R'000	R'000	R'000	R'000	R'000	R'000
Administration	191,936	(10,000)	(2,712)	179,224	179,224	-
Policy and Knowledge Services	793,395	-	629	794,024	794,024	-
International Tourism	41,830	(10,000)	(3,038)	28,792	27,133	(1,659)
Domestic Tourism	346,982	20,000	5,121	372,103	371,578	(525)
<b>TOTAL</b>	<b>1,374,143</b>	<b>-</b>	<b>-</b>	<b>1,374,143</b>	<b>1,371,959</b>	<b>(2,184)</b>

# REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2013

## Virement

The virement was approved by the Accounting Officer in terms of Section 43 of the Public Finance Management Act, 1999.

An amount of R629,000 (0.33%) was shifted from Programme 1: Administration to Programme 2: Policy and Knowledge Services.

An amount of R2,083 million (1.08%) was shifted from Programme 1: Administration to Programme 4: Domestic Tourism.

An amount of R3,038 million (7.26%) was shifted from Programme 3: International Tourism to Programme 4: Domestic Tourism.

## Underspending

### Compensation of employees – R550,000.

The underspending on compensation of employees relates to the vacancy rate.

### Goods and services – R1,109 million.

The underspending on goods and services is due to the following:

- Tourism Product and Enterprise Development's Heritage DVD project.

### Transfer payments – R525,000.

The underspending on transfer payments is due to the following:

- Memorandum of understanding (MoU) with Tourism Business Council cancelled.
- No inflation increase to the payment of Fedhasa.

## 2. Services rendered by the department

### 2.1 Services rendered

The services rendered by the department are aimed at making the tourism industry more competitive, promoting international and domestic tourism, promoting

transformation, supporting job creation, supporting small town and rural tourism, reviewing existing legislation and improving tourism infrastructure.

### 2.2 Tariff policy

The department does not charge tariffs for goods sold and/or services rendered.

### 2.3 Free services

The department is not a direct service delivery department and does not provide direct services.

### 2.4 Inventories

The inventories on hand at the year will be included in Annexure 5 and reported on in the Annual Financial Statement. Most of the purchases included in the inventories are direct from the service providers.

## 3. Capacity constraints

To meet the NTSS targets, the department has to focus on supporting the growth of both domestic and international markets. Of the approved establishment of 640 posts, 529 posts are funded and 111 posts are not funded. It is especially the newly created Branch International Tourism management which is affected as only 60 of the 102 posts are funded. Performance targets are aligned with the funded posts.

## 4. Utilisation of donor funds

The department received no donor funding.

## 5. Public entities

In terms of the Tourism Act, 1993 (Act 72 of 1993), South African Tourism (SAT) 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.



# REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2013

The main goal of SAT is to ensure an increased contribution by the tourism sector 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.

SAT receives 92 per cent of its revenue over the medium term from the Department of Tourism to fund its operations. It also receives transfers from the Tourism Business Council of South Africa (tbcsa) in the form of tourism levies collected by Tourism Marketing South Africa. This amounted to R90 million in the last financial year. Other revenue includes the annual Tourism Indaba and Meetings Africa exhibitions (which it owns) and the grading of establishments.

Over the medium term, spending focus will be on opening five marketing offices in key African markets by 31 December 2015 which will include Nigeria, Kenya and Angola and marketing activities outside Southern Africa to increase annual foreign visitor arrivals.

A Cabinet approved budget reduction of R40.7 million was effected on transfers to SAT in 2015/16. The entity will manage reduction over the medium term without negatively impacting on service delivery by reprioritisation expenditure from consultants, travelling and subsistence budget items.

The entity has a funded establishment of 158 posts; no vacancies at the end of September 2012. Consultants are used for specialised advertising agency skills which are recruited on an optimum lead-agency basis.

## 6. Organisations to whom transfer payments have been made

Organisation	Amount	Reason for transfer payment
R'000		
United Nations World Tourism Organisation	1,518	International membership fee
Regional Tourism Organisation of Southern Africa	1,972	International membership fee
Strategic Partners in tourism	25,000	Tourism Enterprise Partnership
Eastern Cape Parks and Tourism Agency	3,000	National Tourism Career Expo
Departmental agencies and non-profit institutions	1,110	Tourism Accelerated Apprenticeship Programme
Expanded Public Works Programme	242,710	Social responsibility projects (projects listed in Annexure A)
Expanded Public Works Programme – incentive	40,057	Social responsibility projects (projects listed in Annexure B)
South African Tourism	754,929	Public entity
Federated Hospitality Association of Southern Africa	500	Non-profit organisation
Bursaries	275	Social responsibility
Ezemvelo KwaZulu-Natal Wildlife	500	Projects – Maloti Drakensberg Route
Employee Social Benefits	730	Social responsibility
Universities and Technikons	2,490	National Tourism Research Framework
<b>TOTAL</b>	<b>1,074,791</b>	

# REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2013

The department has a protocol of the Executive Authority for the management of public entities in place for transfer payments.

For the transfer payments to non-profit organisations, universities and technikons, Memoranda of understanding are signed.

Transfer payments to the Expanded Public Works Programme projects are managed through signed agreements between the department and implementing agents. These projects are listed in Annexure A and B on pages 95 to 99.

## 7. Public private partnership (PPP)

The department has 23 PPP referred to in the 2012/13 Annual Report. The outputs of all these are reported in the 2012/13 Annual Report performance information. The PPP referred to in the Annual Performance Plan are departmental partnership projects and are not registered as PPP's with National Treasury.

## 8. Corporate governance arrangements

In the 2012/13 financial year the department's Audit Committee was fully functional, executed its duties and responsibilities in accordance with the Public Finance Management Act, 1999 (PFMA), and the Treasury Regulations (Regulation 3). The chairperson of the Audit Committee was Prof. H de Jager. The other four Audit Committee members were:

Member	Institution	Position
Mr J Rapoo	-	Independent Consultant
Mr R Rajcoomar	-	Independent Consultant
Mr T Bouwer	South African National Biodiversity Institute	Chief Financial Officer
Ms K Rapoo	South African Post Office	Acting MD: Properties

In the 2012/13 financial year internal audits were performed by the in-house internal audit team together with KPMG in accordance with the co-source agreement which expired on the 31 March 2013. A risk assessment was conducted during the period 2011/12. Risk management is a central part of the department's strategic management processes. Through the risk management function, the department both methodically and intuitively addresses the potential risks and opportunities in all activities. The aim is to achieve sustained benefit across the portfolio of activities. Risk management is also recognised as a valuable management tool which increases the department's prospects of success through minimising the negative impacts and optimising opportunities that emanate from its operating environment. It is further understood that risk management is ideally positioned to ensure that the challenges facing the department are managed effectively. The risk management processes thus add value in the department, through which the department systematically identifies, assesses, prioritises, monitors and evaluate key risks in a systematic and disciplined approach. This approach is also consistent with the recommendations made in the Public Sector Framework and the King Code of Corporate Governance Principles (King III). The risk management policies were reviewed and approved in principle during the period 2012/13. The Audit Committee met four times during the financial year, 22 May 2012, 24 July 2012, 29 November 2012 and 13 March 2013.

## 9. Discontinued activities/activities to be discontinued

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

## 10. New/proposed activities

The tourism incentive programme was transferred from the Department of Trade and Industry (the dti) to the *Domestic Tourism* programme. A new tourism incentive programme business plan will be developed in 2013/14, along with a system application that is to be fully functional in 2014/15 to provide support to small, medium and micro enterprises (SMMEs).





# REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2013

## 11. Asset management

During the financial year 2012/2013, the Asset Management Unit in line with the Department of Tourism asset management policy under took disposals of assets and physical verification of assets. The asset of the department are accounted for, updated in the asset register and reported in the annual financial statement. As part of the Expanded Public Works Programme, the Department of Tourism appoint implementing agents to implement projects on our behalf. Assets acquired by the implementing agents are assets in transit till official approval is granted to hand it over to the implementing agent. These assets in transit however do not reflect in the departmental asset register, but will be part of the hand-over asset register to the owning agent. In terms of the Treasury Regulations 16A.7.1 on disposal and letting of state assets, and the sub-section 38(1) (b) of the Public Finance Management Act 1 of 1999 as amended, the Accounting Office of the department is responsible for the efficient, effective, economical and transparent use of the resources of the department.

## 12. Inventories

In the store only the item classified as consumables are kept, however as a result of the latest Standard Charts of Accounts (SCOA) items codes, the department will not have inventories items as these will be classified as consumables with effect from the next financial year.

## 13. Events after the reporting date

No events after the reporting date to report on.

## 14. Information on predetermined objectives

The department has a performance measurement and reporting system that provides reliable performance information. This system also enables the department to effectively monitor its performance on quarterly basis

throughout the preceding financial year, in order to report accurately on achievements with regard to predetermined objectives in the annual report.

## 15. SCOPA resolutions

The department has no SCOPA resolutions.

## 16. Prior modifications to audit reports

The department had no qualifications, disclaimer or adverse opinion in the previous financial year.

## 17. Exemptions and deviations received from the National Treasury

None.

## 18. Interim financial statements

The interim financial statements provide the department the opportunity to assess expenditure control and cash flow management as well as the clearing of suspense accounts during the financial year.

## 19. Other

No other material facts or circumstances to be reported.

## 20. Approval

The Annual Financial Statements set out on pages 106 to 156 have been approved by the Accounting Officer.



**AMBASSADOR L M MAKHUBELA**  
Director-General  
Date: 31 May 2013

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2013

Annexure A

Details	Amount
<b>Expanded Public Works Programmes (EPWP)</b>	<b>R'000</b>
<b>EASTERN CAPE</b>	<b>48,316</b>
Aliwal Spa (Phase 2)	3,135
Beach Public Facilities and boat launching site (Horticulture)	56
Biko Heritage Trail (Phase 2)	5,384
Bongolo Dam Tourism	2,570
Bulhoek Massacre Heritage Site (Assistant Housekeeper)	88
Bulhoek Massacre Heritage Site (Phase 2)	861
Bumbane Cultural Exhibition Centre (Assistant Housekeeper)	78
Bumbane Cultural Exhibition Centre (General Tourism Assistant)	33
Cebe Camp Site (Phase 2)	735
Establishment of Chalets at Nyandeni Great Place	2,331
Establishment of Chalets at Nyandeni Great Place (Plumbing)	280
Ga Mothaga Resort Youth Camp (Assistant Housekeeper)	22
Grahamstown Caravan Park (Phase 2)	3,500
Maluti Hiking and Horse Trail (Phase 2)	1,302
Mbashe Coffee Bay Mveso N Mandela Museum (Assistant Housekeeper)	74
Mbashe Coffee Bay Mveso N Mandela Museum (Horticulture)	446
Mbashe Coffee Bay Mveso N Mandela Museum (Phase 2)	5,908
Mbashe Coffee Bay Mveso N Mandela Museum (Plumbing)	645
Mthatha Airport Information Centre	4,157
Ndlambe Tourism Infrastructure and Heritage	3,320
Ndlambe Tourism Infrastructure and Heritage (Assistant Chef)	153
Port Saint John Waterfront (Horticulture)	151
Port Saint John Waterfront (Masonry)	93
Port Saint John Waterfront (Tourism Assistant)	43
Qatywa Eco-Tourism Development (Assistant Chef)	104
Saint Mathews and Bholotwa Tourism project (Assistant Chef)	203
Saint Mathews and Bholotwa Tourism project (General Assistant)	48
Saint Mathews and Bholotwa Tourism project (Masonry)	168
Tourism Ambassador Programme (Phase 2)	1,681
Ubuntu Craft Market (Masonry)	269
Upgrade of Kiwane Campsite (Phase 3)	3,279
Vusubuntu Cultural Village and Tours (Phase 2)	3,497
Western Tembuland Cultural Village (Phase 2)	1,194
Wonkumuntu Tourism project (Horticulture)	51
Wonkumuntu Tourism Project (Phase 3)	2,457



REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2013

Annexure A

Details	Amount
Expanded Public Works Programmes (EPWP)	R'000
<b>FREE STATE</b>	<b>13,170</b>
Accommodation facilities at Metsi Matsho (Assistant Chef)	41
Accommodation facilities at Metsi Matsho (Phase 2)	4,965
Accommodation facilities at Metsi Matsho (Plant Production)	86
Accommodation facilities at Metsi Matsho (Table Attendant)	155
Barolong Ba Seleka Villge (Phase 2)	128
Infrastructure Development Through Monotsha	129
Tokologo Game Farm (Phase 2)	1,131
Tokologo Game Farm (Plumbing)	61
Tourism Ambassador (Phase 2)	2,685
Witsieshoek Mountain Hotel Project (Assistant Chef)	206
Witsieshoek Mountain Hotel Project (Plumbing)	583
Witsieshoek Mountain Hotel	3,000
<b>GAUTENG</b>	<b>53,037</b>
Ga Mothaga Resort Youth Camp	6,137
Ga Mothaga Resort Youth Camp (Assistant Housekeeper)	177
Ga Mothaga Resort Youth Camp (Horticulture and Plant Production)	162
Ga Mothaga Resort Youth Camp (Tile and Plastering)	38
Gauteng and Western Cape Sommelier	10,460
Hospitality Youth Initiative	6,622
Komjekejeke Heritage Site	6,311
Mamelodi Rondavels	4,275
Mamelodi Rondavels (Assistant Housekeeper)	126
Mamelodi Rondavels (Horticulture and Plant Production)	192
Moretele Park	5,523
Moretele Park (Assistant Housekeeper)	148
Moretele Park (Plant Production)	132
Tourism Ambassadors (Phase 2)	4,998
Tourism Safety Monitors	7,736
<b>KWAZULU-NATAL</b>	<b>37,731</b>
Canoeing Trail Pongola	7
KwaZulu-Natal Mpumalanga Gateway	994
Liani Hot Springs	760
Tourism Ambassador	24,441
Tourism Attractions Ntuzuma (Phase 2)	1,213

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2013

Annexure A

Details	Amount
<b>Expanded Public Works Programmes (EPWP)</b>	<b>R'000</b>
Tourism Attractions Ntuzuma (Plant Production)	105
Tourism Safety Monitors	10,211
<b>LIMPOPO</b>	<b>14,846</b>
24 Rivers (Phase 2)	547
Khalanga Guest Lodge (Phase 2)	941
Mukumbani Waterfalls (Horticulture and Plant Production)	27
Mukumbani Waterfalls (Assistant Chef)	78
Mukumbani Waterfalls (Horticulture and Plant Production)	62
Nehakwe Mountains Tourism	2,500
Ngove Cultural Centre and Theatre	463
Sekhukhune Cultural Village (Phase 2)	1,008
Sekhukhune Cultural Village (Table Attendant)	137
Sekhukhune Cultural Village (Tiling)	82
Tourism Ambassador (Phase 2)	1,171
Tourism Safety Monitors	7,830
<b>MPUMALANGA</b>	<b>37,441</b>
Bohlabelo Cultural Village (Assistant Housekeeper)	42
Huntington Village Tourism (Phase 3)	3,231
Middleburg Tourism Information	190
National Youth Chef Training Programme	24,374
Tourism Ambassador	299
Tourism Ambassador (Phase 2)	1,853
Tourism Safety Monitors	7,252
Zithabiseni Resort	200
<b>NORTHERN CAPE</b>	<b>1,925</b>
Caravan Park - Kai Garib	190
Frances Baard Skateboarding Park (Assistant Housekeeper)	24
Frances Baard Skateboarding Park /Kurumane (Bricklaying and Plastering)	68
Frances Baard Skateboarding Park/De Aar (Plumbing)	61
Tourism Ambassador (Phase 2)	1,582
<b>NORTH WEST</b>	<b>6,763</b>
Manyane Lodge	950
Tlokwe N12 Cultural Village	3,221



REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2013

**Annexure A**

Details	Amount
<b>Expanded Public Works Programmes (EPWP)</b>	
	<b>R'000</b>
Tourism Ambassador (Phase 2)	1,172
Tourism Safety Monitors	1,420
<b>WESTERN CAPE</b>	<b>29,481</b>
Donkey Tracking Route (Phase 3)	3,731
False Bay Ecology Park	6,068
False Bay Ecology Park (Bricklaying and Plastering)	237
False Bay Ecology Park (Tiling and Plastering)	110
George Tourism Information Centre (Phase 2)	2,142
Stony Point Eco-centre (Phase 2)	342
Tourism Ambassador	418
Tourism Ambassador (Phase 2)	13,765
Tourism Development Programme For Atlantis (Phase 2)	139
Tourism Safety Monitors	2,500
Upgrade Wits and Boat Launching Site	29
<b>EXPANDED PUBLIC WORKS PROGRAMME TOTAL</b>	<b>242,710</b>

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2013

Annexure B

Details	Amount
<b>Expanded Public Works Programmes - Incentive</b>	<b>R'000</b>
<b>FREE STATE</b>	<b>1,953</b>
Tourism Ambassador Phase 2	1,953
<b>GAUTENG</b>	<b>7,246</b>
Ga Mothaga Resort Youth Camp	350
Komjekejeke Heritage Site	1,000
Mamelodi Rondavels	1,547
Moretele Park	300
Tourism Safety Monitors	4,049
<b>KWAZULU-NATAL</b>	<b>3,092</b>
Tourism Ambassador	3,092
<b>LIMPOPO</b>	<b>7,742</b>
Mukumbani Waterfalls (Phase 3)	752
Nehakwe Mountains Tourism	3,704
Tourism Safety Monitors	3,286
<b>MPUMALANGA</b>	<b>12,452</b>
National Youth Chef Training	7,522
Tourism Ambassador (Phase 2)	491
Tourism Safety Monitors	4,439
<b>WESTERN CAPE</b>	<b>7,572</b>
False Bay Ecology Park	4,026
George Tourism Information Centre (Phase 2)	1,339
Stony Point Eco-centre (Phase 2)	2,000
Tourism Ambassador (Phase 2)	207
<b>EXPANDED PUBLIC WORKS PROGRAMME - INCENTIVE TOTAL</b>	<b>40,057</b>



# ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY

for the year ended 31 March 2013

## Statement of responsibility for the Annual Financial Statements for the year ended 31 March 2013

The Accounting Officer is responsible for the preparation of the department's Annual Financial Statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the Annual Financial Statements.

In my opinion, the Financial Statements fairly reflect the operations of the department for the financial year ended 31 March 2013.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements of the department.

The Department of Tourism's Annual Financial Statements for the year ended 31 March 2013 have been examined by the external auditors and their report is presented on page 103 - 105.

The Annual Financial Statements of the department set out on page 106 to page 156 have been approved.



**AMBASSADOR LM MAKHUBELA**

**Director-General**

**Date: 31 May 2013**

# REPORT OF THE AUDITOR-GENERAL for the year ended 31 March 2013

## 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 106 to 156, which comprise the appropriation statement, the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and 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 the *Departmental financial reporting framework* prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act 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 the Public Audit Act of South Africa, 2004 (Act 25 of 2004) (PAA), the *General Notice* issued in terms thereof and

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.

#### 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 2013, and its financial performance and cash flows for the year then ended in accordance with the *Departmental financial reporting framework* prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act 1 of 1999) (PFMA).





# REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2013

## Emphasis of matter

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

### Revision of previously issued financial statements

7. As disclosed in note 25 to the financial statements, material current year adjustments to the prior year balance (as at 31 March 2012) have been reflected in the current financial year. The adjustments were to correct the asset register and to ensure that the asset register reconciles with the financial statements.

## Additional matter

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

### Financial reporting framework

8. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework. Section 20(2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

## REPORT ON THE OTHER LEGAL AND REGULATORY REQUIREMENTS

9. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

### Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual

performance report as set out on pages 26 to 52 of the annual report.

11. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable and relevant as required by the National Treasury *Framework for managing programme performance information*.

The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts.

12. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

## Compliance with laws and regulations

13. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations, as set out in the *General Notice* issued in terms of the PAA, are as follows:

### Material adjustments made to the financial statements

14. The financial statements submitted for auditing were not supported by full and proper records, as required by section 40(1)(a) of the PFMA.

Material misstatements of the moveable tangible capital assets and commitments disclosure notes to the financial statements identified by the auditors in the submitted financial statement were subsequently corrected and the

# REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2013

supporting records were provided, resulting in the financial statements receiving an unqualified audit opinion.

## Internal control

15. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

## Financial and performance management

### *Processing and reconciling of transactions*

16. The final reconciliation between the asset register and the Basic Accounting System (BAS) was not effective as it did not detect the differences between the asset register and BAS that resulted in adjustments being made to the disclosure note to the financial statements.

### *Regular, accurate and complete financial and performance reports*

17. The moveable tangible capital assets and commitments disclosure notes to the financial statements contained misstatements that were corrected. This was mainly due

to staff members not taking ownership and being accountable in ensuring that the financial statements were accurate.

## OTHER REPORTS

### Investigations

18. Investigations were lodged into the conduct of various service providers acting as implementers on Expanded Public Works Programme projects. The outcomes of these investigations cannot be determined at present and possible irregular, fruitless and wasteful expenditure may flow from these investigations.

*Auditor-General*

Pretoria  
26 July 2013



# APPROPRIATION STATEMENT

for the year ended 31 March 2013

## Appropriation per programme

Appropriation statement	2012/13							2011/12	
	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>									
Current payment	186,187	117	(14,783)	171,521	171,521	-	100%	177,432	177,432
Transfers and subsidies	20	542	-	562	562	-	100%	312	312
Payment for capital assets	5,729	(743)	2,071	7,057	7,057	-	100%	18,087	17,316
Payment for financial assets	-	84	-	84	84	-	100%	6	6
<b>2. Policy &amp; Knowledge Services</b>									
Current payment	35,258	(219)	638	35,677	35,677	-	100%	24,192	22,693
Transfers and subsidies	757,419	88	-	757,507	757,507	-	100%	670,488	670,488
Payment for capital assets	718	128	(9)	837	837	-	100%	832	832
Payment for financial assets	-	3	-	3	3	-	100%	-	-
<b>3. International Tourism</b>									
Current payment	37,214	(84)	(12,676)	24,454	22,795	1,659	93.2%	23,987	20,169
Transfers and subsidies	3,490	-	-	3,490	3,490	-	100%	2,086	1,533
Payment for capital assets	1,126	84	(362)	848	848	-	100%	387	387
Payment for financial assets	-	-	-	-	-	-	-	1	1
<b>4. Domestic Tourism</b>									
Current payment	71,595	609	(14,992)	57,212	57,212	-	100%	50,303	42,705
Transfers and subsidies	273,402	100	40,257	313,759	313,234	525	99.8%	294,898	294,398
Payment for capital assets	1,985	(709)	(156)	1,120	1,120	-	100%	1,973	1,973
Payment for financial assets	-	-	12	12	12	-	100%	1	1
<b>TOTAL</b>	<b>1,374,143</b>	<b>-</b>	<b>-</b>	<b>1,374,143</b>	<b>1,371,959</b>	<b>2,184</b>	<b>99.8%</b>	<b>1,264,985</b>	<b>1,250,246</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				1,479				1,893	
<b>Actual amounts per Statement of Financial Performance (Total revenue)</b>				<b>1,375,622</b>				<b>1,266,878</b>	
<b>Actual amounts per Statement of Financial Performance (Total expenditure)</b>					<b>1,371,959</b>				<b>1,250,246</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2013

## Appropriation per economic classification

	2012/13							2011/12	
	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 payment</b>									
Compensation of employees	174,738	695	(3,678)	171,755	171,205	550	99.7%	138,874	135,254
Goods and services	155,026	133	(38,050)	117,109	116,000	1,109	99.1%	136,776	127,481
Interest (paid on finance leases)	490	(405)	(85)	-	-	-	-	261	261
<b>Transfers and subsidies</b>									
Departmental agencies and accounts	758,979	-	-	758,979	758,979	-	100%	668,613	668,613
Universities and technikons	2,490	-	-	2,490	2,490	-	100%	1,875	1,875
Foreign governments and international organisations	3,490	-	-	3,490	3,490	-	100%	2,000	1,447
Non-profit institutions	26,585	-	-	26,585	26,060	525	98%	22,700	22,200
Households	242,787	728	40,257	283,772	283,772	-	100%	272,596	272,596
<b>Payments for capital assets</b>									
Buildings and other fixed structures	-	-	3,134	3,134	3,134	-	100%	-	-
Machinery and equipment	9,342	(1,213)	(1,576)	6,553	6,553	-	100%	20,342	19,571
Software and other intangible assets	216	(25)	(14)	177	177	-	100%	939	939
<b>Payments for financial assets</b>	-	87	12	99	99	-	100%	9	9
<b>TOTAL</b>	<b>1,374,143</b>	<b>-</b>	<b>-</b>	<b>1,374,143</b>	<b>1,371,959</b>	<b>2,184</b>	<b>99.8%</b>	<b>1,264,985</b>	<b>1,250,246</b>



# APPROPRIATION STATEMENT

for the year ended 31 March 2013

## Detail per programme I: Administration

Details per sub-programme	2012/13							2011/12	
	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>1.1 Ministry</b>									
Current payment	31,163	682	(4,368)	27,477	27,477	-	100%	27,675	27,675
Transfers and subsidies	20	31	-	51	51	-	100%	-	-
Payment for capital assets	1,883	(794)	-	1,089	1,089	-	100%	629	629
Payment for financial assets	-	81	-	81	81	-	100%	3	3
<b>1.2 Management</b>									
Current payment	16,366	(36)	(511)	15,819	15,819	-	100%	9,277	9,277
Transfers and subsidies	-	10	-	10	10	-	100%	-	-
Payment for capital assets	296	24	-	320	320	-	100%	81	81
Payment for financial assets	-	2	-	2	2	-	100%	-	-
<b>1.3 Corporate Affairs</b>									
Current payment	114,658	(529)	(7,471)	106,658	106,658	-	100%	113,582	113,582
Transfers and subsidies	-	501	-	501	501	-	100%	312	312
Payment for capital assets	3,550	27	(1,063)	2,514	2,514	-	100%	17,377	16,606
Payment for financial assets	-	1	-	1	1	-	100%	3	3
<b>1.4 Office Accommodation</b>									
Current payment	24,000	-	(2,433)	21,567	21,567	-	100%	26,898	26,898
Payment for capital assets	-	-	3,134	3,134	3,134	-	100%	-	-
<b>TOTAL</b>	<b>191,936</b>	<b>-</b>	<b>(12,712)</b>	<b>179,224</b>	<b>179,224</b>	<b>-</b>	<b>100%</b>	<b>195,837</b>	<b>195,066</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2013

## Appropriation per economic classification

Programme 1 per economic classification	2012/13							2011/12	
	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>									
Compensation of employees	94,285	874	(5,261)	89,898	89,898	-	100%	78,463	78,463
Goods and services	91,463	(384)	(9,456)	81,623	81,623	-	100%	98,739	98,739
Interest (paid on finance leases)	439	(373)	(66)	-	-	-	-	230	230
<b>Transfers and subsidies</b>									
Households	20	540	-	560	560	-	100%	312	312
<b>Payments for capital assets</b>									
Buildings and other fixed structures	-	-	3,134	3,134	3,134	-	100%	-	-
Machinery and equipment	5,593	(754)	(1,063)	3,776	3,776	-	100%	17,178	16,407
Software and other intangible assets	136	13	-	149	149	-	100%	909	909
<b>Payments for financial assets</b>	-	84	-	84	84	-	100%	6	6
<b>TOTAL</b>	<b>191,936</b>	<b>-</b>	<b>(12,712)</b>	<b>179,224</b>	<b>179,224</b>	<b>-</b>	<b>100%</b>	<b>195,837</b>	<b>195,066</b>



# APPROPRIATION STATEMENT

for the year ended 31 March 2013

## Detail per programme 2: Policy and knowledge services

Details per sub-programme	2012/13							2011/12	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>2.1 Policy and knowledge services management</b>									
Current payment	3,381	-	883	4,264	4,264	-	100%	4,210	4,210
Payment for capital assets	20	-	(9)	11	11	-	100%	-	-
<b>2.2 Policy development and evaluation</b>									
Current payment	16,966	5	(110)	16,861	16,861	-	100%	10,297	9,435
Transfers and subsidies	-	13	-	13	13	-	100%	-	-
Payment for capital assets	269	(21)	-	248	248	-	100%	170	170
Payment for financial assets	-	3	-	3	3	-	100%	-	-
<b>2.3 Research and knowledge management</b>									
Current payment	14,911	(224)	(135)	14,552	14,552	-	100%	9,685	9,048
Transfers and subsidies	2,490	75	-	2,565	2,565	-	100%	1,875	1,875
Payment for capital assets	429	149	-	578	578	-	100%	662	662
<b>2.4 South African tourism</b>									
Transfers and subsidies	754,929	-	-	754,929	754,929	-	100%	668,613	668,613
<b>TOTAL</b>	<b>793,395</b>	<b>-</b>	<b>629</b>	<b>794,024</b>	<b>794,024</b>	<b>-</b>	<b>100%</b>	<b>695,512</b>	<b>694,013</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2013

## Appropriation per economic classification

Programme 2 per economic classification	2012/13							2011/12	
	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>									
Compensation of employees	24,688	(109)	142	24,721	24,721	-	100%	14,726	14,548
Goods and services	10,561	(101)	496	10,956	10,956	-	100%	9,455	8,134
Interest (paid on finance leases)	9	(9)	-	-	-	-	-	11	11
<b>Transfers and subsidies</b>									
Departmental agencies and accounts	754,929	-	-	754,929	754,929	-	100%	668,613	668,613
Universities and technikons	2,490	-	-	2,490	2,490	-	100%	1,875	1,875
Households	-	88	-	88	88	-	100%	-	-
<b>Payments for capital assets</b>									
Machinery and equipment	718	128	(9)	837	837	-	100%	811	811
Software and other intangible assets	-	-	-	-	-	-	-	21	21
<b>Payments for financial assets</b>	-	3	-	3	3	-	100%	-	-
<b>TOTAL</b>	<b>793,395</b>	<b>-</b>	<b>629</b>	<b>794,024</b>	<b>794,024</b>	<b>-</b>	<b>100%</b>	<b>695,512</b>	<b>694,013</b>





# APPROPRIATION STATEMENT

for the year ended 31 March 2013

## Detail per programme 3: International tourism

Details per sub-programme	2012/13							2011/12	
	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>3.1 International tourism management</b>									
Current payment	4,496	(16)	808	5,288	3,629	1,659	68.6%	3,414	2,143
Payment for capital assets	55	16	-	71	71	-	100%	101	101
<b>3.2 Americas and Caribbean</b>									
Current payment	7,003	-	(2,928)	4,075	4,075	-	100%	9,624	7,671
Transfers and subsidies	1,518	-	-	1,518	1,518	-	100%	2,086	1,533
Payment for capital assets	424	-	(216)	208	208	-	100%	86	86
<b>3.3 Europe</b>									
Current payment	8,896	-	(3,397)	5,499	5,499	-	100%	-	-
Payment for capital assets	200	-	(35)	165	165	-	100%	-	-
<b>3.4 Africa and Middle East</b>									
Current payment	9,668	(68)	(3,745)	5,855	5,855	-	100%	10,949	10,355
Transfers and subsidies	1,972	-	-	1,972	1,972	-	100%	-	-
Payment for capital assets	175	68	(12)	231	231	-	100%	200	200
Payment for financial assets	-	-	-	-	-	-	-	1	1
<b>3.5 Asia and Australasia</b>									
Current payment	7,151	-	(3,414)	3,737	3,737	-	100%	-	-
Payment for capital assets	272	-	(99)	173	173	-	100%	-	-
<b>TOTAL</b>	<b>41,830</b>	<b>-</b>	<b>(13,038)</b>	<b>28,792</b>	<b>27,133</b>	<b>1,659</b>	<b>94.2%</b>	<b>26,461</b>	<b>22,090</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2013

## Appropriation per economic classification

Programme 3 per economic classification	2012/13							2011/12	
	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>									
Compensation of employees	20,719	-	(2,206)	18,513	17,963	550	97%	17,416	14,672
Goods and services	16,482	(84)	(10,457)	5,941	4,832	1,109	81.3%	6,565	5,491
Interest (paid on finance leases)	13	-	(13)	-	-	-	-	5	5
<b>Transfers and subsidies</b>									
Foreign governments and international organisations	3,490	-	-	3,490	3,490	-	100%	2,000	1,447
Households	-	-	-	-	-	-	-	86	86
<b>Payments for capital assets</b>									
Machinery and equipment	1,114	84	(350)	848	848	-	100%	379	379
Software and other intangible assets	12	-	(12)	-	-	-	-	9	9
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	1	1
<b>TOTAL</b>	<b>41,830</b>	<b>-</b>	<b>(13,038)</b>	<b>28,792</b>	<b>27,133</b>	<b>1,659</b>	<b>94.2%</b>	<b>26,461</b>	<b>22,090</b>



# APPROPRIATION STATEMENT

for the year ended 31 March 2013

## Detail per programme 4: Domestic tourism

Details per sub-programme	2012/13							2011/12	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>4.1 Domestic tourism management</b>									
Current payment	10,736	(70)	(4,709)	5,957	5,957	-	100%	3,698	2,620
Transfers and subsidies	4,525	70	-	4,595	4,070	525	88.6%	2,702	2,202
Payment for capital assets	70	-	(21)	49	49	-	100%	72	72
<b>4.2 Domestic tourism management: Southern region</b>									
Current payment	14,100	227	(2,970)	11,357	11,357	-	100%	9,650	6,611
Payment for capital assets	416	(227)	-	189	189	-	100%	29	29
Payment for financial assets	-	-	3	3	3	-	100%	-	-
<b>4.3 Domestic tourism management: Northern region</b>									
Current payment	11,443	(46)	(2,216)	9,181	9,181	-	100%	7,340	6,116
Transfers and subsidies	1,110	30	-	1,140	1,140	-	100%	-	-
Payment for capital assets	401	16	(135)	282	282	-	100%	57	57
<b>4.4 Social responsibility implementation</b>									
Current payment	35,316	498	(5,097)	30,717	30,717	-	100%	29,615	27,358
Transfers and subsidies	242,767	-	40,257	283,024	283,024	-	100%	272,196	272,196
Payment for capital assets	1,098	(498)	-	600	600	-	100%	1,815	1,815
Payment for financial assets	-	-	9	9	9	-	100%	1	1
<b>4.5 Strategic partners in tourism</b>									
Transfers and subsidies	25,000	-	-	25,000	25,000	-	100%	20,000	20,000
<b>TOTAL</b>	<b>346,982</b>	<b>-</b>	<b>25,121</b>	<b>372,103</b>	<b>371,578</b>	<b>525</b>	<b>99.9%</b>	<b>347,175</b>	<b>339,077</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2013

## Appropriation per economic classification

Programme 4 per economic classification	2012/13							2011/12	
	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>									
Compensation of employees	35,046	(70)	3,647	38,623	38,623	-	100%	28,269	27,571
Goods and services	36,520	702	(18,633)	18,589	18,589	-	100%	22,017	15,117
Interest (paid on finance leases)	29	(23)	(6)	-	-	-	-	15	15
<b>Transfers and subsidies</b>									
Departmental agencies and accounts	4,050	-	-	4,050	4,050	-	100%	-	-
Non-profit institutions	26,585	-	-	26,585	26,060	525	98%	22,700	22,200
Households	242,767	100	40,257	283,124	283,124	-	100%	272,198	272,198
<b>Payments for capital assets</b>									
Machinery and equipment	1,917	(671)	(154)	1,092	1,092	-	100%	1,974	1,974
Software and other intangible assets	68	(38)	(2)	28	28	-	100%	-	-
<b>Payments for financial assets</b>	-	-	12	12	12	-	100%	2	2
<b>TOTAL</b>	<b>346,982</b>	<b>-</b>	<b>25,121</b>	<b>372,103</b>	<b>371,578</b>	<b>525</b>	<b>99.9%</b>	<b>347,175</b>	<b>339,077</b>



# NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2013

## 1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and Subsidies and Annexure 1 (A-E) to the Annual Financial Statements.

## 2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in Note 1 (Annual Appropriation) to the Annual Financial Statements.

## 3. Detail on payments for financial assets:

Detail of these transactions can be viewed in Note 6 on 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 % of final appropriation
	R'000	R'000	R'000	%
<b>International Tourism</b>				
Current payment	24,454	22,795	1,659	6.8%
<b>Domestic Tourism</b>				
Transfers and subsidies	313,759	313,234	525	0.2%

### Programme name:

#### Programme 3: International Tourism

**Explanation of variance:** The 6.8% variance is due to underspending on compensation of employees and goods and services related to the vacancy rate.

#### Programme 4: Domestic Tourism

**Explanation of variance:** The variance is due to the following transfer payments:

1. Federated Hospitality Association of South Africa (Fedhasa) – The underspending emanates from no inflation increase to the payment of Fedhasa.
2. Tourism Business South Africa Council (tbcsa) – The underspending is due to the cancellation of the memorandum of understanding (MoU) with tbcsa.

NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2013

4.2 Per economic classification:

	Final appropriation	Actual expenditure	Variance	Variance as % of final appropriation
	R'000	R'000	R'000	%
<b>Current payment:</b>				
Compensation of employees	171,755	171,205	550	0.3%
Goods and services	117,109	116,000	1,109	1%
<b>Transfers and subsidies:</b>				
Non-profit institutions	26,585	26,060	525	2%

**Explanation of variance:**

- The underspending on compensation of employees related to the vacancy rate as well as an underspending on goods and services (Heritage DVD Project not completed).
- The underspending under transfers and subsidies is due to the following:
  - Memorandum of understanding (MoU) with tbcса cancelled.
  - No inflation increase to the payment of Fedhasa.



STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2013

<i>PERFORMANCE</i>	<i>Note</i>	2012/13 R'000	2011/12 R'000
<b>REVENUE</b>			
Annual appropriation	1	1,374,143	1,264,985
Departmental revenue	2	1,479	1,893
<b>TOTAL REVENUE</b>		<b>1,375,622</b>	<b>1,266,878</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	171,205	135,254
Goods and services	4	116,000	127,481
Interest (paid on finance leases)	5	-	261
<b>Total current expenditure</b>		<b>287,205</b>	<b>262,996</b>
<b>Transfers and subsidies</b>	7	<b>1,074,791</b>	<b>966,731</b>
<b>Expenditure for capital assets</b>			
Machinery and equipment	8	9,687	19,571
Software and other intangible assets	8	177	939
<b>Total expenditure for capital assets</b>		<b>9,864</b>	<b>20,510</b>
<b>Payments for financial assets</b>	6	<b>99</b>	<b>9</b>
<b>TOTAL EXPENDITURE</b>		<b>1,371,959</b>	<b>1,250,246</b>
<b>SURPLUS FOR THE YEAR</b>		<b>3,663</b>	<b>16,632</b>
<b>Reconciliation of Surplus for the year</b>			
Voted Funds		2,184	14,739
Annual appropriation		2,184	14,739
Departmental revenue to be surrendered to the Revenue Fund	13	1,479	1,893
<b>SURPLUS FOR THE YEAR</b>		<b>3,663</b>	<b>16,632</b>

# STATEMENT OF FINANCIAL POSITION

as at 31 March 2013

<i>POSITION</i>	<i>Note</i>	<b>2012/13</b> R'000	<b>2011/12</b> R'000
<b>ASSETS</b>			
<b>Current assets</b>		2,317	14,872
Cash and cash equivalents	9	1,427	14,224
Prepayments and advances	10	186	53
Receivables	11	704	595
<b>TOTAL ASSETS</b>		<b>2,317</b>	<b>14,872</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		2,217	14,767
Voted funds to be surrendered to the Revenue Fund	12	2,184	14,739
Departmental revenue to be surrendered to the Revenue Fund	13	11	6
Payables	14	22	22
<b>TOTAL LIABILITIES</b>		<b>2,217</b>	<b>14,767</b>
<b>NET ASSETS</b>		<b>100</b>	<b>105</b>
<b>Represented by:</b>			
Recoverable revenue		100	105
<b>TOTAL</b>		<b>100</b>	<b>105</b>





STATEMENT OF CHANGE IN NET ASSETS  
for the year ended 31 March 2013

<b>NET ASSETS</b>	<b>2012/13</b>	<b>2011/12</b>
	<b>R'000</b>	<b>R'000</b>
<b>Recoverable revenue</b>		
Opening balance	105	90
Transfers	(5)	15
Debts recovered (included in departmental receipts)	(48)	(27)
Debts raised	43	42
Closing balance	100	105
<b>TOTAL</b>	<b>100</b>	<b>105</b>

Department of Tourism – Vote: 35

CASH FLOW STATEMENT

for the year ended 31 March 2013

<b>CASH FLOW</b>	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
		<b>R'000</b>	<b>R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		1,375,611	1,266,812
Annual appropriated funds received	1	1,374,143	1,264,985
Departmental revenue received	2	1,468	1,827
Net (increase)/decrease in working capital		(242)	120
Surrendered to Revenue Fund		(16,213)	(21,594)
Current payments		(287,205)	(262,996)
Payment for financial assets		(99)	(9)
Transfers and subsidies paid		(1,074,791)	(966,731)
<b>Net cash flow available from operating activities</b>	<b>15</b>	<b>(2,939)</b>	<b>15,602</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(9,864)	(20,510)
Proceeds from sale of capital assets	2.3	11	66
<b>Net cash flows from investing activities</b>		<b>(9,853)</b>	<b>(20,444)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		(5)	15
<b>Net cash flows from financing activities</b>		<b>(5)</b>	<b>15</b>
Net increase/(decrease) in cash and cash equivalents		(12,797)	(4,827)
Cash and cash equivalents at the beginning of the period		14,224	19,051
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>16</b>	<b>1,427</b>	<b>14,224</b>



# ACCOUNTING POLICIES

for the year ended 31 March 2013

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, 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, 1999 (Act 1 of 1999) as amended by Act 29 of 1999, and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, 2010 (Act 1 of 2010).

## I. Presentation of the Financial Statements

### 1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting.

Under this basis, the effects of transactions and other events are recognised in the financial records when the resulting cash is received or paid. The “modification” results from the recognition of certain near-cash balances in the Financial Statements as well as the revaluation of foreign investments and loans and the recognition of resulting revaluation gains and losses.

In addition supplementary information is provided in the disclosure notes to the Financial Statements where it is deemed to be useful to the users of these statements.

### 1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (ZAR) which is also the functional currency of the department.

### 1.3 Rounding

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

### 1.4 Comparative figures

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.

### 1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

## 2. Revenue

### 2.1 Appropriated funds

Appropriated funds comprises departmental allocations as well as direct charges against the Revenue Fund (i.e. statutory appropriation).

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

Unexpended appropriated funds are surrendered to the National Revenue Fund. Any amounts owing to the National Revenue Fund at the end of the financial year are recognised as payable in the Statement of Financial Position.

Any amount due from the National Revenue Fund at the end of the financial year is recognised as a receivable in the Statement of Financial Position.

# ACCOUNTING POLICIES

for the year ended 31 March 2013

## 2.2 Departmental revenue

All departmental revenue is recognised in the Statement of Financial Performance when received and is subsequently paid into the National Revenue Fund, unless stated otherwise. Any amount owing to the National Revenue Fund at the end of the financial year is recognised as a payable in the Statement of Financial Position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure notes to the Annual Financial Statements.

## 2.3 Direct Exchequer Receipts

All Direct Exchequer Receipts are recognised in the Statement of Financial Performance when the cash is received and is subsequently paid into the National Revenue Fund, unless stated otherwise.

Any amount owing to the National Revenue Funds at the end of the financial year is recognised as a payable in the Statement of Financial Position.

## 2.4 Direct Exchequer Payments

All Direct Exchequer Payments are recognised in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

## 3. Expenditure

### 3.1 Compensation of employees

#### 3.1.1 Salaries and wages

Salaries and wages are expensed in the Statement of Financial Performance when the final authorisation for

payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the Financial Statements at face value and are not recognised in the Statement of Financial Performance or Position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the Statement of Financial Performance.

#### 3.1.2 Social contributions

Employer contributions to post-employment benefit plans in respect of current employees are expensed in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the Financial Statements of the department. Any potential liabilities are disclosed in the Financial Statements of the National Revenue Fund and not in the Financial Statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the Statement of Financial Performance.

### 3.2 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).



# ACCOUNTING POLICIES

for the year ended 31 March 2013

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5 000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as *goods and services* and not as *rent on land*.

### 3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

### 3.4 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts that are written off are limited to the amount of savings and/or underspending of appropriated funds. The write-off occurs at year end or when funds are available. No provision is made for irrecoverable amounts but, if applicable, an estimate will be included in the disclosure notes to the Financial Statements.

All other losses are recognised when authorisation has been granted for the recognition thereof.

### 3.5 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

### 3.6 Unauthorised expenditure

When confirmed unauthorised expenditure is recognised as an asset in the Statement of Financial Position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

Unauthorised expenditure approved with funding is derecognised from the Statement of Financial Position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the Statement of Financial Performance on the date stipulated in the Act.

### 3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the Statement of Financial Performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person, or written off as irrecoverable in the Statement of Financial Performance.

### 3.8 Irregular expenditure

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

## 4. Assets

### 4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost.

# ACCOUNTING POLICIES

for the year ended 31 March 2013

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.

## 4.2 Other financial assets

Other financial assets are carried in the Statement of Financial Position at cost.

## 4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the Statement of Financial Position at cost.

## 4.4 Receivables

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the Statement of Financial Position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

## 4.5 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

## 4.6 Capital assets

### 4.6.1 Movable assets

#### *Initial recognition*

A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register at R1.

#### *Subsequent recognition*

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as “expenditure for capital assets” and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current “goods and services” in the Statement of Financial Performance.



# ACCOUNTING POLICIES

for the year ended 31 March 2013

## 4.6.2 Immovable assets

### *Initial recognition*

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

### *Subsequent recognition*

Work-in-progress of a capital nature is recorded in the Statement of Financial Performance as “expenditure for capital assets”. On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current “goods and services” in the Statement of Financial Performance.

## 4.6.3 Intangible assets

### *Initial recognition*

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.

### *Subsequent expenditure*

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as “expenditure for capital asset” and is capitalised in the asset register of the department.

Maintenance is expensed as current “goods and services” in the Statement of Financial Performance.

## 5. Liabilities

### 5.1 Payables

Recognised payables mainly consist of amounts owing to other governmental entities. These payables are carried at cost in the Statement of Financial Position.

### 5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the Financial Statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

### 5.3 Contingent assets

Contingent assets are included in the disclosure notes to the Financial Statements when it is probable that an inflow of economic benefits will flow to the entity.

### 5.4 Commitments

Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

### 5.5 Accruals

Accruals are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

### 5.6 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are included in the disclosure notes to the Financial Statements. These

# ACCOUNTING POLICIES

for the year ended 31 March 2013

amounts are not recognised in the Statement of Financial Performance or the Statement of Financial Position.

## 5.7 Lease commitments

### *Finance lease*

Finance leases are not recognised as assets and liabilities in the Statement of Financial Position. Finance lease payments are recognised as a capital expense in the Statement of Financial Performance and are not apportioned between the capital and the interest portions. The total finance lease payment is disclosed in the disclosure notes to the Financial Statements.

### *Operating lease*

Operating lease payments are recognised as an expense in the Statement of Financial Performance. The operating lease commitments are disclosed in the disclosure notes to the Financial Statements.

## 5.8 Impairment

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. This assessment is undertaken at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

## 5.9 Provisions

Provisions are disclosed 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

will be required to settle the obligation and a reliable estimate of the obligation can be made.

## 6. Receivables for Departmental Revenue

Receivables for departmental revenue will be disclosed in the disclosure notes to the Annual Financial Statements. These receivables are written off when identified as irrecoverable and are disclosed separately.

## 7. Net Assets

### 7.1 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.

## 8. Related Party Transactions

No specific information with regards to related party transactions for the reporting period.

## 9. Key Management Personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

## 10. Public private partnership (PPP)

When the department enters into a PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement will be included in the disclosure notes.





# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

## I. Annual appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds)

Programmes	Final	2012/13	2011/12
	appropriation	Actual funds received	Appropriation received
	R'000	R'000	R'000
Administration	179,224	179,224	195,837
Policy and Knowledge Services	794,024	794,024	695,512
International Tourism	28,792	28,792	26,461
Domestic Tourism	372,103	372,103	347,175
<b>TOTAL</b>	<b>1,374,143</b>	<b>1,374,143</b>	<b>1,264,985</b>

## 2. Departmental revenue

	Note	2012/13	2011/12
		R'000	R'000
Sales of goods and services other than capital assets	2.1	123	100
Interest, dividends and rent on land	2.2	8	23
Sales of capital assets	2.3	11	66
Financial transactions in assets and liabilities	2.4	1,337	1,704
<b>Total departmental revenue collected</b>		<b>1,479</b>	<b>1,893</b>

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

	Note	2012/13	2011/12
		R'000	R'000
Sales of goods and services produced by the department		123	99
Sales by market establishment		69	59
Other sales		54	40
Sales of scrap, waste and other used current goods		-	1
<b>TOTAL</b>		<b>123</b>	<b>100</b>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

2.2 Interest, dividends and rent on land and buildings

	Note	2012/13	2011/12
	2	R'000	R'000
Interest		8	23
<b>TOTAL</b>		<b>8</b>	<b>23</b>

2.3 Sales of capital assets

	Note	2012/13	2011/12
	2	R'000	R'000
<b>Tangible assets</b>		<b>11</b>	<b>66</b>
Machinery and equipment	25.2	11	66
<b>TOTAL</b>		<b>11</b>	<b>66</b>

2.4 Financial transactions in assets and liabilities

	Note	2012/13	2011/12
	2	R'000	R'000
Receivables		-	26
Other receipts including recoverable revenue		1,337	1,678
<b>TOTAL</b>		<b>1,337</b>	<b>1,704</b>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

**3. Compensation of employees**

**3.1 Salaries and wages**

	<i>Note</i>	<b>2012/13</b>	<b>2011/12</b>
	3	<b>R'000</b>	<b>R'000</b>
Basic salary		114,536	91,783
Performance award		5,433	1,384
Service based		220	133
Compensative/circumstantial		1,322	1,568
Periodic payments		526	38
Other non-pensionable allowances		29,056	24,313
<b>TOTAL</b>		<b>151,093</b>	<b>119,219</b>

**3.2 Social contributions**

	<i>Note</i>	<b>2012/13</b>	<b>2011/12</b>
	3	<b>R'000</b>	<b>R'000</b>
<b>Employer contributions</b>			
Pension		14,602	11,671
Medical		5,487	4,345
Bargaining council		23	19
<b>TOTAL</b>		<b>20,112</b>	<b>16,035</b>

<b>Total compensation of employees</b>		<b>171,205</b>	<b>135,254</b>
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Average number of employees		<u>465</u>	<u>404</u>
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

4. Goods and services

	Note	2012/13 R'000	2011/12 R'000
Administrative fees		728	430
Advertising		2,673	2,604
Assets less than R5 000	4.1	1,523	6,587
Bursaries (employees)		818	864
Catering		1,033	507
Communication		5,136	3,731
Computer services	4.2	7,917	11,039
Consultants, contractors and agency/outsourced services	4.3	20,772	29,449
Entertainment		162	100
Audit cost-external	4.4	3,754	4,013
Fleet services		672	1
Inventory	4.5	6,101	7,145
Operating leases		19,750	18,004
Property payments	4.6	1,829	1,857
Travel and subsistence	4.7	32,609	30,459
Venues and facilities		5,520	4,944
Training and staff development		2,653	2,112
Other operating expenditure	4.8	2,350	3,635
<b>TOTAL</b>		<b>116,000</b>	<b>127,481</b>

4.1 Assets less than R5 000

	Note	2012/13 R'000	2011/12 R'000
	4		
<b>Tangible assets</b>		761	5,984
Machinery and equipment		761	5,984
<b>Intangible assets</b>		762	603
<b>TOTAL</b>		<b>1,523</b>	<b>6,587</b>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

4.2 Computer services

	<i>Note</i>	<b>2012/13</b>	<b>2011/12</b>
	4	<b>R'000</b>	<b>R'000</b>
SITA computer services		1,908	5,864
External computer service providers		6,009	5,175
<b>TOTAL</b>		<b>7,917</b>	<b>11,039</b>

4.3 Consultants, contractors and agency/outsourced services

	<i>Note</i>	<b>2012/13</b>	<b>2011/12</b>
	4	<b>R'000</b>	<b>R'000</b>
Business and advisory services		13,875	18,847
Infrastructure and planning		14	27
Legal costs		167	275
Contractors		4,526	8,976
Agency and support/outsourced services		2,190	1,324
<b>TOTAL</b>		<b>20,772</b>	<b>29,449</b>

4.4 Audit Cost - External

	<i>Note</i>	<b>2012/13</b>	<b>2011/12</b>
	4	<b>R'000</b>	<b>R'000</b>
Regulatory audits		3,754	4,013
<b>Total external audit fees</b>		<b>3,754</b>	<b>4,013</b>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

4.5 Inventory

	Note	2012/13	2011/12
	4	R'000	R'000
Learning and teaching support material		70	-
Food and Food supplies		25	24
Fuel, oil and gas		577	783
Other consumables		1,079	1,760
Materials and supplies		189	266
Stationery and printing		4,139	4,312
Medical supplies		22	-
<b>TOTAL</b>		<b>6,101</b>	<b>7,145</b>

4.6 Property payments

	Note	2012/13	2011/12
	4	R'000	R'000
Municipal services		1,784	1,029
Property maintenance and repairs		-	798
Other		45	30
<b>TOTAL</b>		<b>1,829</b>	<b>1,857</b>

4.7 Travel and subsistence

	Note	2012/13	2011/12
	4	R'000	R'000
Local		17,335	16,716
Foreign		15,274	13,743
<b>Total travel and subsistence</b>		<b>32,609</b>	<b>30,459</b>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

4.8 Other operating expenditure

	Note	2012/13	2011/12
	4	R'000	R'000
Professional bodies, membership and subscription fees		219	16
Resettlement costs		632	1,233
Gifts		16	12
Other (Printing and publications, courier services, etc.)		1,483	2,374
<b>TOTAL</b>		<b>2,350</b>	<b>3,635</b>

5. Interest

	2012/13	2011/12
	R'000	R'000
Interest paid (Finance leases)	-	261
<b>TOTAL</b>	<b>-</b>	<b>261</b>

6. Payments for financial assets

	Note	2012/13	2011/12
		R'000	R'000
Other material losses written off	6.1	98	7
Debts written off	6.2	1	2
<b>TOTAL</b>		<b>99</b>	<b>9</b>

6.1 Other material losses written off

	Note	2012/13	2011/12
Nature of losses	6	R'000	R'000
Losses – (Damage to vehicle due to accidents)		98	7
<b>TOTAL</b>		<b>98</b>	<b>7</b>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

6.2 Debts written off

Nature of debt written off	Note	2012/13 R'000	2011/12 R'000
Departmental debts written off	6	1	2
<b>TOTAL</b>		<b>1</b>	<b>2</b>

7. Transfers and subsidies

	Note	2012/13 R'000	2011/12 R'000
Departmental agencies and accounts	<i>Annex 1A</i>	758,979	668,613
Universities and technikons	<i>Annex 1B</i>	2,490	1,875
Foreign governments and international organisations	<i>Annex 1C</i>	3,490	1,447
Non-profit institutions	<i>Annex 1D</i>	26,060	22,200
Households	<i>Annex 1E</i>	283,772	272,596
<b>TOTAL</b>		<b>1,074,791</b>	<b>966,731</b>

8. Expenditure on capital assets

	Note	2012/13 R'000	2011/12 R'000
<b>Tangible assets</b>		<b>9,687</b>	<b>19,571</b>
Buildings and other fixed structures	27	3,134	-
Machinery and equipment	25.1	6,553	19,571
<b>Software and other intangible assets</b>		<b>177</b>	<b>939</b>
Computer software	26.1	177	939
<b>TOTAL</b>		<b>9,864</b>	<b>20,510</b>





NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

8.1 Analysis of funds utilised to acquire capital assets – 2012/13

	2012/13 Voted funds R'000	2011/12 Voted funds R'000
<b>Tangible assets</b>	<b>9,687</b>	<b>19,571</b>
Buildings and other fixed structures	3,134	-
Machinery and equipment	6,553	19,571
<b>Software and other intangible assets</b>	<b>177</b>	<b>939</b>
Computer software	177	939
<b>TOTAL</b>	<b>9,864</b>	<b>20,510</b>

9. Cash and cash equivalents

	2012/13 R'000	2011/12 R'000
Consolidated Paymaster General Account	8,234	20,659
Disbursements	(6,862)	(6,485)
Cash on hand	55	50
<b>TOTAL</b>	<b>1,427</b>	<b>14,224</b>

**Note:** The amount of R857,520.52 was paid into the departmental bank account on 28 March 2013 by Wings Travel Management as refunds on our travel account. The interface with our Paymaster General account took place on 2 April 2013. As the department is on modified cash accounting, this amount is not part of the cash and cash equivalent as stated above.

10. Prepayments and advances

	2012/13 R'000	2011/12 R'000
Travel and subsistence	186	53
<b>TOTAL</b>	<b>186</b>	<b>53</b>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

**II. Receivables**

	Note				2012/13	2011/12
		Less than one year	One to three years	Older than three years	R'000	R'000
Claims recoverable	11.1 Annex 3	93	-	-	93	299
Recoverable expenditure	11.2	298	-	60	358	140
Staff debt	11.3	180	73	-	253	156
<b>TOTAL</b>		<b>571</b>	<b>73</b>	<b>60</b>	<b>704</b>	<b>595</b>

**11.1 Claims recoverable**

	Note	2012/13	2011/12
	11	R'000	R'000
National departments		41	285
Provincial departments		52	14
<b>TOTAL</b>		<b>93</b>	<b>299</b>

**11.2 Recoverable expenditure (disallowance accounts)**

	Note	2012/13	2011/12
	11	R'000	R'000
Departmental suspense accounts		358	140
<b>TOTAL</b>		<b>358</b>	<b>140</b>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

11.3 Staff debtors

	<i>Note</i>	<b>2012/13</b>	<b>2011/12</b>
	11	R'000	R'000
Debt accounts		253	156
<b>TOTAL</b>		<b>253</b>	<b>156</b>

12. Voted funds to be surrendered to the Revenue Fund

	<b>2012/13</b>	<b>2011/12</b>
	R'000	R'000
Opening balance	14,739	19,702
Transfer from Statement of Financial Performance	2,184	14,739
Paid during the year	(14,739)	(19,702)
<b>Closing balance</b>	<b>2,184</b>	<b>14,739</b>

13. Departmental revenue to be surrendered to the Revenue Fund

	<b>2012/13</b>	<b>2011/12</b>
	R'000	R'000
Opening balance	6	5
Transfer from Statement of Financial Performance	1,479	1,893
Paid during the year	(1,474)	(1,892)
<b>Closing balance</b>	<b>11</b>	<b>6</b>

14. Payables - current

	<i>Note</i>	<b>2012/13</b>	<b>2011/12</b>
		R'000	R'000
Other payables	14.1	22	22
<b>TOTAL</b>		<b>22</b>	<b>22</b>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

14.1 Other payables

	Note	2012/13	2011/12
	14	R'000	R'000
Salary-related payables		10	21
Control accounts		12	1
<b>TOTAL</b>		<b>22</b>	<b>22</b>

15. Net cash flow available from operating activities

	2012/13	2011/12
	R'000	R'000
Net surplus as per Statement of Financial Performance	3,663	16,632
Add back non cash/cash movements not deemed operating activities	(6,602)	(1,030)
(Increase)/decrease in receivables – current	(109)	111
(Increase)/decrease in prepayments and advances	(133)	6
Increase in payables – current	-	3
Proceeds from sale of capital assets	(11)	(66)
Expenditure on capital assets	9,864	20,510
Surrenders to revenue fund	(16,213)	(21,594)
<b>Net cash flow generated by operating activities</b>	<b>(2,939)</b>	<b>15,602</b>

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

	2012/13	2011/12
	R'000	R'000
Consolidated Paymaster General account	8,234	20,659
Disbursements	(6,862)	(6,485)
Cash on hand	55	50
<b>TOTAL</b>	<b>1,427</b>	<b>14,224</b>



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

**17. Contingent liabilities and contingent assets**

**17.1 Contingent liabilities**

<b>Liable to</b>	<b>Nature</b>	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Housing loan guarantees	Employees	<i>Annex 2A</i>	58	58
Claims against the department		<i>Annex 2B</i>	14,546	4,569
Other departments (interdepartmental unconfirmed balances)		<i>Annex 4</i>	322	62
<b>TOTAL</b>			<b>14,926</b>	<b>4,689</b>

**17.2 Contingent assets**

<b>Nature of contingent asset</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
NTCE Partners/Black Magic – Termination of contract and reimbursement of all the funds paid	1,083	1,083
Been Around GP Advert Consulting cc – Non performance or breach of contract	2,805	-
<b>TOTAL</b>	<b>3,888</b>	<b>1,083</b>

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

**18. Commitments**

	2012/13 R'000	2011/12 R'000
<b>Current expenditure</b>		
Approved and contracted	13,531	2,303
<b>Capital expenditure</b>		
Approved and contracted	1,090	84
<b>Total commitments</b>	<b>14,621</b>	<b>2,387</b>

*Note: The amount of R1,926,253.49 million is included above for commitments over a period longer than a year.  
- Current expenditure: R1,926,253.49*

**19. Accruals**

			2012/13 R'000	2011/12 R'000
<b>Listed by economic classification</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	3,195	536	3,731	2,920
Interest (on finance leases)	-	-	-	23
Capital assets	473	-	473	140
Other	247	-	247	310
<b>TOTAL</b>	<b>3,915</b>	<b>536</b>	<b>4,451</b>	<b>3,393</b>



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

	<i>Note</i>	<b>2012/13</b>	<b>2011/12</b>
<b>Listed by programme level</b>		<b>R'000</b>	<b>R'000</b>
Administration		2,218	2,591
Policy and Knowledge Services		618	61
International Tourism		352	-
Domestic Tourism		1,016	431
Other (Assets & Liabilities)		247	310
<b>TOTAL</b>		<b>4,451</b>	<b>3,393</b>
Confirmed balances with other departments	<i>Annex 4</i>	468	186
<b>TOTAL</b>		<b>468</b>	<b>186</b>

## 20. Employee benefits

	<b>2012/13</b>	<b>2011/12</b>
	<b>R'000</b>	<b>R'000</b>
Leave entitlement	5,065	3,822
Service bonus (Thirteenth cheque)	4,623	3,856
Performance awards	2,709	2,128
Capped leave commitments	3,447	3,113
<b>TOTAL</b>	<b>15,844</b>	<b>12,919</b>

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

**21. Lease commitments**

**21.1 Finance leases expenditure**

2012/13	Machinery and Equipment R'000	Total R'000
Not later than 1 year	1,323	1,323
Later than 1 year and not later than 5 years	719	719
<b>Total present value of lease liabilities</b>	<b>2,042</b>	<b>2,042</b>

2011/12	Machinery and Equipment R'000	Total R'000
Not later than 1 year	1,826	1,826
Later than 1 year and not later than 5 years	2,042	2,042
<b>Total present value of lease liabilities</b>	<b>3,868</b>	<b>3,868</b>

**22. Irregular expenditure**

**22.1 Reconciliation of irregular expenditure**

	2012/13 R'000	2011/12 R'000
Opening balance	-	175
Add: Irregular expenditure – relating to current year	34	17,296
Less: Amounts condoned	(34)	(17,471)
<b>Irregular expenditure awaiting condonation</b>	<b>-</b>	<b>-</b>

**22.2 Details of irregular expenditure condoned**

Incident	Condoned by (condoning authority)	2012/13 R'000
Payments not approved by delegated official	Accounting Officer	34
<b>TOTAL</b>		<b>34</b>





DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

**23. Fruitless and wasteful expenditure**

**23.1 Reconciliation of fruitless and wasteful expenditure**

	2012/13	2011/12
	R'000	R'000
Opening balance	-	28
Fruitless and wasteful expenditure – relating to current year	108	203
Less: Amounts transferred to receivables for recovery	(11)	(231)
<b>Fruitless and wasteful expenditure to be recovered</b>	<b>97</b>	<b>-</b>

**23.2 Analysis of awaiting resolution per economic classification**

	2012/13	2011/12
	R'000	R'000
Current	97	-
<b>Total</b>	<b>97</b>	<b>-</b>

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

Incident	Disciplinary steps taken/criminal proceedings	2012/13
		R'000
Late cancellation/No shows with regard to travel bookings	Under investigation to determine liability	97
<b>TOTAL</b>		<b>97</b>

**24. Key management personnel**

		2012/13	2011/12
	No. of Individuals	R'000	R'000
Political office bearers	2	3,658	3,469
Officials			
Level 15 to 16	5	6,284	4,602
Level 14	15	12,868	12,289
<b>TOTAL</b>		<b>22,810</b>	<b>20,360</b>

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

**25. Movable tangible capital assets**

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening Balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>Machinery and equipment</b>	<b>41,816</b>	<b>(4,979)</b>	<b>4,880</b>	<b>( 532)</b>	<b>41,185</b>
Transport assets	4,194	(510)	-	-	3,684
Computer equipment	14,189	943	2,811	(526)	17,417
Furniture and office equipment	12,185	(2,176)	1,102	-	11,111
Other machinery and equipment	11,248	(3,236)	967	(6)	8,973
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>41,816</b>	<b>(4,979)</b>	<b>4,880</b>	<b>(532)</b>	<b>41,185</b>

**Note:** Current year adjustments to prior year balances include finance leases and audio visual equipment for the 2011/2012 financial year which had to be excluded from the asset register due to reclassification of expenditure.

25.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	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>6,553</b>	<b>67</b>	<b>(1,822)</b>	<b>82</b>	<b>4,880</b>
Transport assets	585	-	(585)	-	-
Computer equipment	2,803	8	-	-	2,811
Furniture and office equipment	1,003	59	-	40	1,102
Other machinery and equipment	2,162	-	(1,237)	42	967
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>6,553</b>	<b>67</b>	<b>(1,822)</b>	<b>82</b>	<b>4,880</b>



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

25.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Sold for cash	Transferred out or destroyed or scrapped	Total disposals	Cash received actual
	R'000	R'000	R'000	R'000
<b>Machinery and equipment</b>	<b>360</b>	<b>172</b>	<b>532</b>	<b>11</b>
Computer equipment	360	166	526	11
Other machinery and equipment	-	6	6	-
<b>TOTAL DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>360</b>	<b>172</b>	<b>532</b>	<b>11</b>

25.3 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>Machinery and equipment</b>	<b>23,505</b>	<b>19,620</b>	<b>(1,309)</b>	<b>41,816</b>
Transport assets	2,165	2,282	(253)	4,194
Computer equipment	10,903	4,253	(967)	14,189
Furniture and office equipment	3,858	8,407	(80)	12,185
Other machinery and equipment	6,579	4,678	(9)	11,248
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>23,505</b>	<b>19,620</b>	<b>(1,309)</b>	<b>41,816</b>

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

Minor assets

25.4 MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	602	4,899	5,501
Current year adjustments to prior year balances	-	227	227
Additions	762	761	1,523
Disposals	-	(45)	(45)
<b>TOTAL MINOR ASSETS</b>	<b>1,364</b>	<b>5,842</b>	<b>7,206</b>

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	661	661
Number of minor assets at cost	443	5,821	6,264
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>443</b>	<b>6,482</b>	<b>6,925</b>

25.5 MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	393	93	486
Additions	211	5,322	5,533
Disposals	(2)	(516)	(518)
<b>TOTAL MINOR ASSETS</b>	<b>602</b>	<b>4,899</b>	<b>5,501</b>

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	64	64
Number of minor assets at cost	367	128	495
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>367</b>	<b>192</b>	<b>559</b>



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

**26. Intangible capital assets**

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening Balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Computer software	2,120	(1,747)	177	-	550
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>2,120</b>	<b>(1,747)</b>	<b>177</b>	<b>-</b>	<b>550</b>

26.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Cash	Non-cash	(Development work-in-progress current costs)	Received current, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Computer software	177	-	-	-	177
<b>TOTAL ADDITIONS TO MOVABLE INTANGIBLE CAPITAL ASSETS</b>	<b>177</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>177</b>

26.2 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening Balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Computer software	-	-	2,120	-	2,120
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>2,120</b>	<b>-</b>	<b>2,120</b>

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

**27. Immovable tangible capital assets**

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening Balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>Buildings and other fixed structures</b>	-	-	3,134	3,134	-
Non-residential buildings	-	-	3,134	3,134	-
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	-	3,134	3,134	-

27.1 ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	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>Buildings and other fixed structures</b>	3,134	-	-	-	3,134
Non-residential buildings	3,134	-	-	-	3,134
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	3,134	-	-	-	3,134

27.2 DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Sold for cash	Transferred out or destroyed or scrapped	Total disposals	Cash received actual
	R'000	R'000	R'000	R'000
<b>Buildings and other fixed structures</b>	-	3,134	3,134	-
Non-residential buildings	-	3,134	3,134	-
<b>TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	3,134	3,134	-

**Note:** The amount of R3,134 million was paid to the Department of Public Works for the refurbishment of the head office accommodation



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

## Annexure IA

### Statement of transfers to departmental agencies and accounts

DEPARTMENTS/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2011/12
	Adjusted Appropriation Act	Roll- overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
South African Tourism	754,929	-	-	754,929	754,929	100%	668,613
Eastern Cape Parks Agency	3,000	-	-	3,000	3,000	100%	-
Tourism Accelerated Apprenticeship Programme	1,050	-	-	1,050	1,050	100%	-
<b>TOTAL</b>	<b>758,979</b>	<b>-</b>	<b>-</b>	<b>758,979</b>	<b>758,979</b>		<b>668,613</b>

## Annexure IB

### Statement of transfers to Universities and Technikons

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				TRANSFER		2011/12
	Adjusted Appropriation Act	Roll- overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Cape Peninsula University of Technology	415	-	-	415	415	100%	350
University of Johannesburg	415	-	-	415	415	100%	350
University of Pretoria	830	-	-	830	830	100%	500
University of Venda	415	-	-	415	415	100%	325
University of Zululand	415	-	-	415	415	100%	350
<b>TOTAL</b>	<b>2,490</b>	<b>-</b>	<b>-</b>	<b>2,490</b>	<b>2,490</b>		<b>1,875</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
 for the year ended 31 March 2013

**Annexure IC**
**Statement of transfers to foreign government and International organisations**

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				TRANSFER		2011/12
	Adjusted Appropriation Act	Roll- overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Regional Tourism Organisation of Southern Africa	1,972	-	-	1,972	1,972	100%	-
United Nations World Tourism Organisation	1,518	-	-	1,518	1,518	100%	1,447
<b>TOTAL</b>	<b>3,490</b>	<b>-</b>	<b>-</b>	<b>3,490</b>	<b>3,490</b>		<b>1,447</b>

**Annexure ID**
**Statement of transfers/subsidies to non-profit institutes**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				TRANSFER		2011/12
	Adjusted Appropriation Act	Roll- overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
National Business Initiative	-	-	-	-	-	-	1,200
Tourism Business Council of South Africa	500	-	-	500	-	-	-
Federated Hospitality Association of Southern Africa	525	-	-	525	500	95%	500
Ezemvelo KwaZulu-Natal Wildlife	500	-	-	500	500	100%	500
Strategic Partners in Tourism	25,000	-	-	25,000	25,000	100%	20,000
Tourism Accelerated Apprenticeship Programme	60	-	-	60	60	100%	-
<b>TOTAL</b>	<b>26,585</b>	<b>-</b>	<b>-</b>	<b>26,585</b>	<b>26,060</b>		<b>22,200</b>





# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

## Annexure 1E

### Statement of transfers to households

	TRANSFER ALLOCATION				TRANSFER		2011/12
	Adjusted Appropriation Act	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final Appropriation Act
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Expanded Public Works Programme	202,710	-	40,000	242,710	242,710	100%	252,962
Expanded Public Works Programme - Incentive	40,057	-	-	40,057	40,057	100%	19,234
Bursaries	-	-	275	275	275	100%	225
Employee Social Benefits:							
Leave Gratuity	20	-	503	523	523	100%	175
Claims Against the State	-	-	207	207	207	100%	-
<b>TOTAL</b>	<b>242,787</b>	<b>-</b>	<b>40,985</b>	<b>283,772</b>	<b>283,772</b>		<b>272,596</b>

## Annexure 2A

### Statement of financial guarantees issued as at 31 March 2013 - local

GUARANTOR INSTITUTION	GUARANTEE IN RESPECT OF HOUSING	Original guaranteed capital amount	Opening balance 1 April 2012	Guaranteed drawdowns during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Currency revaluations	Closing balance 31 March 2013	Guaranteed interest for year ended 31 March 2013	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank		54	11	-	-	-	11	-	-
Nedbank Limited		130	26	-	-	-	26	-	-
NHFC (Masikheni)		104	21	-	-	-	21	-	-
<b>TOTAL</b>		<b>288</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58</b>	<b>-</b>	<b>-</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

**Annexure 2B**

**Statement of contingent liabilities as at 31 March 2012**

NATURE OF LIABILITY	Opening balance 1 April 2012	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the Year	Liabilities recoverable (provide details hereunder)	Closing balance 31 March 2013
	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	4,000	6290	-	-	10,290
<b>S Nhlumayo</b> - Applicant is claiming for compensation arising from the alleged unfair dismissal by the department	526	-	-	-	526
<b>D Mabunda</b> - Claiming for damages arising from negligent driving by an official of the department	43	-	43	-	-
<b>LATAC Motors</b> – Claiming for damages arising from negligent driving by an official of the department	-	51	-	-	51
<b>Black Magic Communications</b> - Counter claim against the NTCE partners for repudiation of agreement	-	594	-	-	594
<b>Mavona &amp; Associates</b> – Claim for services rendered by sub-contractor in the Tsakuma Project	-	207	207	-	-
<b>NS Neluvhola and 131 others</b> – Claim against the department for terminating a contract with an implementing agent	-	3,085	-	-	3,085
<b>TOTAL</b>	<b>4,569</b>	<b>10,227</b>	<b>250</b>	<b>-</b>	<b>14,546</b>



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

**Annexure 3**  
**Claims recoverable**

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
<b>GOVERNMENT ENTITY</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Department</b>						
Department of Environmental Affairs	-	66	-	-	-	66
Department of Justice and Constitutional Development	-	-	-	21	-	21
The Presidency	-	11	-	-	-	11
Department of Trade and Industry	-	150	-	-	-	150
Department of Labour	-	13	-	-	-	13
North West: Department of Public Works	-	-	-	1	-	1
North West: Provincial Treasury	-	-	-	13	-	13
Department of Home Affairs	15	-	-	21	15	21
Department of Health	-	-	-	3	-	3
Department of Independent Police Investigation Directorate	26	-	-	-	26	-
Gauteng Provincial: Department of Agriculture and Rural Development	52	-	-	-	52	-
<b>TOTAL</b>	<b>93</b>	<b>240</b>	<b>-</b>	<b>59</b>	<b>93</b>	<b>299</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

**Annexure 4**

**Inter-departmental payables**

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
GOVERNMENT ENTITY	R'000	R'000	R'000	R'000	R'000	R'000
<b>Department Current</b>						
Department of Justice and Constitutional Development	287	87	-	-	287	87
Department of Environmental Affairs	-	2	-	-	-	2
The Presidency	-	22	-	-	-	22
Eastern Cape: Local Government and Traditional Affairs	-	-	-	5	-	5
Department of Social Development	-	37	-	-	-	37
Dept of Rural Development and Land Reform (Deeds office)	-	20	-	-	-	20
Gauteng Province: Department of Finance	-	18	-	-	-	18
Department of International Relations and Cooperation	87	-	296	57	383	57
Department of Trade and Industry	-	-	3	-	3	-
Free State: Social Development	-	-	23	-	23	-
Department of Performance, Monitoring and Evaluation	9	-	-	-	9	-
Department of Correctional Services	27	-	-	-	27	-
Government Communication and Information	58	-	-	-	58	-
<b>TOTAL</b>	<b>468</b>	<b>186</b>	<b>322</b>	<b>62</b>	<b>790</b>	<b>248</b>



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended March 2013

**Annexure 5**  
**Inventory**

	Quantity	2012/13	Quantity	2011/12
INVENTORY	R'000	R'000	R'000	R'000
Opening balance	9,035	646	-	-
(Less): Adjustments to prior year balances	(90)	(436)	-	-
Add: Additions/purchases - cash	15,632	4,308	46,209	5,741
Add: Additions non-cash	2	-	-	-
(Less): Issues	(17,250)	(4,360)	(37,174)	(5,095)
(Less): Adjustments	(6)	(8)	-	-
<b>CLOSING BALANCE</b>	<b>7,323</b>	<b>150</b>	<b>9,035</b>	<b>646</b>



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