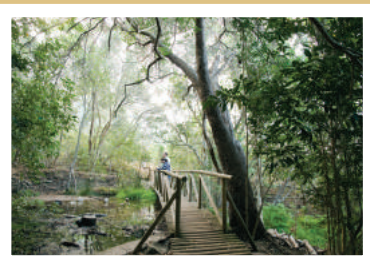


DEPARTMENT OF TOURISM OF THE REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT 2016/17



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA







ANNUAL REPORT 2016/17 FINANCIAL YEAR

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PART A: GENERAL INFORMATION

I. DEPARTMENT'S GENERAL INFORMATION

National Office

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Website Address: www.tourism.gov.za

Facebook: Department of Tourism

Twitter: @Tourism_gov_za



2. LIST OF ACRONYMS

AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
ATC	Accredited Tourism Company
AU	African Union
BAS	Basic Accounting System
BBBEE	Broad-Based Black Economic Empowerment
BRICS	Brazil, Russia, India, China and South Africa
CAF	Commission for Africa
CATHSSETA	Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority
DEA	Department of Environmental Affairs
DEAT	Department of Environmental Affairs and Tourism
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism
DHA	Department of Home Affairs
DPSA	Department of Public Service and Administration
DPW	Department of Public Works
EHW	Employee Health and Wellness
EPWP	Expanded Public Works Programme
Fedhasa	Federated Hospitality Association of Southern Africa
FET	Further Education and Training
FGASA	Field Guides Association of South Africa
FOSAD	Forum of South African Directors-General
FTE	Full-time equivalent
GCIS	Government Communication and Information System

GDP	Gross domestic product
GHG	Greenhouse gas
HDE	Historically disadvantaged enterprises
HR	Human resources
HRD	Human resource development
ICT	Information and communications technology
IDP	Integrated Development Plan
IMC	Inter- Ministerial Committee
IT	Information technology
KSIA	King Shaka International Airport
KMF	Knowledge Management Framework
KZN	KwaZulu-Natal
M&E	Monitoring and evaluation
MinMec	Minister and Members of the Executive Council
MIPTECH	MinMec Interprovincial Technical Committee
MoU	Memorandum of understanding
MTEF	Medium Term Expenditure Framework
NCOP	National Council of Provinces
NDP	National Development Plan
Nepad	New Partnership for Africa's Development
NES	National Events Strategy
NGP	New Growth Path
NMSRT	National Minimum Standards for Responsible Tourism
NTCE	National Tourism Careers Expo

NTIG	National Tourism Information Gateway
NTSS	National Tourism Sector Strategy
NVIF	National Visitor Information Framework
NYCTP	National Youth Chefs Training Programme
ORTIA	OR Tambo International Airport
PAC	Project Advisory Committee
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy
PICC	Presidential Infrastructure Coordinating Commission
PMDs	Performance Management Development System
PoA	Plan of Action
PSC	Personal Suitability Checks
PSCBC	Public Service Coordinating Bargaining Council
RETOSA	Regional Tourism Organisation of Southern Africa
RMC	Risk Management Committee
RTMC	Road Traffic Management Corporation
RIM	Robben Island Museum
SA	South Africa
SADC	Southern African Development Community
SANBI	South African National Biodiversity Institute
SANS	South African National Standard
SANParks	South African National Parks
SA Tourism	South African Tourism
SAQA	South African Qualifications Authority
SCM	Supply Chain Management

Sita	State Information Technology Agency
SMMEs	Small, medium and micro-enterprises
SMS	Senior Management Services
SRI	Social Responsibility Implementation
STR	State of Tourism Report
SWOT	Strengths, weaknesses, opportunities, threats
TAAP	Tourism Accelerated Apprenticeship Programme
TBCSA	Tourism Business Council of South Africa
TEP	Tourism Enterprise Partnership
TIP	Tourism Incentive Programme
TKP	Tourism Knowledge Portal
TLD	Tourism Leadership Dialogue
ToR	Terms of reference
TS&AS	Tourism Safety and Awareness Strategy
UA	Universal Access
UAT	Universal Accessibility in Tourism
UN	United Nations
UNISA	University of South Africa
UNWTO	United Nations World Tourism Organization
WSP	Workplace Skills Plan
WTO	World Trade Organization
WTTC	World Travel and Tourism Council



3. FOREWORD BY THE MINISTER OF TOURISM

The travel and tourism industry is a key component of economic growth for South Africa. Our country competes with other countries as a preferred tourist destination. Our air, ground and port transport infrastructure, tourism services, price competitiveness and international openness are regarded as key factors that drive our destination competitiveness.



A total of 10 044 163 international tourist arrivals were recorded for 2016 reflecting an increase of 12.8% compared to 2015. This growth in arrivals indicates the positive outcome of close collaboration between various government departments, the tourism industry, suppliers and service providers on the ground.

The Department is committed to stimulating tourism development that is sustainable, inclusive and improves the competitiveness of our destination.

The Department of Tourism is finalising the review of the National Tourism Sector Strategy (NTSS). This is a sector-wide strategy designed to enhance and harness the potential contribution of tourism to the national development objectives and aspirations of the country as espoused in the National Development Plan. The valuable contribution of all our stakeholders to the revision of this Strategy is highly appreciated.

The Tourism Incentive Programme (TIP) provides support to tourism businesses. The International Market Access Support Programme facilitates improved market access for small tourism enterprises to unlock new market opportunities, grow the customer base and drive sales to stimulate enterprise growth and capacity expansion.

Through TIP, we have also implemented the Tourism Grading Support Programme which encourages wider participation in the tourism grading system that will enhance the overall visitor experience and improve destination competitiveness.

During this period, the Department created 1 734 full-time equivalent (FTE) jobs through the Social Responsibility Implementation (SRI) Programme, as part of the Expanded Public Works Programme (EPWP). The programme is targeted at women, youth and persons with disabilities who largely constitute the unemployed, poor, unskilled, and vulnerable groups in society. This Programme is a combination of infrastructure projects and youth training programmes like the Blue Flag Beaches, Chefs, Sommeliers, Food Safety Assurers and the Tourism Buddies Programme.

In order to accelerate the transformation of the tourism sector, the Tourism B-BBEE Charter Council was appointed. The Council provides guidance on sector specific matters affecting B-BBEE, compiles reports on the status of B-BBEE within the sector; shares information with various stakeholders including the sector approved accreditation agencies. The Department has also developed a tourism B-BBEE portal to accelerate SMME empowerment in the tourism sector. The portal includes functionalities such as a self-assessment tool to encourage compliance and a matchmaking functionality between buyers and empowered suppliers.

Tourism is a people driven industry. The continued success of our sector lies in the development and the management of people working in the sector and in their understanding of their critical role in ensuring inclusive economic growth, tourism development and job creation.

Our training and skills development programmes are aimed at ensuring service excellence at every step of the tourist experience.

During the year under review, we facilitated tourism capacity-building programmes for tourist guides, who are the faces and voices of tourism. The Continuous Professional Development programme for tourist guides was developed to assist tourist guides to acquire updated knowledge and skills.

Our Tourism Sector Human Resource Development (TSHRD) Strategy and Skills Audit Review were finalized by the Human Sciences Research Council on behalf of our Department and the Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA).

In collaboration with CATHSSETA we have agreed on five priority interventions namely: the National Tourism Careers Expo (NTCE), TSHRD Strategy and Skills Audit Review, the Executive Development Programme (EDP) for Women in Tourism, and Service Excellence and Universal Accessibility Training programmes.

Our Department has embarked on several programmes to empower our youth and women. We hosted the 3rd Women In Tourism networking event in Durban during the Tourism Indaba. The event was attended by 200 delegates, including Tourism Ministers and Deputy Ministers from Lesotho, Uganda and Zimbabwe.

In pursuit of an established culture of excellence in the sector, the Manyane Service Excellence Legacy Team was launched at Madikwe Game Reserve.

We implemented the Service Excellence Integrated Product Support Programme to assist identified tourism products to develop a service excellence oriented culture in terms of their operations and processes through the application of the Service Excellence Strategy and Standards.

The Universal Accessibility (UA) Incentives guidelines for government owned provincial parks were developed in consultation with industry stakeholders. Several parks have been selected to be supported in implementing UA initiatives. These initiatives include the training of staff on UA at selected parks in

all provinces, conducting UA Audits at selected parks in the North West, Gauteng, Northern Cape, Western Cape and Limpopo, and financial support towards infrastructural upgrades for the selected parks in the four provinces where UA audits have already been conducted.

Tourism Month gives us an opportunity to focus our efforts on Domestic Tourism in particular, and to encourage all our people to explore our unique, beautiful and diverse country. During this period, the Department, together with provinces, celebrated Tourism Month in the Free State.

The Department also held the African World Heritage Youth Forum at the Nelson Mandela Gateway in Cape Town. This Forum brought together young people from many countries in Africa to discuss the involvement of youth in the conservation, preservation, promotion and presentation of African World Heritage Sites. This project was conducted in partnership with the Department of Arts and Culture, the African World Heritage Fund, the UNESCO World Heritage Centre and Robben Island Museum.

Tourism is a multi-faceted sector, and its development and growth depends on collaboration and partnerships with government, trade and industry, and on host communities across our country.

A draft concept document proposing the establishment of a formal BRICS Tourism Working Stream, with the aim of aligning the tourism activities within the BRICS forum, was developed and formed part of our visit to the first BRICS Tourism Ministers' meeting in September 2016.

The Department continues to grow its information infrastructure through many initiatives aimed at improving knowledge management for the sector. Two mobile applications for Tourist Guides and Visitor Information Centres were developed to enhance the visitor experience.

Provincial consultations to mobilise buy-in and support from tourism stakeholders towards the development and implementation of the National Tourism Information and Monitoring System (NTIMS) were conducted. The NTIMS will be used to collect, record, manage, analyse and disseminate information and data on tourism; and monitor developments and trends in tourism.

Two National Tourism Information Getaways (NTIGs) were maintained at King Shaka International Airport and OR Tambo International Airport (ORTIA) to ensure that there is a network of standardised world-class tourist information service points at ports of entry to South Africa.

Our initiatives in the year ahead are geared towards enhancing the policy environment and enabling conditions for further destination development and inclusive tourism growth.

We will continue to work together to grow and develop tourism, so that it continues to contribute to the growth of our country's economy, creates sustainable jobs and improves the lives of our people.



Tokozile Xasa, MP
Minister of Tourism





4. REPORT BY THE ACCOUNTING OFFICER

4.1 Overview of the operations of the Department

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

In recognition of tourism as a national priority with the potential to contribute significantly to economic

development, the 1996 White Paper on the Development and Promotion of Tourism in South Africa provides for the promotion of domestic and international tourism. The National Tourism Sector Strategy provides a blueprint for the sector to meet the growth targets contained in the new growth path.

The National Development Plan (NDP) is the 2030 vision for the country. It envisions rising employment, productivity and incomes as a way to ensure a long term solution to reduce inequality, improve living standards and ensure a dignified existence for all South Africans. The NDP recognises tourism as one of the main drivers of employment and economic growth.

Tourism's direct contribution to GDP was R103.6 billion in 2013, about 2.9 per cent of total GDP; and its direct contribution to employment was 655 609, about 4.4 per cent of total employment. Tourist arrivals to South Africa continue to grow every year, and the number of tourist arrivals is projected to increase from 10.4 million in 2016/17 to 11.4 million in 2018/19.

In support of outcome 4 (decent employment through inclusive economic growth) of the 2014-2019 medium term strategic framework, the Department's focus over the medium term will be on encouraging growth in tourism in South Africa and stimulating the transformation of the sector. To this end, new areas of spending will drive the Department's mandate, vision and mission: developing new tourism attractions, supporting rural enterprises, and growing domestic tourism. Spending on these areas is in transfers and subsidies to the Expanded Public Works Programme and South African Tourism, constituting 66.8 per cent of the Department's total budget over the medium term.

4.2 Overview of the financial results of the Department

Programme	Adjustment Appropriation R'000	Virement R'000	Final Appropriation R'000	Expenditure R'000	Over/(Under) Expenditure R'000	Virement %
Administration	237 456	(1 192)	236 264	227 079	9 185	-0.50%
Policy and Knowledge Services	1 269 753	406	1 270 159	1 214 938	55 221	0.03%
International Tourism	55 624	562	56 186	54 785	1 401	1.01%
Domestic Tourism	446 683	224	446 907	422 844	24 063	0.05%
Total	2 009 516	-	2 009 516	1 919 646	89 870	-

Virement

In accordance with Section 43 of the Public Finance Management Act, 1999, the Accounting Officer of the department may utilise a saving in the amount appropriated under a main division within a vote towards the defrayment of excess expenditure under another main division on condition that it does not exceed eight per cent of the amount appropriated under that main division. The virements between main divisions were for compensation of employees to stay within the earmarked amount allocated to the department.

Underspending

The Department spent 96% of its total budget for the 2016/17 financial year. All four programmes spent above 95% of their respective budgets. The bulk of the underspending relates to the capital projects of the Tourism Incentive Programme (Programme 2: Policy and Knowledge Services) for which a rollover of R52.1 million has been requested. R22.6 million earmarked for Expanded Public Works Incentive Programme (Programme 3: Domestic Tourism) had to be returned to the National Revenue Fund as it can only be spent once approval has been received from the Department of Public Works. Approval is linked to the achievement of Expanded Public Works Programme targets.

Roll-overs

National Treasury approval has been requested in accordance with Treasury Regulation 6.4.1 (a) for the rollover of funds towards the payment for capital assets to the value of R52.1 million.

The Tourism Incentive Programme (TIP) was launched as a new programme of the Department of Tourism in March 2015. During the pilot phase in the 2015/16 financial year the programme focused on support for tourism market access, tourism grading, destination development and enhancement as well as renewable energy retrofitting.

In terms of the pilot initiative, a substantial amount of preparatory work was required in the first year (2015/16), which included final site selection, appointment of technical advisors, determining the specific energy requirements of each site, identifying appropriate solution options for each site and developing technical specifications to inform bid documentation that would be used to procure the services of contractors to deliver turn-key solutions for each site. In this regard, the department approached the management authorities of strategic and iconic tourism attractions owned by the state, such as Robben Island Museum (RIM), South African National Parks (SANParks) and the South African National Biodiversity Institute (SANBI) to discuss their collaboration in the initiative. These discussions culminated in the identification of the following project sites for the pilot initiative on energy retrofitting:

- Robben Island (RIM)
- Skukuza rest camp, Kruger National Park (SANParks)
- Lower Sabie rest camp, Kruger National Park (SANParks)
- Tshokwane picnic site, Kruger National Park (SANParks)
- Nkuhlu picnic site, Kruger National Park (SANParks)
- Karoo Desert National Botanical Garden (SANBI)
- Free State National Botanical Garden (SANBI)
- Hantam National Botanical Garden (SANBI)

The status of progress and project implementation by the end of the 2016/17 financial year for the four contracts were as follows:

• **Robben Island site:** Contract negotiations with the appointed EPC contractor were concluded and an SLA signed (attached) for an integrated 666.4 kWp solar PV mini-grid system with battery storage for a total cost of R24 957 655.06. Construction commenced in the latter part of 2016 and has progressed well. By 31 March 2017 a total of R21 343 972.26 has been expended with the outstanding balance expected to be paid before the end of the first quarter when the project is scheduled for completion.



• **SANBI Sites:** Contract negotiations with the appointed EPC contractor were concluded and an SLA signed for a total amount of R9 304 844.32 for all three sites including a 50kWp grid-tied solar PV system at Karoo Desert National Botanical Garden, a 50kWp grid-tied solar PV system at Free State National Botanical Garden and a 25 kWp off-grid solution including a small back-up battery pack at Hantam National Botanical Garden. Construction commenced in the latter part of 2016 and has progressed well. By 31 March 2017 a total of R7 890 528.78 has been expended with the outstanding balance expected to be paid before the end of the first quarter when the project is scheduled for completion.





• **SANParks grid-tied sites:** Despite some delays, contract negotiations with the appointed EPC contractor for the grid-tied sites in Kruger National Park were concluded towards the end of 2016. The SLA was signed for a total amount of R35 804 445.87 for both grid-tied sites and include solar PV installations of around 820kWp and 540kWp at Skukuza and Lower Sabie respectively. Construction commenced in March 2017 and by 31 March 2017 a total of R8 745 911.46 has been expended with the outstanding balance expected to be paid by project completion at the end of the 2017/18 financial year.

• **SANParks off-grid sites:** Unfortunately, the contract negotiations with the appointed EPC contractor for the off-grid sites were severely protracted due to several design challenges that needed to be resolved. The process also stalled pending design revision and was further delayed by an outstanding MoU between the Department and SANParks. Contract negotiations have, however, resumed and the SLA is expected to be concluded before the end of April 2017, after which construction at the two off-grid sites (Tshokwane and Nkuhlu) will commence. As a result, no expenditure against the project budget of R28 329 444.76 as per the draft SLA has occurred. The full expenditure is expected to be paid by project closure within the 2017/18 financial year.

4.3 A description of the reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence

The Department had no unauthorised expenditure. With regard to fruitless and wasteful expenditure, the majority of this expenditure relates to travel expenditure (revised bookings and no shows) which are reported as fruitless and wasteful expenditure pending an investigation. Once investigated, the expenditure will be accepted as a valid expenditure or transferred to the departmental debt account for recovery.

4.4 Future plans of the Department

The Department has embarked on a process of alignment between the structure and strategy. The budget programme structure was approved by National Treasury on 17 July 2016 as follows:

- Programme 1: Administration;
- Programme 2: Tourism Policy and Planning;
- Programme 3: Destination Development; and
- Programme 4: Enterprise and Visitor Support Services.

The Department of Public Service and Administration approved the Department of Tourism's establishment on 28 March 2017 as follows:

- Branch: Corporate Management;
- Branch: Tourism Research, Policy and International Relations;
- Branch: Destination Development; and
- Branch: Tourism Sector Support Services.

The budget structure and establishment have been implemented from 1 April 2017.

4.5 Public Private Partnerships

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

4.6 Discontinued activities / activities to be discontinued

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

4.7 New or proposed activities

The Department has no new or proposed activities.

4.8 Supply Chain Management

The Department received no unsolicited bids in the 2016/17 financial year. In order to avoid any irregular expenditure related to Supply Chain Management, the Department has an established Bid Specification, Bid Evaluation and Bid Adjudication Committees to conclude the bidding administration. These Committees have been capacitated to deal with the functions assigned to them.

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

The European Union donated R120 million via the National Treasury for the Golden Gate Highlands National Park interpretation centre over a three-year period. The planning phase and appointment of contractors have been completed in the 2016/17 financial year and construction will start in the 2017/18 financial year.

4.10 Exemptions and deviations received from the National Treasury

National Treasury's approval was obtained in accordance with Treasury Regulation 6.3.1(a) to increase the compensation of employee budget with R 4 million. Approval was also granted to shift R263 700 from transfers and subsidies linked to the Regional Tourism Organisation of Southern Africa as well as R46 658 from goods and services to the United Nations World Tourism Organisation within Programme 3: International Tourism.

National Treasury also granted approval in accordance with Treasury Regulation 6.3.1(a) to increase transfers and subsidies by R85 million (salaries and wages) and payment for capital assets by R10.1 million from goods and services under the earmarked funds for the Expanded Public Works Programme (EPWP).

After approval of the final virements, the National Treasury was informed that the final allocation for transfers to households (EPWP wages) was R 65.3 million and payment for capital assets (infrastructure projects) was R 121 million. With regard to the Tourism Incentive Programme, the final allocation to transfers and subsidies was R 85.3 million and the payment for capital assets was R 90.2 million.

4.11 Events after the reporting date

None

4.12 Other

None

4.13 Acknowledgements or appreciation

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 and all members of both Committees for the continued support they have provided for our work.

4.14 Conclusion

The success of the delivery on the Annual Report which includes the Annual Financial Statements, Performance Information and Human Resource Information depends on all staff, management and senior management throughout all the branches of the Department.

4.15 Approval and sign-off

The Annual Financial Statements set out on pages 110 to 178 have been approved by the Accounting Officer:



Mr. Nkhumeleni Victor Tharage
Accounting Officer

Department of Tourism
Date: 31 May 2017



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

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

All information and amounts disclosed throughout the Annual Report are consistent.

The Annual Report is complete, accurate and free from any omissions.

The Annual Report has been prepared in accordance with the guidelines on annual reports as issued by National Treasury.

The annual financial statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by National Treasury.

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

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

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

In my opinion, the Annual Report fairly reflects the operations, performance information, human resource information and financial affairs of the Department for the financial year ended 31 March 2017.



Mr. Nkhumeleni Victor Tharage
Accounting Officer

Department of Tourism
Date: 31 May 2017

6. STRATEGIC OVERVIEW

6.1. Vision

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

6.2. Mission

To grow an inclusive and sustainable tourism economy through:

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

6.3. Values

6.3.1. Performance values

- Innovative: Leveraging of resources and partnerships to optimise delivery to our stakeholders, and being responsive to change.
- Ethical (good corporate governance): Encapsulating the principles of integrity, transparency and accountability.
- Customer focus: Providing services and solutions in a manner that is efficient, effective and responsive.

6.3.2. Organisational values

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

7. LEGISLATIVE AND OTHER MANDATES

7.1 Constitutional mandate

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

7.2 Legislative mandates

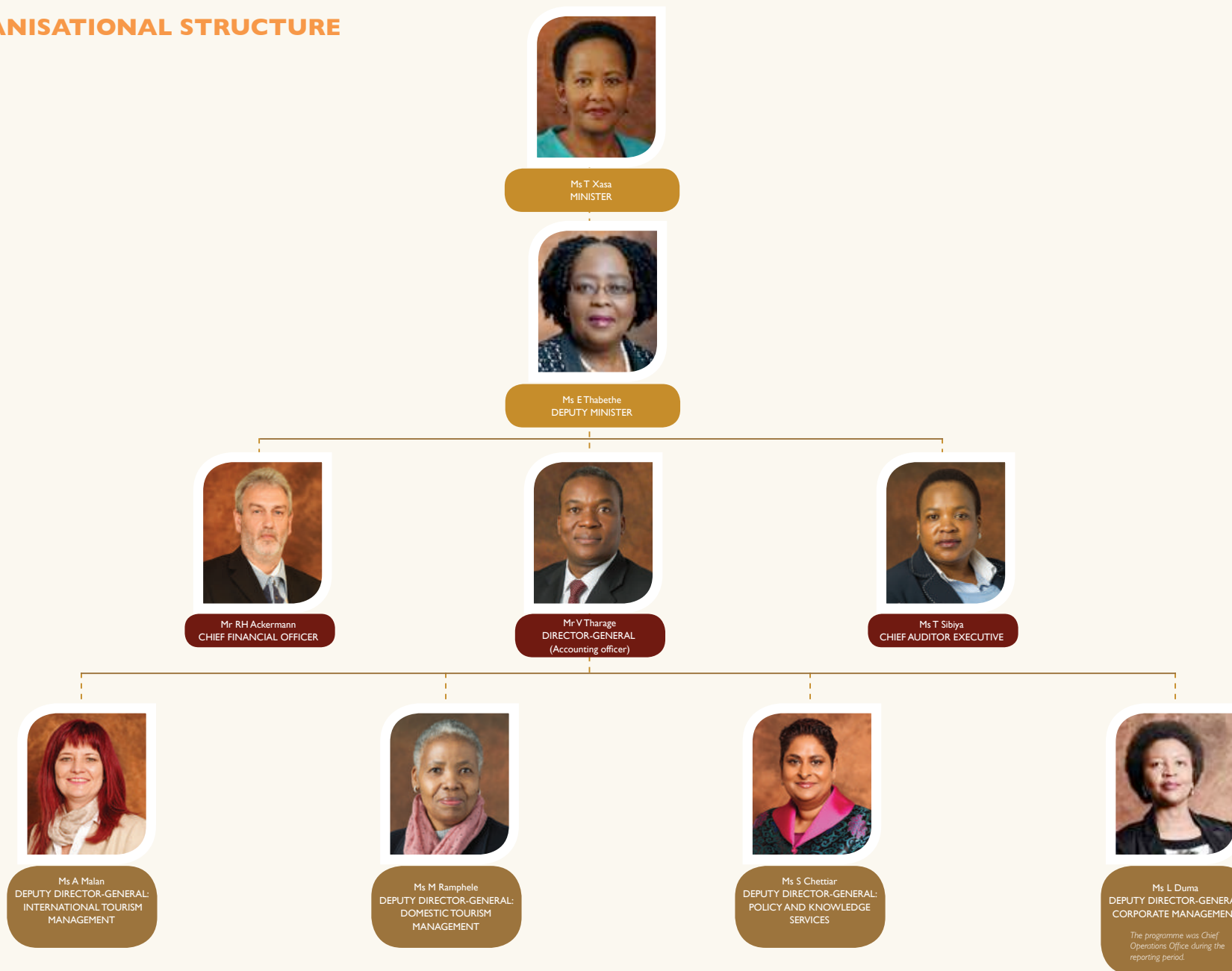
Tourism Act, 2014 (Act No 3 of 2014) aims to promote the practise of responsible tourism for the benefit of the Republic and for the enjoyment of all its residents and foreign visitors; provide for the effective domestic and international marketing of South Africa as a tourist destination; promote quality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

7.3 Policy mandates

- The National Development Plan (NDP) is the 2030 vision for the country. It envisions rising employment, productivity and incomes as a way to ensure a long-term solution to achieve a reduction in inequality, an improvement in living standards and ensuring a dignified existence for all South Africans. The NDP recognises tourism as one of the main drivers of employment and economic growth.
- The New Growth Path (NGP) includes tourism as one of the six pillars of economic growth.
- The National Tourism Sector Strategy (NTSS) provides a blueprint for the tourism sector in the pursuit of growth targets contained in the New Growth Path (NGP).
- The White Paper on the Development and Promotion of Tourism in South Africa, 1996, provides a framework and guidelines for tourism development and promotion in South Africa.



8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MINISTER

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

Name of entity	Legislative Mandate	Financial Relationship	Nature of Operations
South African Tourism (SAT)	• Market South Africa as a domestic and international tourist destination. • Market South African tourism products and facilities internationally and domestically. • Develop and implement a marketing strategy for tourism that promotes the objectives of the Act and the NTSS. • Establish a National Conventions Bureau with the approval of the Minister, to market South Africa as a business tourism destination by: • coordinating bidding for international conventions; and, • liaising with other organs of state and suitable bodies to promote South Africa as a business events destination. • Implement and manage the national grading system for tourism.	Transfer payment	• Marketing South Africa as a tourist destination internationally and domestically. • Market South African tourism products and facilities internationally and domestically. • Providing quality assurance for tourism products. • Marketing South Africa as a meetings destination, and providing support for bids to host business events and meetings.





PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 107 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The global picture and context of tourism is somewhat like the two sides of the same coin. The reality is that, on the one hand, this picture reflects growth in global tourism, albeit at varying degrees and at different intervals. For example, the World Tourism Barometer (2016) records that the first nine months of 2016 have seen growth in global tourism which, however, became slower in the second quarter and picked up again in the third quarter¹. On the other hand, the benefits of this global tourism growth are not necessarily guaranteed for all destinations. While some destinations have reported encouraging results, other destinations have continued to struggle as a result of the impact of negative results, either as individual destinations, or as part of a regional collective. More importantly, observed the UNWTO Secretary-General, Taleb Rifai, 'tourism is one of the most resilient and fastest growing economic sectors', but also one which is at the same time, very sensitive to risks. These risks can either be 'actual or perceived', and 'are often distorted or magnified by perception'. They relate to safety and security, oil prices, concerns around environmental impact, new technologies, diminishing disposable incomes, etc. This scenario requires of the tourism sector to continue to work together with governments and stakeholders to minimise and/or mitigate the risks, in order to respond effectively and build confidence amongst the travellers. The Statistics South Africa report (2016) indicates an increase in tourist arrivals in the year under

review as compared to the previous year. The report indicates that a total of 10 044 163 international tourist arrivals were recorded for 2016, which is an increase of 12.8% (1 140 390) compared to 2015 which saw a record of 8 903 773 of international tourist arrivals². This growth in tourist arrivals indicates positive outcomes resulting from close collaboration between various government departments, between suppliers and service providers on the ground.

The World Travel and Tourism Council reports that the total contribution of travel and tourism to South Africa's gross domestic product (GDP) was R402bn in 2016 (9.3% of GDP) and is expected to grow by 2.5% to R412.2bn (9.4% of GDP) in 2017. Furthermore, the total contribution of travel and tourism to employment in South Africa was 1.5 million jobs in 2016. This accounts for 9.8% of total employment. The forecast is that it will rise to 6.7% in 2017, and it would be 1.6 million jobs or 10.2% of total employment³.

Travel and tourism has remained one of the drivers of economic growth for a destination such as South Africa, which competes directly with many countries around the world as a preferred tourist destination. The World Economic Forum Travel and Tourism Global Competitiveness Report (2015) places South Africa's overall socio-economic performance at 48th and 1st in Sub-Saharan Africa followed by the Seychelles and Mauritius⁴. The same report identified South Africa's key policy and other enabling conditions, such as air transport infrastructure, tourism service infrastructure, price competitiveness, ground and port infrastructure, and international openness, as the main driving forces behind its competitiveness in regional and global arenas.

The tourism environment has also seen rapid development and use of technology, and innovations in transportation which impacts on speed, comfort and safety. The Internet is widely used with over 95 percent of people seeking online information about destinations and travel, which include "dreaming about, planning, booking, experiencing and reflecting on their trips"⁵. Reflecting and reporting on travel experiences, through the use of the internet, provides real time feedback on the quality of such experiences with various elements of the tourism value chain. Seventy four percent of tourists in a Trip Advisor Survey indicated free Wi-Fi as a main decision-making factor in the choice of accommodation⁶. Young people in particular accept reviews from other people on social media which tends to influence where they choose to go.

1 UNWTO. 2016. World Tourism Barometer: Close to one billion international tourists in the first nine months of 2016. Vol. 14

2 South African Tourism. 2017. Total Tourist Arrivals Excluding Transit Tourists. [Web.] <http://www.southafrica.net/research/en/page/research-reports-search/search>

3 Smith, C. 2017. Travel and tourism to contribute R412.2bn to SA's GDP in 2017. [Web.] <http://www.fin24.com/Economy/travel-and-tourism-to-contribute-r4122bn-to-sas-gdp-in-2017-20170421>

4 World Economic Forum. 2015. The Travel & Tourism Competitiveness Report - Growth through Shocks. WEF: Geneva [Web.] http://www3.weforum.org/docs/TT15/WEF_Global_Travel&Tourism_Report_2015.pdf

5 Guggenheim, J., Kremsler, S., Jhunjunwala, P., McCaleb, T., Garcia-Mon, A., McCabe, L. 2014. Travel goes mobile. The Boston Consulting Group.

6 [Web.] https://www.bcgperspectives.com/content/articles/transportation_travel_tourism_digital_economy_travel_goes_mobile. Prabu K, 2014. TripAdvisor study: Wi-Fi, deals and price influence travel decisions, Asia leads in mobile. [Web.] <https://www.tnooz.com/article/TripAdvisor-study-Wifi-deals-and-price-influence-travel-decisions-Asia-leads-in-mobile/>

Some environmental trends have also been noted which included the decline in mass tourism due to awareness of the impact of tourism on the environment, thus increasing the involvement of NGOs and CBOs in tourism and environmental issues. This is coupled with the potential impact of natural disasters on travel behaviour, emerging approaches and perspectives of efficiency measures (such as the green energy, responsible tourism and climate change).

The growth in global tourism is part of the changing demographics and lifestyle of the tourist make-up and is another notable trend. This is characterised by the increased interest and growth in family trips, older people interested in luxury, comfort and experience due to greater disposable income, younger travellers being interested in experiencing life in other countries, the remote areas and less interest in luxury travel⁷. The risk of disease and other pandemics, ageing, affluence and middle class are likely to influence travel demands. Perceptions and concerns for safety and security will also influence travel decisions. These risks must still be managed in order for any destination to attract these travellers and tourists.

Part A of schedule 4 to the Constitution of the Republic of South Africa, 1996, which lists tourism as a functional area of concurrent national and provincial legislative competence, informs the tourism development and context in South Africa. This is particularly so in that tourism itself is a multi-faceted sector; whose development and growth depends on collaboration between the national, provincial and local levels of government, partnerships with trade and industry, and the support of host communities across South Africa. All role players were thus required to be conscious of the opportunity and value presented by tourism and the various ways in which they can influence tourism growth. This placed demands on the Department to constantly improve inter-departmental collaboration, coordination across provinces, strategic partnerships, effective stakeholder communication and staying engaged with industry on matters of mutual interest.

The Department has rendered the Tourist Guide Appeals service to the Tourist Guiding Sector. These appeals are effectively dealt with as they are lodged, and the process thereof is determined by the Tourism Act, 2014 (Act No. 3 of 2014). Recorded data is used to identify trends, reduce the turn-around response times, investigate and conclude appeal processes to 30 days, which is allocated in the Act. During the year under review, seven (7) appeals were lodged. All these were dealt with in line with the Tourism Act, 2014 and resolved successfully. The appeal documents were recorded and filed electronically and manually.

We have continued to deliver knowledge and information management services to the public and the tourists. These are delivered at two of our National Tourism Information Gateways (NTIGs), one at

OR Tambo International Airport and another at King Shaka International Airport, in line with Batho Pele principles. The objective of the NTIGs is to ensure that there is a network of standardised world-class tourist information service points at ports of entry to our country. This is meant to offer an opportunity for visitors to access tourist information services that cover all the provinces of South Africa as compared to visitor information centres (VICs) that mostly focus on the provision of local and/or regional tourist information services.

Another service being rendered by the Department directly to tourists relates to the management of tourists' complaints. The procedure for dealing with tourist complaints involves acknowledgement of receipt within 24 hours, and referral of these complaints to the relevant authorities within 5 days. During the year under review, the Tourism Complaints Officer received a total of 59 tourist complaints, and all of these were acknowledged within 24 hours. Of the 59 complaints, 17 were successfully resolved; 15 referred to the relevant authorities for resolution, 13 are still in progress, 9 complaints were withdrawn by the complainants, 3 were closed due to non-response for further information from the complainant and 2 are non-jurisdiction. The majority of these complaints (22) concerned refunds, while 12 related to services, 6 to misleading / false adverts, 4 to theft, 2 to safety, 2 to discrimination, 2 to compensation, and 1 for the following: accommodation, robbery, debt, advice, verbal assault, timeshare, fraud and charges.

The challenge in relation to the management of tourist complaints is that the Tourism Complaints Officer does not have mandate in terms of the Tourism Act, 2014 (Act No 3 of 2014) to resolve complaints. All complaints must be referred to a relevant authority for a resolution. However, the Tourism Complaints Office facilitates amicable resolution to the complaint to assist the parties to resolve their complaints.

2.2 Service delivery improvement plan

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

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
I. Tourist Guide Appeals	Tourist Guiding Sector	Appeals are effectively dealt with as they are lodged. This process is determined by the Tourism Act, 2014.	Appeals are effectively dealt with as they are lodged. This process is determined by the Tourism Act, 2014.	Seven (7) appeals were lodged during the 2016/17 financial year. All appeals received were dealt with in line with the Tourism Act, 2014 and were resolved successfully.
			Use the data recorded to identify trends. Reduce the turn-around times in responding, investigating and concluding appeal processes to 30 days which is allocated in the Act.	The appeal documents were recorded and filed electronically and manually. The procedures, including the time-frames, are guided by the Regulations, 2001. The information that was recorded during the 2016/17 financial year has allowed the Department to identify trends and put in place mechanisms to address shortfalls and challenges e.g. a capacity building session was held during quarter two to empower Provincial Registrars on how to respond to appeal cases more effectively.
		Provincial Registrars of Tourist guides will be consulted regarding the turn-around times when responding to the appeals.	Provincial Registrars of Tourist guides will be consulted regarding the turn-around times when responding to the appeals.	Consultations were held with tourist guides during the 2016/17 financial year on the Draft Regulations for Tourist Guides which includes section on Appeals.
		Information on the appeals procedures will be made available on various electronic platforms for tourist guides to access.	Information on the appeals procedures will be made available on various electronic platforms for tourist guides to access.	Pamphlets outlining the registration processes and requirements including information on how to lodge complaints and appeals were distributed to provinces and various stakeholders. The pamphlets were also available electronically on the departmental website.
		Guidance to be provided to officials on how to respond to and prioritise appeals.	Guidance to be provided to officials on how to respond to and prioritise appeals. Official(s) to be made aware of the process for handling appeals including how to assess the appeals which can be resolved promptly and those which may require further investigations to be conducted.	A capacity building session was held during the quarter two (2). The Legal Services Unit provided Provincial Registrars with more information on how to respond to appeals. The information also assisted Provincial Registrars to manage complaints more effectively in order to minimise the number of appeals that are lodged with the National Registrar.



Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
		Documentation relevant to the procedures for lodging and processing appeals to be made available on the departmental website for easy access.	Documentation relevant to the procedures for lodging and processing appeals to be made available on the departmental website for easy access.	The appeals processes were clearly communicated to the various appellants.
		The contact details of the National Registrar and information related to appeals will be made available on various electronic platforms for tourist guides to access.	The contact details of the National Registrar and information related to appeals will be made available on various electronic platforms for tourist guides to access.	The contact details of the National Registrar were included in the pamphlets that were produced and is also available online through the departmental website.
		Redress	To ensure that procedures related to the handling of appeals includes aspects relating to redress. To ensure that such procedures prevent the further reoccurrence of incidents which may negatively affect the appellant.	There were no disputes lodged by the various appellants
2. National Tourism Information Gateways (NTIGs)	Public and Tourist	One National Information Gateway (NTIG) maintained (OR Tambo International Airport) One NTIG developed (King Shaka International Airport)	One National Information Gateway (NTIG) maintained (OR Tambo International Airport) One NTIG developed (King Shaka International Airport)	Visitor access to tourist information has stayed the same. The challenge with the connectivity and maintenance has been addressed with the stabilisation of the ADSL line by Telkom. However, maintenance still remains a challenge, as it proves expensive when done by an external service provider. The plan is for the touchscreen maintenance to be done by South African Tourism or by the Departmental IT in terms of content updates. The KSIA operates in the same manner as the ORTIA NTIG providing tourist information through travel guides, face-to-face interaction, and through the SAT website. However the utilisation of touchscreens is not yet in place, as stakeholder engagements focusing on new NTIGs operations models are still underway.

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
		Continuous updates of the information on the database will be done.	Continuous updates of the information on the database will be done. All the information disseminated would have been verified with sources for correctness and accuracy. Capacity-building for NTIG staff on national tourism products and key attractions.	The verification and the updating of tourist information that is disseminated at both ORTIA and KSIA NTIGs is quality assured by South African Tourism (SAT) and the provincial tourism authorities. The tourist information is accessed via the website: www.southafrica.net and via provincial tourism brochures. The information officers attended visitor services short course training that was rolled out by the University of Pretoria as part of capacity-building programmes for the officials. More capacity-building programmes will take place in collaboration with provincial stakeholders and SAT going forward.
		Visitor Satisfaction Survey Questionnaires will be utilised to collate and analyse visitors' satisfaction feedback. Follow-up will be made with visitors who would have voiced dissatisfaction with the levels of service provided. Assurance to address any dissatisfaction voiced by visitors will be provided.	Visitor Satisfaction Survey Questionnaires will be utilised to collate and analyse visitors' satisfaction feedback. Follow-up will be made with visitors who would have voiced dissatisfaction with the levels of service provided. Assurance to address any dissatisfaction voiced by visitors will be provided.	The Visitor Satisfaction Survey Questionnaire was developed in collaboration with the Departmental Research Unit as well as Gauteng Tourism Authority's Research Unit. The survey responses are collected every month-end and analysed for inclusion in the quarterly reports. The survey statistics indicate that the service that is provided at each of the two NTIGs (ORTIA and KSIA) is of good quality. The only negative feedback that the Department has received was related to the delays that international visitors experienced at immigration upon arrival. This challenge has led to some visitors missing connecting flights, tours, transfers etc. No dissatisfaction related to service delivery has been received to date. The complaints relating to delays experienced at immigration have been reported in the quarterly and annual reports respectively. These fall outside the NTIG functions. A new Sub-Directorate in the structure has been created to focus on the visitor complaints management. The unit will provide guidelines in terms of recourse going forward.



Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
		Access	Visitors will have access to the face to face interaction with the personnel working at the NTIGs from 06h00 to 22h00. From 22h00 to 06h00 the visitor will have access to the information through the touchscreen.	This service is ongoing. This function is ongoing.
		Service charter shared: Principles of Batho Pele (PBP).The PBP will be printed on the back of the A5 size visitor satisfaction survey questionnaire that will be readily available at all NTIG desks.	Service charter shared: Principles of Batho Pele (PBP).The PBP will be printed on the back of the A5 size visitor satisfaction survey questionnaire that will be readily available at all NTIG desks.	The Principles of Batho Pele have been printed on the overleaf of the visitor satisfaction survey questionnaire and all the visitors have access to it.
		Brochures / booklets, electronic display of information officers.	Brochures / booklets, electronic display of information officers.	The mode of information dissemination continues to be through: face-to-face, provincial travel guides, products/services brochures, via the Internet (www.southafrica.net / Google) and the touchscreen.
		Acknowledgement of receipt of complaints is done within 30 working hours.	Acknowledgement of receipt of complaints is done within 30 working hours. If the matter falls within our area of responsibility, the complainant is informed of the outcome within 30 working days. Information on procedures to lodge complaints will be made available via pamphlets at an NTIG Desk.	A new Sub-Directorate in the structure has been created to focus on the visitor complaints management.The unit will provide guidelines in terms of recourse going forward.This function was previously handled by the Department's Legal Services but will now be handled by a newly-established unit within the Tourism Visitor Services and Complaint Management – Directorate same as the NTIG projects.
		Improved access to information; Reduction in visitor dissatisfaction; Increase in visitor compliments.	Improved access to information; Reduction in visitor dissatisfaction; Increase in visitor compliments.	The new Complaints Management unit will provide new guidelines. So far, no dissatisfaction relating to visitor information provisioning has been received. Through the visitor satisfaction survey, the Department has received compliments for the visitor services provided with staff names also being mentioned for the excellent service provided.

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
3. Management of tourists' complaints	Tourists	Acknowledge receipt of a tourist complaint within 24 hours Refer tourist complaint to the relevant authority within 5 days of complete information	Acknowledge receipt of a tourist complaint within 24 hours Refer tourist complaint to the relevant authority within 5 days of complete information	The Tourism Complaints Officer received a total number of 59 tourists' complaints in 2016/17 financial year. All complaints were acknowledged within 24 hours. Of 59 complaints, 17 were successfully resolved; 15 referred to the relevant authority for resolution, 13 are still in progress, 9 complaints were withdrawn by the complainants, 3 were closed due to non-response from the complainant and 2 are non-jurisdiction. The Tourism Complaints Officer does not have a mandate in terms of the Tourism Act to resolve complaints. All complaints must be referred to a relevant authority for resolution. However, the Tourism Complaints Office facilitates amicable resolution to the complaint to assist the parties to resolve their complaints. The authorities only account to the complainants with regard to the progress of their complaints and not the Tourism Complaints Officer.
		Development of the regulations to give effect to the Tourism Act, 2014 in terms of management and handling of Tourists complaint.	Development of the regulations to give effect to the Tourism Act, 2014 in terms of management and handling of Tourists complaint.	A Regulation on the Manner and Procedure to lodge complaints was drafted and published for public comments. Currently, the received comments are been considered.
		Engagement with stakeholders and role players in the management of tourists complaints.	Engagement with stakeholders and role players in the management of tourists complaints.	The Department is a member of a broader Consumer Protection Forum that consists of the National Consumer Commission, all nine Consumer Protection Affairs Offices and other Regulators. The Forum has held four quarterly meetings in the 2016/17 financial year. The issue of the Regulation on the manner and procedure of lodging complaints was also discussed.
		Publish the email, telephone number and fax numbers and procedure for referral of Tourists complaints on the gazette.	Publish the email, telephone number and fax numbers and procedure for referral of Tourists complaints on the gazette.	The Tourism Complaints Officer was gazetted with all the relevant contact details for tourists to lodge their complaints



Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
		Weekly written feedback on the status of the complaints to the tourist	Weekly written feedback on the status of the complaints to the tourist.	Tourist complainants are given weekly feedback on the progress of their complaints. Feedback is also provided as and when information in relation to the complaint lodged is received.
		Development and publication of the regulations on the procedure for lodging complaints with the Tourism Complaints Officer.	Development and publication of the regulations on the procedure for lodging complaints with the Tourism Complaints Officer.	Regulations on the Manner and Procedure to lodge complaints were drafted and published for public comments. Currently, the comments received are been considered.
		Tourists are kept informed, on a weekly basis through telephone and letters, on the status of the complaint until it is resolved.	Tourists are kept informed, weekly through telephone and letters, on the status of the complaint until it is resolved.	Tourist complainants were given weekly feedback on the progress of their complaints. Feedback was also provided as and when information in relation to the complaint lodged was received.
		Provide feedback to the tourist on the outcome of the complaint within five (5) days of the final determination by the relevant authority.	Provide feedback to the tourist on the outcome of the complaint within five (5) days of the final determination by the relevant authority.	Once a complaint is referred, the relevant authority deals directly with the complainant, therefore there was no need for the Tourism Complaints Officer to report back to the complainant.
		Effective and efficient management of tourist complaints will increase the tourism industry/sector.	Effective and efficient management of tourist complaints will increase the tourism industry/sector.	By ensuring that tourist complaints were attended to, increased tourist confidence and therefore they would return to the country.

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

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation to take place at a formal and informal communication level.	Provision of information to beneficiaries and stakeholders in advance	- The contact details of the National Registrar were included in the pamphlets that were produced and are also available online through the departmental website - Two capacity building sessions were held with the Provincial Registrars

Service delivery information tools

Current/actual information tools	Desired information tools	Actual achievements
Rely on data submitted by provinces	A recording system and appeal procedures	Seven (7) appeals were lodged and dealt with.
Two national information gateways operational	Three national information gateways operational	Two national information gateways operational.
Complaints referred to relevant stakeholder	Refer within 5 days	15 complaints referred.

Complaints mechanism

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

2.3 Organisational environment

The Department has reviewed its strategy which necessitated the reconfiguration of the Department's organisational structure to identify and address the internal, organisational and cultural issues that limited its ability to effectively deliver on its mandate. The purpose was, amongst others, to give focused attention to how best the Department could deliver on its mandate to stimulate transformation of the tourism sector; contribute to the creation of inclusive economic growth and job creation. This was done in consideration of the changes in the tourism performance environment which required a shift in the strategy for the Department to remain relevant, and to give effect to the overarching government policy determinations. The overall aim was to strengthen the Department's capacity to contribute to our Medium-Term Strategic Framework commitments in line with specific National Development Plan goals and targets. These include increasing domestic and international tourist arrivals, boost the sector's contribution to job creation and gross domestic product, and guide sustainable growth into the future.

2.4 Key policy developments and legislative changes

In order to create an enabling legislative and regulatory environment for tourism development and growth, amendments to relevant policies or legislation are undertaken from time to time. In this regard, the Department has embarked upon a process of effecting amendments to the Tourism Act, and drafted the Tourism Amendment Bill for submission to Cabinet for approval of public consultation. The processing of the draft Amendment Bill to Cabinet was, however, halted. This was to allow that comprehensive review and/or amendments of the legislative framework planned for 2017/18 financial year to be done. However, all law reform related targets as per the 2016/17 Annual Performance Plan in relation to the Tourism Bill have been concluded, and will be incorporated into the overall Bill to be dealt with in 2017/18.



3. STRATEGIC OUTCOME-ORIENTED GOALS

Government outcomes	Strategic outcome-oriented goals	Five Year Target	Annual Target	Significant achievements
Outcome 4: Decent employment through inclusive economic growth.	Increase the tourism sector's contribution to inclusive economic growth.		One programme (facilitating implementation of the Blue Flag programme at 50 South African beaches).	One programme (facilitating the implementation of the Blue Flag programme at 50 South African beaches) was implemented.
			Implementation of destination enhancement / development projects at three strategic tourism attractions commenced: 1. Commencement of construction at Shangoni Gate tourism development in Kruger National Park. 2. Commencement of construction at Phalaborwa wild activity hub in Kruger National Park. 3. Commencement of construction of National Heritage Monument Park interpretation centre.	The following destination enhancement / development projects had commenced in three tourism attractions: 1. Construction at Shangoni Gate has not commenced. However, flood line studies by the Department of Water and Sanitation (DWS) have been completed. Final plans have been submitted and the service providers for construction have already been appointed. Environmental Impact Assessment (EIA) is completed and Basic Assessment Report (BAR) was submitted to the Department of Environmental Affairs (DEA). Public participation meeting on EIA / BAR was also held. 2. Construction at Phalaborwa wild activity hub has not commenced. However, final plans and costing have been completed and submitted. The service providers for construction have already been appointed. 3. Construction of National Heritage Monument Park interpretation centre has commenced.

Government outcomes	Strategic outcome-oriented goals	Five Year Target	Annual Target	Significant achievements
			Nine capacity-building programmes implemented for the tourism sector: 1. Three priority areas incentivised during the pilot phase: • Market access • Tourism grading • Energy-efficiency 2. Implement the chefs training programme (CTP) targeting 577 trainees. 3. 300 youth enrolled in the Sommelier training course. 4. 2 000 youth enrolled in the hospitality service training programme. 5. 500 learners enrolled in the food safety programme. 6. Domestic Tourism Growth Strategy reviewed. 7. CPD programme for tourist guides developed. 8. THRD Strategy developed. 9. Twenty black women trained at an institution of higher learning through a customised Executive Development Programme.	The following nine capacity-building programmes were implemented for the tourism sector: 1. Three priority areas were incentivised during the pilot phase: • Market access • Tourism grading • Energy-efficiency 2. Implemented the chefs training programme (CTP) targeting 577 trainees. 3. 300 youth learners recruited in Sommelier training course. Induction and placement to be conducted in May. 4. 2003 youth learners enrolled in the hospitality service training programme. Top up for additional youth learners was approved and were recruited in March 2017. 5. 450 learners recruited for food safety assurers programme. Induction and placement started in April 2017. The remainder of 50 learners will be recruited from Northern Cape in May 2017. 6. Domestic Tourism Growth Strategy was reviewed. 7. CPD programme for tourist guides developed. 8. THRD Strategy developed. 9. Nineteen black women were trained at an institution of higher learning through a customised Executive Development Programme. One candidate passed away during the course.
Outcome 7: Comprehensive rural development and food security for all		None	100 Tourism rural enterprises supported for development	100 enterprises supported for development.
			Local government tourism induction programme, with a focus on rural areas with tourism potential (eight municipalities).	Local government tourism induction programme, with a focus on rural areas with tourism potential was conducted in eight municipalities.



Government outcomes	Strategic outcome-oriented goals	Five Year Target	Annual Target	Significant achievements
			Local government tourism induction programme, with a focus on rural areas with tourism potential (eight municipalities)	Local government tourism induction programme, with a focus on rural areas with tourism potential (eight municipalities)
			Facilitation for the development of tourism interpretation signage in four (4) heritage sites: Victor Verster in Western Cape, Nelson Mandela capture site in KwaZulu-Natal; Freedom Park in Gauteng, Mandela statue at Union Buildings, Gauteng	Facilitation for the development of tourism interpretation signage in four (4) heritage sites (iconic national heritage sites) namely Victor Verster in Western Cape; Nelson Mandela capture site in KwaZulu-Natal; Freedom Park in Gauteng and Mandela statue at Union Buildings, Gauteng was completed.
Outcome II: Creating a better South Africa, and contributing to a better and safer Africa in a better world.		None	9 077 995 Number of international tourist arrivals (excluding transit) achieved	A total of 10 044 163 international tourist arrivals excluding transits were achieved during the period January to December 2016. The annual target has been exceeded by 10.6%.
			R 71.0 billion rand total foreign direct spend in 2016/17	A total of about R75.6 billion tourist foreign direct spend was achieved during the period January to December 2016. The annual target has been exceeded by 6%

4. PERFORMANCE INFORMATION BY PROGRAMME

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

Programme 1: Administration

Programme 2: Policy and Knowledge Services

Programme 3: International Tourism

Programme 4: Domestic Tourism

4.1 Programme 1: Administration - Chief Operations Officer

Purpose: To provide strategic governance and risk management, legal, corporate affairs, information technology, internal audit, financial management and strategic communications support services to the Department.

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

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

Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under-performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
Strategic Outcome Oriented Goal: Achieve good corporate and cooperative governance							
To ensure economic, efficient and effective use of departmental resources.	1. Number of strategic documents developed and implemented.	SP and APP for 2016/17 reviewed.	Review of the SP and APP for 2017/18.	SP and APP for 2017/18 were reviewed.	None	None	N/A
		Annual Performance Report for 2014/15 was developed, as well as four quarterly reports on the implementation of the SP and APP.	Annual Performance Report for 2016/17 as well as four quarterly reports on the implementation of the SP and APP developed.	Annual Performance Report for 2016/17 as well as four quarterly reports on the implementation of the SP and APP were developed.	None	None	N/A
		Four quarterly risk mitigation reports analysed and submitted to RMC.	Four quarterly risk mitigation reports analysed and submitted to RMC.	Four quarterly risk mitigation reports analysed and submitted to RMC.	None	None	N/A
	2. Number of public entity oversight reports prepared.	Four SAT oversight reports were prepared.	Four SAT oversight reports prepared.	Four SAT oversight reports were prepared.	None	None	N/A
	3.Vacancy rate.	Vacancy rate as at 31 March 2016 was at 5, 75%.	Vacancy rate not to exceed 8%.	Vacancy rate as at 31 March 2017 was at 6.6%.	None	None	N/A
	4. Percentage women representation in Senior Management Service (SMS), representation for people with disabilities and black representation.	49% women representation in SMS and 5% representation for people with disabilities maintained.	• Women representation in SMS not to fall below 50%. • People with disabilities representation not to fall below 3%. • Black representation not to fall below 91, 5%.	• Women representation in SMS was maintained at 50.7% as at 31 March 2017. • People with disabilities representation were maintained at 4.6% as at 31 March 2017 • Black representation was maintained at 95.2% as at 31 March 2017.	None	None	N/A



Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under-performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
	5. Development and percentage implementation of Workplace Skills Plan (WSP).	100% development of and implementation of WSP.	Development and 100% implementation of WSP	100% development and implementation of WSP	None	None	N/A
	6. Percentage compliance with prescripts on management of labour relations matters.	100% compliance in management and handling of grievances, misconduct, disputes and collective bargaining.	100% compliance in the management and handling of grievances, misconduct, disputes and collective bargaining	100% compliance in the management and handling of grievances, misconduct, disputes and collective bargaining.	None	None	N/A
	7. Implementation of Information Communication Technology Strategic Plan (ICTSP).	100% implementation of phase 1 of the ICTSP.	Implementation of phase 2 of the ICTSP.	Phase 2 of the ICTSP was implemented.	None	None	N/A
	8. Number of quarterly and annual financial statements compiled and submitted.	Three quarterly and one annual financial statements were submitted to NT and AGSA.	• Three quarterly interim financial statements compiled and submitted to National Treasury (NT). • One annual financial statement compiled and submitted to NT and AGSA.	• Three quarterly interim financial statements compiled and submitted to NT • One annual financial statement compiled and submitted to NT and AGSA.			
	9. Percentage implementation of the annual internal audit plan.	100% implementation of the annual internal audit plan.	100% implementation of the annual internal audit plan.	100% implementation of the annual internal audit plan	None	None	N/A
To enhance understanding and awareness of the value of tourism and its opportunities.	10. Department's FOSAD and Cabinet coordination and support system reviewed and implemented	Department's Cabinet and cluster coordination protocol reviewed and implemented.	Review and 100% implementation of Department's Cabinet and cluster coordination protocol up to 31 March 2017	Department's Cabinet and cluster coordination protocol was reviewed and 100% implemented up to 31 March 2017.			

Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under-performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
	11. Percentage implementation of the Communication Strategy (media engagement, branding, events management, internal and intergovernmental communications and community engagements/ izimbizo).	100% implementation of the Department's Communication Strategy.	100% implementation of the Department's Communication Strategy	100% implementation of the Department's Communication Strategy.	None	None	N/A
To create an enabling legislative and regulatory environment for tourism development and growth.	12. Percentage of tourist complaints referred to appropriate authorities for resolution within agreed timeframes	100% of tourist complaints referred to appropriate authorities for resolution within agreed timeframes.	100% of tourist complaints referred to appropriate authorities for resolution within the agreed timeframes	100% of tourist complaints referred to appropriate authorities for resolution within the agreed timeframes.	None	None	N/A
	13. Amendments to the Tourism Act drafted	N/A	Draft Tourism Amendment Bill submitted for approval.	Draft Tourism Amendment Bill was submitted for approval.	Approval was granted that processing of the Draft Amendment Bill to Cabinet be halted to accommodate comprehensive review and/or amendments of the legislative framework for 2017/18	The processing of the Draft Amendment Bill to Cabinet was halted to accommodate comprehensive review and/or amendments of the legislative framework planned for 2017/18.	Review and/or amendments of the legislative framework will be undertaken in 2017/18 financial year; and will incorporate all Law reform related targets as per 2016/17 APP in relation to the Tourism Bill.
	14. Number of tourism regulations developed	N/A	Procedure for the lodging of tourist complaints developed.	Procedure for the lodging of tourist complaints developed.			



Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under-performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
To contribute to economic transformation of South Africa	15. Percentage procurement from B-BBEE compliant businesses	100% of expenditure achieved on procurement from enterprises on B-BBEE contributor status levels 1 to 8 achieved.	100% procurement from B-BBEE compliant businesses.	100% procurement from B-BBEE compliant businesses.	None	None	N/A

Narrative of Highlights

In maintaining the highest standards of governance, the Department has, among other things, a sound performance management system to ensure effective, efficient, economic and equitable service delivery. The system provides the mechanism to assess the Department's operating environment, and thereby select the best strategic choices to deliver on its mandate, and measure the extent to which it is achieving its objectives and targets. The Department has a well-functioning enterprise-wide risk management system, which ensures that all decisions and processes of the Department are in line with the principles of risk management and good governance, and that these occur in a manner consistent with the overall objective of reducing risk as far as this is reasonably practicable.

Changes to planned targets

None.

Sub-programme expenditure

Sub- programme name	2016/17			2015/16		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	27 380	26 823	557	27 894	26 028	1 866
Management	18 744	17 129	1 615	15 867	15 384	483
Corporate Affairs	153 185	146 172	7 013	146 340	146 122	218
Office Accommodation	36 955	36 955	-	37 277	37 277	-
Total	236 264	227 079	9 185	227 378	224 811	2 567

4.2 Programme 2: Policy and Knowledge Services

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

Sub-Programmes: Policy Development and Evaluation; Research and Knowledge Management; South African Tourism; Tourism Incentive Programme.

Strategic Objectives: To enhance understanding and awareness of the value of tourism and its opportunities; To create an enabling legislative and regulatory environment for tourism development and growth; To accelerate the transformation of the tourism sector; To facilitate tourism capacity-building programmes; To diversify and enhance tourism offerings; To provide knowledge services to inform policy, planning and decision-making.

Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
Strategic Outcome Oriented Goal: Achieve good corporate and cooperative governance.							
To enhance understanding and awareness of the value of tourism and its opportunities.	I. Number of platforms facilitated to improve tourism-sector stakeholder engagement and NTSS implementation.	Two National Tourism Stakeholder Forum meetings hosted.	Annual National Tourism Stakeholder Forum hosted.	Two National Tourism Stakeholder Forums hosted.	An additional stakeholder engagement platform was created.	There was a need to follow-up and provide feedback on pertinent issues raised at the previous meeting as well as to reflect on the Department, South African Tourism and private sector plans for the next financial year to ensure alignment and collaboration in areas of common interest.	N/A



Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
To create an enabling legislative and regulatory environment for tourism development and growth.	2. Number of policy documents developed on the implementation of the Tourism Act, 2014 (Act 3 of 2014)	N/A	Regulations on National Tourism Information and Monitoring System (NTIMS) developed.	Regulations on National Tourism Information and Monitoring System (NTIMS) were developed.	None	None	N/A
Strategic outcome-oriented goal: Increase the tourism sector's contribution to inclusive economic growth.							
To accelerate the transformation of the tourism sector:	3. Number of initiatives supported to promote B-BBEE implementation.	N/A	Secretarial support provided to the Tourism B-BBEE Charter Council	Secretarial support provided to the Tourism B-BBEE Charter Council.	None	None	N/A
		N/A	Study conducted to establish a baseline for the amended tourism B-BBEE sector code targets	Study conducted to establish a baseline for the amended tourism B-BBEE sector code targets was not finalised.	The Preliminary study report was developed	Finalisation of the study was delayed to allow for more time to go through the research methodology, cleaning of the database and questionnaire design to ensure credibility of the research product.	Data collection has been scheduled for April and May 2017. The final report is due in June 2017.

Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
		N/A	Additional functionalities developed for the tourism B-BBEE portal for Black-owned enterprises, to accelerate SMMEs' empowerment in the tourism sector (to facilitate matchmaking and monitor compliance with the Amended Tourism B-BBEE Sector code).	Additional functionalities for the tourism B-BBEE portal were developed for black-owned enterprises, to accelerate SMMEs' empowerment in the tourism sector (to facilitate matchmaking and monitor compliance with the amended tourism B-BBEE sector code).	None	None	N/A
To facilitate tourism capacity-building programmes.	4. Number of initiatives to support growth of the tourist-guiding sector	Programme to capacitate tourist guides implemented at two World Heritage Sites, namely: • Robben Island Museum; and • Vredefort Dome.	Three tourist-guide skills development programmes developed and implemented:				
			1. Programmes to capacitate tourist guides at two WHSs, namely iSimangaliso Wetlands Park and Cradle of Humankind implemented.	1. Programmes to capacitate tourist guides at two WHSs, namely iSimangaliso Wetlands Park and Cradle of Humankind, implemented.	None	None	N/A
			2. Tourist-guide training programme for new entrants implemented.	2. Tourist-guide training programme for new entrants implemented.	None	None	N/A
			3. CPD programme for tourist guides developed	3. CPD programme for tourist guides developed.	None	None	N/A



Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
To diversify and enhance tourism offerings.	5. Number of tourism attractions supported to enhance destination competitiveness.	Destination development plans for two identified priority sites done: - Robben Island Museum. - Walter Sisulu Botanical Garden.	Implementation of destination enhancement / development projects at three strategic tourism attractions commenced:				
			I. Commencement of construction at Shangoni Gate tourism development in Kruger National Park.	Construction at Shangoni Gate has not commenced. However, flood line studies by the Department of Water and Sanitation (DWS) were completed. Final plans have been submitted and the service providers for construction have already been appointed. Environmental Impact Assessment (EIA) is completed and Basic Assessment Report (BAR) was submitted to the Department of Environmental Affairs (DEA). Public participation meeting on EIA / BAR was also held.	Construction at Shangoni Gate has not commenced.	SANParks was not able to commence with any construction on the project due to the fact that there was no Record of Decision on the Environmental Impact Assessment.	The Department of Environmental Affairs review process is under way and the Record of Decision is expected early in the 2017/18 financial year, after which SANParks will be in a position to commence with construction on the project.

Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
			2. Commencement of construction at Phalaborwa wild activity hub in Kruger National Park	Construction at Phalaborwa wild activity hub has not commenced. However, final plans and costing have been completed and submitted. The service providers for construction have already been appointed.	Construction at Phalaborwa wild activity hub has not commenced.	SANParks was not able to commence with any construction on the project due to the fact that there was no ROD issued on the Environmental Impact Assessment.	The Department of Environmental Affairs review process is under way and the Record of Decision is expected early in the 2017/18 financial year, after which SANParks will be in a position to commence with construction on the project.
			3. Commencement of construction of National Heritage Monument Park Interpretation Centre.	3. Commencement of construction of National Heritage Monument Park interpretation centre.	None	None	N/A
			Draft Product Development Master Plan developed.	Draft Product Development Master Plan was developed.	None	None	N/A



Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
	6. Number of priority areas incentivised to facilitate sustainable tourism growth and development.	Three priority areas supported during the pilot phase: • Market access. • Tourism grading. • Energy-efficiency.	Refined programmes (based on outcomes of the pilot phase) for the three priority areas incentivised: • Market access. • Tourism grading. • Energy-efficiency.	Three priority areas were incentivised during the pilot phase: • Market access • Tourism grading • Energy-efficiency	None	None	N/A
		Pilot UA on-site assessment at two government-owned provincial parks done.	UA incentives guidelines developed	Universal access (UA) incentives guidelines developed.	None	None	N/A
To provide knowledge services to inform policy, planning and decision-making.	7. Number of monitoring and evaluation reports on tourism projects and initiatives	2014/15 STR developed.	2015 STR developed.	2014/15 STR developed.	None	None	N/A

Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
	8. Number of information systems, services and frameworks developed, implemented and maintained		Two mobile applications:				
		Five-year plan for TKP development enhancements completed.	1. Mobile application for tourist guides developed.	1. Mobile application (Mobile app) for tourist guides was developed.	None	None	N/A
		Five-year plan for TKP development enhancements completed.	2. Mobile application for VICs developed.	2. Mobile application for VICs developed.	None	None	N/A
		- One NTIG maintained (ORTIA). - One NTIG developed King Shaka International Airport (KSIA).	- Two NTIGs maintained at KSIA and ORTIA. - One NTIG enhanced at ORTIA.	- Two NTIGs maintained at KSIA and ORTIA. - One NTIG enhanced at ORTIA.	None	None	N/A

Narrative of Highlights

The **2015/16 STR** was developed detailing the annual performance of the tourism industry in South Africa and globally, focusing on tourism key sub-sectors. Global tourism performance includes, amongst others, the analysis of global tourist arrivals, economic impact of tourism globally and global aircraft and passenger movement. The South African performance focusses on, amongst others, tourist arrivals, spending, length of stay, geographical spread, contribution of tourism to the South African economy (employment and Gross Domestic Product) and the performance of domestic tourism.

The Department has developed the **Tourism B-BBEE portal** for black-owned enterprises, to accelerate SMMEs' empowerment in the tourism sector (to facilitate matchmaking and monitor compliance with the amended Tourism B-BBEE Sector Code). The portal includes functionalities such as self-assessment tool to encourage compliance and the development of the procurement pledge functionality to enhance market access for SMMEs.

The Department continues to grow its information infrastructure through many initiatives aimed at improving **knowledge management** for the sector. In view of the above the Department has developed two mobile applications for Tourist Guides and Visitor Information Centres (available at Google Play Store and Apple App Store) to enhance visitor experience as part of supporting tourism growth and development in South Africa. This is in line with theme two of the National Tourism Sector Strategy as well as the Knowledge Management Framework, National Tourism Information Gateways Framework and National Visitor Information Centres Framework. In the main the project was aimed at providing adequate knowledge services to inform tourism sector's policy, planning and decision making.

Changes to planned targets

None.



Sub-programme expenditure

Sub- programme name	2016/17			2015/16		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Policy and Knowledge Services Management	4 110	4 110	-	4 787	2 668	2 119
Policy Development and Evaluation	22 873	21 563	1 310	22 323	21 030	1 293
Research and Knowledge Management	32 219	31 231	988	29 586	28 098	1 488
South African Tourism	1 024 847	1 024 847	-	977 712	977 712	-
Tourism Incentive Programme	186 110	133 187	52 923	171 291	166 017	5 274
Total	1 270 159	1 214 938	55 221	1 205 699	1 195 525	10 174

4.3 Programme 3: International Tourism Management

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

Sub-Programmes: Americas and Western Europe; Africa & Middle East; Asia & Australasia and Eastern Europe.

Strategic Objectives: To facilitate tourism capacity-building programmes; To diversify and enhance tourism offerings; Reduce barriers to tourism growth to enhance tourism competitiveness; To enhance regional tourism integration.

Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
Strategic outcome-oriented goal: Increase the tourism sector’s contribution to inclusive economic growth.							
To facilitate tourism capacity-building programmes.	I. Number of skills development opportunities facilitated through bilateral cooperation	Five tourism skills development opportunities facilitated:					
		N/A	I. Cross-border guiding module finalised and consulted on with relevant stakeholders.	Cross-border guiding module was finalised and consulted on with relevant stakeholders.	None	None	N/A

Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
		N/A	2. Recruitment of tourist guides and frontline staff for language training: • Foreign languages (Russian, Mandarin).	2. Recruitment of tourist guides and frontline staff for language training was done: • Foreign languages (Russian, Mandarin).	None	None	N/A
		Preparations for one tourism skills development opportunity (Chefs trainers' skilling workshop) were done.	3. International placement of 12 learner chefs facilitated.	3. International placement of 20 learner chefs was facilitated.	Eight (8) more learner chefs were placed.	The original agreement was to place 12 learner Chefs in the Seychelles as part of the implementation of the Memorandum of Understanding on Tourism signed between South Africa and Seychelles. Further engagements with the Seychelles Tourism Academy concluded that there was enough capacity to accommodate an additional 8 learner Chefs for placement in the Seychelles.	N/A
		N/A	4. Benchmarking of tourism capacity-building programme for provinces and municipalities.	4. Benchmarking of tourism capacity-building programme for provinces and municipalities was done.	None	None	N/A
		N/A	5. Capacity-building for effective participation in market access programme.	5. Capacity-building for effective participation in market access programme was done.	None	None	N/A
To diversify and enhance tourism offerings	2. Number of programmes implemented to enhance tourism offerings.	N/A	Draft Tourism Investment Master Plan developed	Draft Tourism Investment Master Plan developed.	None	None	N/A



Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
Reduce barriers to tourism growth to enhance tourism competitiveness.	3. Implementation of the Accreditation of travel companies (ATC) programme for visa facilitation.	N/A	Accreditation of travel companies (ATC) for visa facilitation.	Accreditation of travel companies (ATC) for visa facilitation was not finalised.	Approval was granted for discontinuation of the target as a result of the challenges experienced in relation to the unattainable deliverables.	The Inter-Ministerial Committee recommendation endorsed by Cabinet was to look at introducing an Accredited Tourism Company (ATC) programme for China, India and Russia, with possible extension to other visa requiring countries. The ATC programme was successfully implemented in China. The visa waiver announced for Russia and the situation on the ground with regard to the application process for visas in India overtook the need for an ATC programme in Russia and India. Further work was also done on the possible extension of ATC programme into Africa.	Implementation of ATC Programme will be done on an ad hoc basis.
To enhance regional tourism integration.	4. Number of initiatives facilitated for regional integration.	Ministerial session at the 2015 Tourism Indaba hosted.	Ministerial session at the 2016 Tourism Indaba hosted.	Ministerial session at the 2016 Tourism Indaba hosted.	None	None	N/A

Narrative of Highlights

A Ministerial session was conducted during the 2016 Tourism Indaba. The objective was to provide a platform for key tourism industry players and politicians, whose mandate is to grow and develop tourism on the continent, to deliberate on emerging tourism trends, opportunities and challenges facing the African tourism sector.

Changes to planned targets

Two changes were effected in Programme 3: International Tourism Management. The first was under Programme Performance Indicator 1 - Number of Skills Development Opportunities Facilitated through

Bilateral Cooperation. This relates specifically to the annual target Recruitment of Tourist Guides and Frontline Staff Language Training – Foreign Languages (Russian; Mandarin), and the following quarter 3 and quarter 4 milestones, for which approval was granted:

In relation to the following quarter three milestones:

- Phase 2 of language training in Russian for tourist guides Implemented (immersion phase of the training programme in Russia).
- Stakeholder consultations on the project plan conducted (provincial tourist-guide registrars, Chinese embassy, DIRCO Foreign Language Unit, FEDHASA, etc.).

The Department took a strategic decision to focus on the implementation of Phase 1 of the Russian language training only in quarter three, while prioritising the fast-tracking of the implementation of the Mandarin training programme. Implementation of Phase 2 of language training in Russian for tourist guides (quarter three milestone) was then deferred to the fourth quarter.

In relation to the following quarter four milestones:

- Training programmes and assessment report finalised for language training in Russian for Tourist guides.
- Appointment of Mandarin facilitator / trainer for tourist guides and frontline staff
- Recruitment and selection of candidates for language training in Mandarin.

The Department took a strategic decision not to proceed with this quarter three milestone as it was in the 2016-17 APP. The new, recommended and approved quarterly milestone was Finalisation of project plan for phase 2 of programme. Approval was also granted that these quarter four milestones be changed to Implementation of Phase 2 of the training for the best performing candidates subject to budget availability.

The second change related to the Performance Indicator: Implementation of the Accreditation of travel companies (ATC) programme for visa facilitation, under the target Accreditation of travel companies (ATC) for visa facilitation. Approval was granted for discontinuation of the target as a result of the challenges experienced in relation to the unattainable deliverables.

Sub-programme expenditure

Sub- programme name	2016/17			2015/16		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
International Tourism Management	5 012	4 419	593	4 097	4 097	-
Americas and Western Europe	17 995	17 535	460	17 039	16 830	209
Africa and Middle East	17 213	17 155	58	15 940	15 824	116
Asia, Australasia and Eastern Europe	15 966	15 676	290	13 424	13 177	247
Total	56 186	54 785	1 401	50 500	49 928	572

4.4 Programme 4: Domestic Tourism Management

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

Sub-Programmes: Domestic Tourism Management; Southern Region; Northern Region; Social Responsibility Implementation, Strategic Partners in Tourism.

Strategic Objectives: To create an enabling legislative and regulatory environment for tourism development and growth; To accelerate the transformation of the tourism sector; To facilitate the development and growth of tourism enterprises to contribute to inclusive economic growth and job creation; To facilitate tourism capacity-building programmes; To diversify and enhance tourism offerings; To create employment opportunities by implementing tourism projects.



Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
Strategic outcome-oriented goal: Achieve good corporate and cooperative governance.							
To create an enabling legislative and regulatory environment for tourism development and growth.	1. Domestic Tourism Growth Strategy reviewed	N/A	Domestic Tourism Growth Strategy reviewed	Domestic Tourism Growth Strategy was reviewed.	None	None	N/A
Strategic outcome-oriented goal: Increase the tourism sector's contribution to inclusive economic growth.							
To accelerate the transformation of the tourism sector	2. Number of social tourism initiatives activated to promote open access to selected government-owned attractions.	N/A	Four social tourism initiatives facilitated that promote open access to selected government owned attractions.	Four social tourism initiatives facilitated that promote open access to selected government-owned attractions.	None	None	N/A
To facilitate the development and growth of tourism enterprises to contribute to inclusive economic growth and job creation.	3. Implementation of the enterprise development programme.	101 rural enterprises supported for development.	100 rural enterprises supported for development.	100 rural enterprises supported for development.	None	None	N/A
		N/A	Implementation of an enterprise development programme focusing on: - incubation; and - business support services (portal).	Implementation of an enterprise development programme focusing on: - incubation; and - business support services (portal).	None	None	N/A

Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
To facilitate tourism capacity-building programmes	4. Number of capacity-building programmes implemented	Eight capacity-building programmes:					
		N/A	Implement the chefs training programme (CTP) targeting 577 trainees.	Implemented the chefs training programme (CTP) targeting 577 trainees.	None	None	N/A
		N/A	300 youth enrolled in the sommelier training course.	300 youth learners recruited in Sommelier training course. Induction and placement to be conducted in May.	Induction and placement were not done.	It has been difficult to get host employers for learners in Northern Cape Province.	Induction and placement will be conducted in May 2017.
		N/A	2 000 youth enrolled in the hospitality service training programme.	2 003 youth enrolled in the hospitality service training programme.	Additional three learners.	Top up for additional learners was approved and learners were recruited in March 2017.	None
		Three hundred Food Safety Assurer candidates were recruited, but not placed.	500 learners enrolled in the Food Safety Programme.	450 learners recruited for Food Safety Assurers programme. Induction and placement started in April 2017.	50 learners.	It has been difficult to get host employers for 50 learners in Northern Cape Province.	50 learners will be recruited from Northern Cape in May 2017.



Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
		Local government tourism induction programme, with a focus on rural areas with tourism potential (six district municipalities) conducted.	Local government tourism induction programme, with a focus on rural areas with tourism potential (eight district municipalities)	Local government tourism induction programme, with a focus on rural areas with tourism potential (eight municipalities) conducted.	None	None	N/A
		Draft report on the skills audit developed.	Phase 2: THRD Strategy developed.	THRD Strategy developed.	None	None	N/A
		NTCE convened.	NTCE convened.	NTCE convened.	None	None	N/A
		N/A	Twenty (20) Black women trained at an institution of higher learning through a customised executive development programme.	19 Black women were trained at institution of higher learning through a customised executive development programme.	One candidate passed away during the course.	19 Black women currently being trained at institution of higher learning through a customised executive development programme.	The Programme is scheduled for completion July 2017.

Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
To diversify and enhance tourism offerings	5. Number of programmes implemented to enhance tourism offerings	Implementation of service excellence standards for two tourism products (Manyane Game Reserve and Robben Island) done.	Implementation of service excellence integrated support programme (SANS 1197) for three tourism products (Manyane Game Reserve, Robben Island and Golden Gate Highlands National Park)	Implementation of service excellence integrated support programme (SANS 1197) for three tourism products (Manyane Game Reserve, Robben Island and Skukuza Camp in the Kruger National Park) were done.	Golden Gate Highlands National Park was replaced by Skukuza Camp as requested by SANparks.	Golden Gate Highlands National Park was replaced by Skukuza Camp due to administrative issues which needed to be cleared off before the intervention can be done.	N/A
		Funding provided for the development of tourism interpretation signage at two WHS: - Cradle of Humankind. - iSimangaliso Wetland Park.	Facilitate the development of tourism interpretation signage at four heritage sites (iconic national heritage sites – Victor Verster in Western Cape; Nelson Mandela capture site in KwaZulu-Natal; Freedom Park in Gauteng; Mandela statue at Union Buildings, Gauteng).	Development of tourism interpretation signage in four (4) heritage sites (iconic national heritage sites – Victor Verster in Western Cape; Nelson Mandela capture site in KwaZulu-Natal; Freedom Park in Gauteng; Mandela statue at Union Buildings, Gauteng) was facilitated.	None	None	N/A



Strategic Objective	Performance Indicator	Actual Achievement 2015/2016	Actual Performance against Target		Deviation from planned target to Actual Achievement	Comment on deviations	Strategy to overcome under performance
			Planned Target 2016/2017	Actual Achievement 2016/2017			
To diversify and enhance tourism offerings	6. Number of programmes implemented to grow tourism's contribution to the ocean economy.	N/A	One programme (facilitating the implementation of the Blue Flag programme at 50 South African beaches).	One programme (facilitating the implementation of the Blue Flag programme at 50 South African beaches) was done	None	None	N/A
		N/A	First draft Tourism Infrastructure Master Plan Developed.	First draft on tourism Infrastructure Master Plan developed.	None	None	N/A
To create employment opportunities by implementing tourism projects.	7. Number of full-time equivalent (FTE) jobs created through the SRI Programme per year.	3 059	3 488	1 734	1 754	Labour intensive projects commenced in the third quarter hence the steady increase on the FTEs in both third and fourth quarter.	The Department appointed Government Technical Advisory Centre (GTAC) to assist in the evaluation of remaining SRI projects (planned and active) to ensure their viability.

Narrative of Highlights

The Department implements the Executive Development Programme (EDP) for Women In Tourism (EDP) through the University of South Africa (UNISA). Twenty (20) women from different sub-sectors of tourism were selected and participated in a 12 month programme offered by UNISA's School of Business Leadership. The aim of the programme is to equip the selected women with the necessary management skills so that they are well positioned to ascend to executive positions in a quest to facilitate the transformation of the tourism sector. The programme will be completed in June 2017.

The local government induction programme was successfully implemented in 9 District Municipalities. During the period under review, a total of 734 delegates attended the workshops that were conducted in the 8 Districts. A total of 376 delegates from 734 delegates were youth. The Department, together with Mpumalanga Province and Nkomazi Municipality collaborated in the establishment of the Nkomazi Local Tourism Organisation.

Changes to planned targets

None

Sub-programme expenditure

Sub- programme name	2016/17			2015/16		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Domestic Tourism Management	13 675	13 375	300	11 437	11 432	5
Domestic Tourism Management: Southern Region	15 314	15 132	182	14 816	14 566	250
Domestic Tourism Management: Northern Region	16 155	16 152	3	18 622	18 619	3
Social Responsibility Implementation	389 562	365 984	23 578	252 226	249 013	3 213
Strategic Partners in Tourism / Small, medium and micro enterprises development	12 201	12 201	-	13 500	13 500	-
Total	446 907	422 844	24 063	310 601	307 130	3 471

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities: South African Tourism Board Legislative Mandate of South African Tourism Board

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

Functions of the South African Tourism Board:

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



Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity (R'000)	Achievements of the public entity (Subject to the audit of SAT)
South African Tourism	- Market South Africa as a tourist destination internationally and domestically. - Market South Africa as a tourism brand. - Provide quality assurance for tourism products. - Market South Africa as a meetings destination and provide support for bids.	1 024 847	1 024 847	- Number of international tourist arrivals achieved: 10 044 163 (Jan-Dec 2016). - Number of domestic holiday trips achieved: 2 600 000 (Jan – Dec 2016). - Total tourism revenue achieved (TTFDS+TDDS): R102 billion rand (Jan-Dec 2015). - Percentage of brand positivity achieved: 38%. - Number of graded accommodations establishments: 5 354 - Number of business events hosted in South Africa: 125 - Number of business delegates hosted in South Africa: 73 866

5.2. Transfer payments to all organisations other than public entity

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

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

The table below reflects the transfer payments made for the period 1 April 2016 to 31 March 2017

Name of transferee	Type of organisation	Purpose for which the funds were used	Compliance with s 38 (1) (j) of the PFMA?	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for unspent funds
Foreign governments and international organisations						
United Nations World Tourism Organisation (UNWTO)	Foreign governments and international organisations	Membership fee	Not applicable	2 839	2 839	Not applicable
Regional Tourism Organisation of Southern Africa (RETOSA)	Foreign governments and international organisations	Membership fee	Not applicable	3 529	3 529	Not applicable

Name of transferee	Type of organisation	Purpose for which the funds were used	Compliance with s 38 (l) (j) of the PFMA?	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for unspent funds
Higher education institutions						
University of Pretoria	Higher education institutions	National Tourism Research Framework	Yes	1 605	-	Funds to be spent in 2017 academic year.
University of Venda	Higher education institutions	National Tourism Research Framework	Yes	802	-	Funds to be spent in 2017 academic year.
University of Kwazulu-Natal	Higher education institutions	National Tourism Research Framework	Yes	802	-	Funds to be spent in 2017 academic year.
Cape Peninsula University of Technology	Higher education institutions	National Tourism Research Framework	Yes	802	-	Funds to be spent in 2017 academic year.
Households						
Expanded Public Works Programme (EPWP)	Households	Development of tourism infrastructure projects	Yes	42 556	42 556	Not applicable
Leave gratuity	Households	Employee social benefits	Not applicable	433	433	Not applicable
Bursaries (Non Employees)	Households	Training	Not applicable	780	780	Not applicable
Departmental agencies and accounts						
Free State Tourism Authority	Non-business entities	NTCE	Yes	4 392	4 392	Not applicable
Culture Art Tourism Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	Non-business entities	Training contribution	Yes	185	-	Funds to be spent in 2017 academic year.
SA Tourism (TIP Market Access)	Departmental agency	Market access support	Yes	10 588	1 486	Remaining funds are to be spent in 2017/18 financial year
Non-profit institutions						
Federated Hospitality Association of South Africa (Fedhasa)	Non-profit institutions	Contribution to operations of Fedhasa	Yes	200	200	Not applicable
Public corporations and private enterprises						
N12 Treasure Route	Private enterprises	Contribution to operations	Yes	600	497	Remaining funds are to be spent in 2017/18 financial year
Tourism Incentive Programme						
- National Heritage Project	Non-profit institutions	Destination Development	Yes	8 000	4 313	Remaining funds are to be spent in 2017/18 financial year
- Tourism Grading Support	Private enterprise	Tourism grading support	Yes	552	552	Not applicable



Name of transferee	Type of organisation	Purpose for which the funds were used	Compliance with s 38 (l) (j) of the PFMA?	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for unspent funds
-Market Access Support	Private enterprise	Market access support	Yes	6 206	6 206	Not applicable
-Steve Biko Foundation Trust	Private enterprise	Destination Development	Yes	15 027	4 217	Remaining funds are to be spent in 2017/18 financial year
-South African National Parks	Private enterprise	Destination Development	Yes	40 085	-	Phased approach being used by beneficiary to ensure self-sustainability.
-Nahakwe Lodge (PTY) LTD	Private enterprise	Destination Development	Yes	4 842	4 842	Not applicable

6. DONOR FUNDS

6.1 Donor funds received

The table below discloses details of donor funds received during the period 1 April 2016 to 31 March 2017.

Name of donor	European Union
Full amount of the funding (R'000)	R120 000
Period of commitment	Three years
Purpose of the funding	Construction of an interpretive centre featuring dinosaur relics found in the park. The centre will also be a tourist destination.
Expected outputs	Golden Gate Highlands National Parks interpretive centre
Actual outputs achieved	Phase I: Preparation of the business plan; concept design development
Amount received in current period.(R'000)	-
Amount spent by the Department (R'000)	-
Reasons for unspent funds	None
Monitoring mechanism by the donor	Reporting structure via National Treasury.





PART C: GOVERNANCE

1. INTRODUCTION

Effective corporate governance remains an integral part of the Department's strategic and operational activities. Furthermore, risk management is critical to the Department's ability to fulfill its mandate, meet the service delivery expectations of the public and our stakeholders, and live up to its own performance expectations. The Department has continued to institutionalise mechanisms and build the capacity which is necessary to promote good governance in conducting its business.

These efforts include promoting good ethical conduct necessary to combat and prevent fraud and corruption, implementing risk management strategies, promoting occupational health and safety measures, proper delegation of authority, proper management of information, communication, technology and other mechanisms required to entrench good governance.

2. RISK MANAGEMENT

Effective Risk Management is key to the achievement of strategic objectives for the Department. The Department therefore recognises risk management as a valuable management tool which increases its prospects of success through minimising the negative impact and optimising the opportunities emanating from its operating environment. The Department understands that risk management enables it to ensure that potential challenges are managed effectively. Risk management processes in the Department have added value through systematic identification, assessment, prioritisation and evaluation of key risks. The risk management strategy remains in synergy with the Department's goals and objectives.

Our risk management process is also designed to complement effective strategic and operational planning. It assists in ensuring that management and staff members understand and commit to the strategic focus areas defined in the Department's Strategic Plan. This includes an understanding of the key performance indicators (KPIs) against which the Department's performance is measured.

The Department has developed a risk management framework, which includes policies, strategies and implementation plans. The risk management processes are aimed at:

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

The Department has a fully functioning Risk Management Committee (RMC) to assist the Accounting Officer in discharging his duties and responsibilities, which ties together all risk-related governance matters. This Committee functions and discharges its mandate adequately in terms of its Charter and the management framework (strategies and plans). The RMC has further discharged its governance responsibilities relating to risk management as mandated by the PFMA, the Public Sector Risk Management Framework and the National Treasury Regulations. The Committee has held three ordinary scheduled meetings during the period under review, the details of which are indicated in the table below.



The Audit Committee also reviews the risk management reports at its regular quarterly meetings to determine the effectiveness of the Department's risk management activities.

Details of RMC meetings held:

Names of Members	Designation	20 May 2016	17 November 2016	16 March 2017
1. Ms Thabile Nyaba	External Chairperson	P	P	P
2. Ms Aneme Malan	Member	A	P	A
3. Ms Morongoe Ramphela	Member	A	P	A
4. Mr Ralph Ackermann	Member	A	P	P
5. Mr Albert Mafanele	Member	A	P	A
6. Ms Lulama Duma	Member	N/A	N/A	P
7. Ms Chettiar Shamilla	Member	A	P	P
8. Ms Mmaditlonki Setwaba	Member	P	P	P
9. Ms Lerato Matlakala	Member	A	P	P
10. Ms Thoko Sibiba	Member – Observer	R	P	P
11. Mr Trevor Bloem	Member	P	P	P
12. Ms Nomzamo Bhengu	Chief Risk Officer / Secretariat	P	P	P
13. Mr Zipho Mguli	Secretariat	P	P	P

Legend:

P	Present
A	Apology
R	Represented
N/A	Was not a member yet

3. FRAUD AND CORRUPTION

The Department has an approved Fraud Prevention Policy and Plan that provides mechanisms for the implementation of fraud prevention. A fraud risk assessment was conducted. Education and awareness programmes were also conducted to encourage whistle-blowing.

The National Anti-Corruption hotline number was also communicated to staff members in order to ensure that they know how and where to report suspected fraud and corruption cases anonymously. In implementing its Anti-Fraud and Corruption Strategy as well as its Whistle Blowing Policy, the Department has published the fraud and corruption reporting hotline number on its website. It has also disseminated information on fraud and corruption prevention, detection and reporting, as well as the Whistle Blowing Policy, to staff.

The Department has committed itself to actively combating and showing zero tolerance for fraud and all other acts of dishonesty, whether from internal or external sources. Any detected fraudulent or corrupt activities are investigated and, where required, reported to the law enforcement agencies in accordance with our Anti-Fraud and Corruption Strategy. Furthermore, cases reported to the Public Service Commission National Anti-Corruption Hotline are referred to the office of the Director-General, who then appoints an investigation officer to investigate the allegations of fraud or corruption. Where fraud or corruption is detected or suspected, disciplinary proceedings, prosecution or actions aimed at the recovery of losses are initiated.

4. MINIMISING CONFLICT OF INTEREST

The Department has instituted measures to address conflicts of interest. SMS members are required to disclose their financial interests every year. This was conducted through an on-line process. In this regard, 100% compliance was reported during the period under review. To enhance the system of managing conflicts of interest, a database was developed to assist with the analysis of information in order to identify any conflict of interest.

With reference to the management of tenders, the relevant committee members are required to read, complete and sign declarations of interest. They are further required to pledge confidentiality and impartiality prior to the commencement of meetings. By signing the forms, members agree to act in good faith during bidding meetings. This process minimises conflicts of interest in supply chain management, specifically in bidding administration. If a member of the tender committee manages the line function relating to a specific tender, that member will not participate in the departmental adjudication committee.

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

5. CODE OF CONDUCT

The Department's Code of Conduct sets the minimum standards with which employees need to comply. It assists in promoting appropriate conduct in delivering services to communities. The service charter also helps the Department commit to certain standards in rendering public services. Any alleged breach of the code of conduct is regarded as misconduct, which the Department will investigate. Based on the outcome of the investigation, appropriate sanctions are imposed against implicated officials in terms of the Disciplinary Code and Procedure for the Public Service (Resolution 1 of 2003).

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department has an approved internal Occupational Health and Safety Policy which is aimed at safeguarding employees and all visitors / clients through providing and maintaining, as far as reasonably practical, a working environment that is safe and without risks. In order to ensure that such an environment exists, the Department has provided and maintained safe offices and equipment that pose no risk to the health of employees and visitors / clients. The Department has appointed Health and Safety Representatives, Fire Marshals and First Aiders who have completed their training on Basic First Aid and Fire Fighting. Inspections are conducted in the workplace to identify and minimise hazards that will affect and expose employees and visitors / clients to health risks. Training is conducted annually to ensure that representatives are well equipped to save the lives of employees, visitors and guests should there be an emergency.

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

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



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

The Portfolio Committee on Tourism (in the National Assembly) and the Select Committee on Trade and International Relations (in the National Council of Provinces, (NCOP)) were respectively established in terms of sections 55 and 69 of Chapter 4 of the Constitution. Their primary role is to oversee the actions of government, to assure Parliament of such oversight role, and also to provide assurance that government is able to provide services to all citizens.

Composition of Committees

PORTFOLIO COMMITTEE ON TOURISM – NATIONAL ASSEMBLY	
AFRICAN NATIONAL CONGRESS (ANC)	Ms BT Ngcobo (Chairperson)
	Ms LS Makhubela-Mashele (Whip)
	Mr SD Bekwa
	Ms PE Adams
	Ms ST Xego-Sovita
	Ms EK Masehela
DEMOCRATIC ALLIANCE (DA)	Mr J Vos
	Mr GR Krumbock
ECONOMIC FREEDOM FIGHTERS (EFF)	Mr T Rawula

SELECT COMMITTEE ON TRADE AND INTERNATIONAL RELATIONS – NATIONAL COUNCIL OF PROVINCES		
	NAME	PROVINCE
AFRICAN NATIONAL CONGRESS (ANC)	Mr ER Makue (Chairperson)	Gauteng
	Mr SG Mthimunya (Whip)	Mpumalanga
	Ms MC Dikgale	Limpopo
	Mr BG Nthebe	North West
	Mr MI Rayi	Eastern Cape
	Mr JM Mtethwa	Kwazulu-Natal
DEMOCRATIC ALLIANCE (DA)	Mr WF Faber	Northern Cape
	Mr JJ Londt	Western Cape
	Mr LV Magwebu	Eastern Cape
ECONOMIC FREEDOM FIGHTERS (EFF)	Mr MM Chabanga	Free State
	Dr YC Vawda	Mpumalanga

ALTERNATES FOR THE SELECT COMMITTEE ON TRADE AND INTERNATIONAL RELATIONS		
PARTY	NAME	PROVINCE
AFRICAN NATIONAL CONGRESS (ANC)	Ms GM Manopole	Northern Cape
	Ms Z Nchitha	Eastern Cape
	Ms T Motara	Gauteng
	Mr JP Parkies	Free State
DEMOCRATIC ALLIANCE (DA)	Mr JJW Julius	Gauteng
	Mr OS Terblanche	Western Cape
ECONOMIC FREEDOM FIGHTERS (EFF)	Ms N Mokosi	Northern Cape
INKATHA FREEDOM PARTY (IFP)	Mr M Khawula	KwaZulu-Natal
UNITED DEMOCRATIC FRONT (UDM)	Mr LB Gaehler	Eastern Cape

PORTFOLIO COMMITTEE ON TOURISM - (NATIONAL ASSEMBLY)

Briefing by the Department on the Strategic Plan 2016/17 - 2018/19 and Annual Performance Plan 2016/17 on 14 April 2016

The Committee was informed that the Department had gone through a process of change on its strategic plan. The Department had done an in-depth review that resulted in the change. This led to greater harmonising between the work of the Department and SA Tourism. However, the Department had to comply with the processes and prescriptions of the Department of Public Service and Administration as well as National Treasury. The Department is still guided by the National Development Plan with the aim to bring about inclusive growth.

The Committee commended the Department for maintaining a vacancy rate of only 8% and having people with disabilities employment rate of 3%. The Committee however raised the following matters:

- Lack of cooperative governance as a huge concern in relation to signage to, and at tourism products, as well as implementation of projects, as cases in point.
- Seemingly poor or no communication taking place between national, provincial and local government.
- Suggestion that tourism should be taught at school as a school subject, and that youth should be exposed to travel.
- Examination by the Department of how it could influence counterparts in projects to fast-track implementation and avoid delays.
- Explanation by the Department on how it provides support to the rural areas.
- Explanation with regard to the following:
 - Adherence to the SMART principle in the setting of targets.
 - Capacity building.



- Extended Public Works Programme (EPWP).
- Social Responsibility Programme.
- Signage.
- Transformation.
- Enterprise development.
- Tourism complaints.
- Tourism Incentive Programme (TIP) and Tourism Enterprise Partnership (TEP).
- New fleet of official vehicles.
- Marine and coastal tourism.
- Impact of capacity building.
- Large amounts of funds transferred to SAT as a concern, and assurance that the oversight function and monitoring by the Department over the entity (SA Tourism) was thorough.

The Department responded during the meeting to all the comments raised by the Committee. Furthermore, the Department assured Committee members that oversight functions and monitoring of the entity does take place. It indicated that different processes were being implemented in regard thereof, and that bilateral meetings led to a close relationship. The Department has also provided support to the Minister in terms of the SA Tourism oversight.

The Committee requested further briefing by the Department on work done in the international space, as well as on the National Tourism Sector Strategy (NTSS). Meeting dates for requested briefings would be provided by the Committee Secretary.

All reports referred to in the presentation were submitted to the Committee on 12 April 2016 as requested.

Briefing by the Department on the Draft Tourist Guide Regulations on 13 May 2016

The Committee was briefed on the development of the Regulations on Tourist Guides since 1993 and the challenges experienced. The Committee was further informed that there was inconsistency in training programmes by various service providers and assessors, and that the Department was addressing the challenge. The Department also explained the challenges with regard to the issue of identification.

The Committee raised the following issues:

- Suggestion that it might be better to have one portal for access to information on all tourist attractions and guides.
- It could be better to centralise the registration of Tourist Guides rather than delegate it to Provincial Registrars. The question raised was whether all the provinces have the capacity to manage the Tour Guides registered.
- Capacity building initiatives: There seemed to be inconsistencies in training programmes by various service providers and assessors.
- Narratives must be consistent and factual at all the sites, as tourists have high expectations.
- How the tourists would know where to lodge complaints? On an operational level, how does the Department manage lodging of tourist complaints?

The Committee requested that:

- The Department should report back on the Post Socio-Economic Impact Assessment (SE- IAS) before the implementation of the Regulations.
- The Department should consider co-operating with the Department of Higher Education on the development of a credible curriculum for the training of Tourist Guides.

The Department replied to all the issues raised and also took note of the remarks and suggestions made by Committee members.

Briefing by the Department on the B-BBEE Sector Codes on 20 May 2016

The Committee was briefed on the objectives of the amended Tourism Sector Code, the scope of applications, thresholds, elements and compliance parameters. The Committee was further informed that the Department was in the process of appointing the new Tourism Broad-Based Black Economic Empowerment Council to drive and monitor transformation in the tourism sector. It was indicated that a tourism B-BBEE portal for black owned enterprises was under development to accelerate the empowerment of SMME's in the sector.

The Committee raised the following matters:

- How the industry felt and reacted to the new B-BBEE Codes, since these were more stringent than the baseline of the dti. The lower threshold than the generic code was considered as too stringent and might affect job creation.
- The cost of compliance as a concern.
- Training for the entire value chain should be a priority to ensure that entrepreneurs succeed and not fall into the debt trap.
- One of the roles of the B-BBEE Charter Council is to work with the industry to inform all in the Tourism Value Chain about the Tourism Sector Code.

The Committee agreed that:

- Consideration should be made by the Committee to holding public hearings in relation to the amended Tourism B-BBEE Code.
- The Tourism BEE Charter Council should be invited by the Committee for a discussion of the Council's Programme of Action in implementing the amended sector codes immediately after the implementation programme has been finalised. This meeting is scheduled for 9 June 2017

In relation to the cost of compliance as a concern, the Department explained that there were ways and means to simplify the verification process to reduce the administrative and cost burden. The success would depend on good partnerships.

The Department distributed additional booklets on the Tourism Sector B-BBEE Code on 30 May 2016.

Briefing by the Department on the 2015/16 Fourth Quarter Performance Report and 2016/17 First Quarter on 9 September 2016

The Department briefed the Committee on the overall summary of departmental performance by programme for the quarters concerned. During the engagement, the issue of accessibility and affordability for local people to travel was discussed. The Department explained that one of the interventions in that regard was a Social Tourism Directory which is an inventory of facilities with discounted rates for all South Africans, which will be shared with stokvel groups. Other matters discussed include policy issues, SRI targets, skills development, cruise tourism, Visitor Information Centres, food safety initiatives, service excellence, indicators, types of complaints, assistance to rural enterprises, grading, governance and leadership, delays to achieve targets, NTSS and intergovernmental relations. The issue of stricter and closer oversight by a senior official over SA Tourism was also raised.

The Committee welcomed the quarterly reports. However, the Committee expressed concern that not all the targets were achieved due to process delays or dependency on external partnerships. The Committee further requested a comprehensive briefing on the Social Responsibility Programme Audit. This briefing was done by the Department on 11 November 2016.

Oversight visit by the Portfolio Committee on Tourism to the North West Province from 14-16 September 2016

- The Committee was impressed with the Department's projects in the province. Positive feedback on the interaction between the Department and Tourism Association in Moroleng was received. The Committee could see the results thereof.
- The province's strategic product development in townships and villages was seen as a step in the right direction to expedite inclusive tourism growth. It was noted that the province could offer a diverse range of products. The Taung Hotel School model was cited as an excellent example of a successful initiative that could be replicated in other provinces, and could assist in training youth for critical skills jobs in the sector.
- The Committee found that tourism was given the necessary attention and the future plans signal an inclusive tourism growth in the province. The Committee was satisfied with the state of tourism in the North West Province given that the province had just established the standalone Department of Tourism.

The Department has received the tabled report of the Committee on their oversight visit to Northwest.

The Committee made recommendations with regard to the following:

- Alignment with the NTSS.
- Training.
- Unintended consequences of the Immigrations Regulations at the border with Botswana.
- Conservation of the ruins of Dr Credo Mutwa's original home.
- Universal Accessibility for SRI projects.
- National Conventions Bureau assistance to the province.

Final responses to recommendations are compiled / prepared.



Oversight visit by the Portfolio Committee on Tourism to Mpumalanga on 19- 23 September 2016

Mpumalanga province is a huge untapped tourism destination with a wide range of products. The Committee was, however, not satisfied with the implementation of the Social Responsibility Implementation projects in Mpumalanga. Various challenges that require urgent attention were observed.

The Committee expressed the following concerns:

- Value for money, fruitless expenditure and conflict in communities.
- Poor co-ordination between the Department and the province. The Committee urged that these two need to work closer for seamless implementation of programmes.

The Department has received the tabled report of the Committee on their oversight visit to Mpumalanga.

The Committee made recommendations with regard to the following:

- Institutional arrangements for SRI projects to avoid vandalism.
- Hijacking.
- Implementation of Memoranda of Agreement.
- Concessions from SANParks for adjacent communities.
- Engagement with the MEC of Finance to develop a business model.
- Engagement with the Minister of Public Works with regard to Pilgrims Rest.

Final responses to recommendations are compiled / prepared.

Briefing by Department on the Annual Report 2015/16 on 21 October 2016

The Department informed the Committee that it has commenced with a restructuring process to be implemented in 2017/18 financial year. The Department was congratulated for receiving a clean audit.

The following matters were raised by the Committee:

- That the Department needed to provide greater oversight over SA Tourism.
- That in terms of the achievements of the Department, the Department should have SMART and achievable targets.

- Issues relating to the timing of transfers, skills audit of the tourism sector, cost containment measures, GDP, capacity building, NTSS, tourism guiding, enterprise development, training of tourist guides, collaboration with universities, other departments and local government.

- Third party involvement which proved to be a challenge and caused delays in achieving targets.

The Department acknowledged all the issues raised, and provided the reply during the deliberations of the briefing. The Committee welcomed the Department's Annual Report for 2015/16 and agreed that the Department would compile a list of black tourism enterprises and have it circulated to members on 8 December 2016. Research documents were provided on a DVD to all Committee Members on 8 December 2016.

Briefing by the Department on Enterprise Development on 4 November 2016

The Committee welcomed the new initiative on enterprise development by the Department, and made the following recommendations:

- That it was of the view that the geographical footprint should be wider.
- That the Department should ensure that the programme covers start-up businesses by assisting them with start-up capital to expedite transformation.
- That the Department should ensure that it receives value for the money by having independent studies done to measure the return on investment.

The Department took note of all the suggestions made by the Committee. It was then resolved that the Department will provide:

- The outcomes of the Department's meeting with the Department of Environmental Affairs on cruise tourism; and other tourism products along the coastline. The report in this regard would be finalised.
- The international study tour to Malaysia on Home Stays. The report in this regard would be finalised.

A list of all the different types of businesses that the Department supported was provided to the Committee as requested on 8 December 2016.

Briefing by the Department of Tourism on Social Responsibility Implementation Programme on 11 November 2016

The Department briefed the Committee on the outcomes of the forensic investigations and the role of GTAG in future.

The Committee sought to know the following:

- What disciplinary steps would be taken?
- Whether the Department would receive the money back?
- How will the Department prevent it from recurring?

The Department addressed the various issues raised by the Committee during the meeting deliberation. These included the following: GTAC, stalled projects, hijacked projects, fruitless and wasteful expenditure, oceans economy, blue flag status, government owned resorts, risk management, clearing SRI backlogs, successful projects, and signage.

It was recommended that:

- The Department will include Northern Cape in Tourism Oceans Phakisa in the tourism coastal programmes that will be implemented in future.
- The Department will include provincial and municipal owned budget resorts in the SRI programme

The Department took note of the recommendations, and the outcome of these recommendations will be communicated to the Committee.

Briefing by the Department on the 2016/17 Second Quarter Performance Report on 18 November 2016

The Committee congratulated the Department of Tourism for being the Best Functioning National Department based on the Management Performance Assessment Tool and the Auditor-General report. The Director-General was also congratulated for receiving the Best Director-General of the year award. The Department was also commended for the improvement of its presentation.

However, there were still some recurring / remaining issues which were raised by the Committee. These related to the following:

- Training and registration of Tour Guides, review of the Tourism White Paper, tourism complaints, capacity building, enterprise development, new targets for FTE's, blue flag training, Visitors Information Centres, representativity in the Department, disciplinary cases, payment of service providers within 30 days, recruitment of food safety training candidates.
- Concern about Programme 4, as it was too loaded and led to poor performance. The Enterprise Development and EPWP programme should be programmes on their own. This issue was addressed in the restructuring process and these two initiatives are now located in two different programmes.

The Committee was informed that the Department will not reach its annual target for FTE due to the slow turnaround processes of the SRI projects.

The Committee made the following recommendations:

- That the Department must conduct an impact / sustainability analysis study on all its training programmes implemented.
- The Department should consider the long-term sustainability of targets, for example, what happened to people that were trained? Was the investment worthwhile?
- That the Department needs to include the sustainability aspect of its programmes whenever tabling Section 32 reports to the Committee.
- That the Department must include previous quarters in the reporting template for ease of comparing quarterly performance.

All the recommendations were noted by the Department.

Briefing by the Department on 2016/17 Quarter Three Performance Report on 10 March 2017

After receiving the presentation, the Committee expressed the opinion that was more at ease that the targets would be reached.

The Department made the following submission:

- That it would reach its target for the Accreditations of Travel Companies (ATC) in Africa.
- It explained the vastness of the Oceans Economy project and the benefit of paying memberships to international organisations.
- It also explained the status of the review of policies that must still go through all the processes.

The Committee raised issues in relation to the following: Absenteeism and drop-outs at Capacity Building initiatives, Signage at Nelson Mandela Capture Site, transformation, ownership of accommodation establishments; Promotion of township tourism and oceans economy to benefit the rural community.

The Committee recommended that more incubators should be launched to ensure a better geographical spread, customer satisfaction surveys should be done at Visitor Information Centres and that service providers should be monitored

The Department responded by noting the recommendations and undertook to do a follow-up on the signage for the Mandela Capture Site. The report with outcomes will be finalised. The Department also undertook to provide the Committee with details of the new programmes and structure when they present the Annual Performance Plan. This was done on 5 May 2017.



Oversight Visit by the Portfolio Committee on Tourism to the Free State on 27-31 March 2017

The report on the oversight visit by the Committee has neither been approved nor tabled in the National Assembly.

The issues raised by the Committee members whilst on oversight included the following:

- No implementation by Local Governments / Municipalities due to lack of funds, capacity, and support from the province.
- No integrated governance, road signage or maintenance.
- Universal Accessibility not being applied fully.
- The state of the roads not being conducive for the development of tourism.

It was suggested that:

- The use of 5 routes / tourism region names should be reconsidered to avoid confusing international tourists if they are speaking of their Big 5.
- The Free State is rich in history, but it is not used to the benefit of promoting tourism in the province. The Committee suggested that the Free State should look at other provinces that have winning recipes and also do an audit of all tourism products to enhance their strategy.
- There is a disjuncture between the LED, IDP, MIG and Tourism development.
- The Local and District Tourism Association should be revived and Visitor Information Centres be improved.
- The province needs to look at Section 8 of the NTSS to improve institutional arrangements.

(The Committee's report on the Oversight visit has not yet been approved and not yet tabled in the National Assembly).

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

Briefing by the Department on the Strategic Plan 2016/17 -2018/19 and Annual Performance Plan 2016/17 on 13 April 2016

The Select Committee on Trade and International Relations appreciated the good work the Department was doing. It was also acknowledged that the Department of Tourism was one of the best performing Departments.

The following issues were raised during discussions:

- Geographical spread of the Department's initiatives was raised as a concern by the Committee with emphasis on rural areas tourism. The Committee sought to know what the Department was doing to make visits to local tourist sites more affordable for the ordinary South African.
- The Department was requested to explain the criteria used to select students for the various training programmes. Committee members emphasised that Provincial governments have a very small budget allocated to tourism and this makes it difficult to enhance products and promote them.
- Intergovernmental co-operation was also highlighted, and the Department explained that a good system was in place to enhance the working relationships. The implementation of co-operative governance (with, e.g. Department of Arts and culture) in terms of tourism issues (such as route development) was discussed as tourism is such an integrated industry.

The following recommendations were made:

- That the Department should inform the Select Committee on Trade and International Relations on the activities taking place in the all Provinces.
- That the Department should provide status reports and the time frames for signage and student accommodation planned at Mapungubwe in Limpopo.
- That the Department should avail the booklet which the DDG: Domestic Tourism referred to on "Budget Travel opportunities" (discounts, entry fees at SANparks, discounts for the special social groupings, etc.). The booklet was distributed to the Committee on 25 October 2016.

Joint Oversight to Gauteng by the Select Committee on Trade and International Relations and the Select Committee on Economic and Business Development. Visit to tourist attractions in Soweto on 1 September 2016 (30 August to 2 September 2016)

The Committee only visited a few tourist products / attractions in Soweto on 1 September 2016 and had lunch at Vilakazi Street. The Committee spent more or less 3 hours driving past the following attractions:

- Freedom Square and Freedom Charter Memorial.
- Kliptown Open Air Museum in Walter Sisulu Square and the Soweto Tourism Centre.
- Regina Mundi Church. The Committee went into the church and a tour guide explained shortly the history. Some arts and crafts were sold outside.
- The Committee walked past the homes of Archbishop Emeritus Desmond Tutu, as well as the Mandela Museum and the house of Winnie Madikizela- Mandela.
- Hector Peterson Museum and Memorial Square.
- The Holy Cross Anglican Church, Orlando Stadium, Orlando Towers, Chris Hani Baragwanath Hospital and Taxi Rank, Diepkloof ext, Maonya Shopping Mall, Soccer City Stadium (FNB stadium), Apartheid Museum and Gold Reef City.

The final Committee report has not yet been submitted to the Department.

Briefing by the Department on its interventions to accelerate transformation of the tourism sector on 21 September 2016

The Committee sought to know how the Department would monitor the transformation.

The Committee raised the following concerns:

- That it seemed the B-BBEE was still benefitting only a select few who were already benefitting.
- How the initiative benefited the poor and what the progress was to date?
- How the Department will ensure that small entrepreneurs grow in the tourism sector?
- A concern was raised that foreign nationals were employed in the hospitality sector.

The Department addressed all the questions raised by the Committee during the meeting. The Committee requested the Department to address provincial aspects in all their briefings, and the Department noted the request.

Briefing by Department on the 2015/16 Annual Report on 2 November 2016

The Committee congratulated the Department for receiving a clean audit.

The following issues were, however, raised by the Committee:

- Figures on complaints which did not give enough detail on the nature of complaints.
- Co-operative governance.
- More detail should be given on transformation, cooperation with municipalities, benefits for the country of all the initiatives.
- Employment of foreigners in the hospitality industry was raised as a concern.
- NTSS needed, beneficiation of art products.

The following recommendations were made:

- That the Department should provide clear reasons for not achieving targets.
- That the Department should strengthen its relationship with the local municipalities, especially those that rely solely on tourism in order to achieve their targets.
- That the Department should be present when SA Tourism briefs the Committee on its Annual Report as some of the questions might require the attention of the Department.

The Department noted all the recommendations.

Joint Oversight visit to Mpumalanga by the Select Committee on Trade and International Relations and the Select Committee on Economic and Business Development on 26 -31 March 2017

The Joint Select Committee visited only one Tourism Project in the province as the Committee did oversight only in the Nkangala District Municipality, and had to visit many other projects of other government departments. The Committee visited the Zithabiseni Resort on 29 March 2016. The Committee expressed concern about the entire situation at the Zithabiseni resort, which was about the depilated state of the buildings, maintenance of the gardens, fences and roads, the number of employees versus the tourists visiting, and management issues.

The Department responded to some of these issues at the briefing of the Annual Performance Plan for 2017/18 on 3 May. The Department explained the situation of Zithabiseni and the interventions being planned.

The Committee's report on this visit has not yet been tabled



8. SCOPA RESOLUTIONS

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

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

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

10. INTERNAL CONTROL UNIT

The Department of Tourism does not have an internal control unit due to various reasons, including limited budget allocation for the compensation of employees, and the size of the Department. However, the Directorate: Financial Management and the Directorate: Supply Chain Management fulfil the function of an internal control unit, as submissions, forms, route forms and delegations are compiled in such a manner as to ensure compliance. The new establishment to be implemented on 1 April 2017 makes provision for a Deputy Director: Internal Control and Compliance post.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

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

Below are audits performed by the Internal Audit Unit during the 2016/17 financial year:

- Asset Management
- Physical Security, ICT logical and access control
- SRI Planning
- Forensic review on SRI
- Performance Audit: DTM – Tourism Interpretative Signage Programme
- Tenders, Quotations and Payment
- Information and Communications technology governance

- Pre-determined objectives
- Compliance with Tourist Guiding Legislation

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

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

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

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

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Prof H de Jager	DCom (Acc); CA (SA) RGA, MEd	External	N/A	1 August 2015		4
Mr R Rajcoomar	B. Com (Hons); H. Dip Tax; MBA; Post Graduate Diploma in Accounting Science	External	N/A	1 August 2015		4
Mr PR Mnisi	LLB; Post Grad Certificate in Compliance Management.	External	N/A	1 August 2015		3
Ms HN Masedi	B. Compt Hons; M Com (Computer Auditing); Higher Diploma in Computer Auditing and Post graduate Diploma in Management	External	N/A	1 August 2015		5

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2017.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein. The Charter is revised on an annual basis.

The Effectiveness of Internal Control

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

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

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

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

- Assets Management
- Physical Security, ICT logical and access control
- SRI Planning
- Forensic review on SRI
- Performance Audit: DTM – Tourism Interpretative Signage Programme
- Tenders, Quotations and Payment
- Information and Communications technology governance
- Pre-determined objectives
- Compliance with Tourist Guiding Legislation

In-Year Management and Monthly/Quarterly Report

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

Internal Audit

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



The Internal Audit Plan was formally adopted and approved by the Audit Committee. Progress on the execution of the plan was monitored and reported on at each Audit Committee meeting. The Audit Committee is therefore satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Department in its Audit Plan.

Risk strategy

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

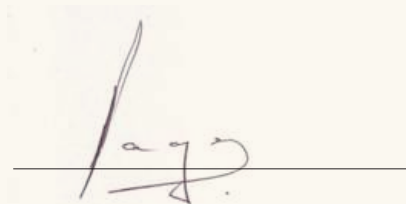
Evaluation of Annual Financial Statements

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

Auditor-General's Report

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

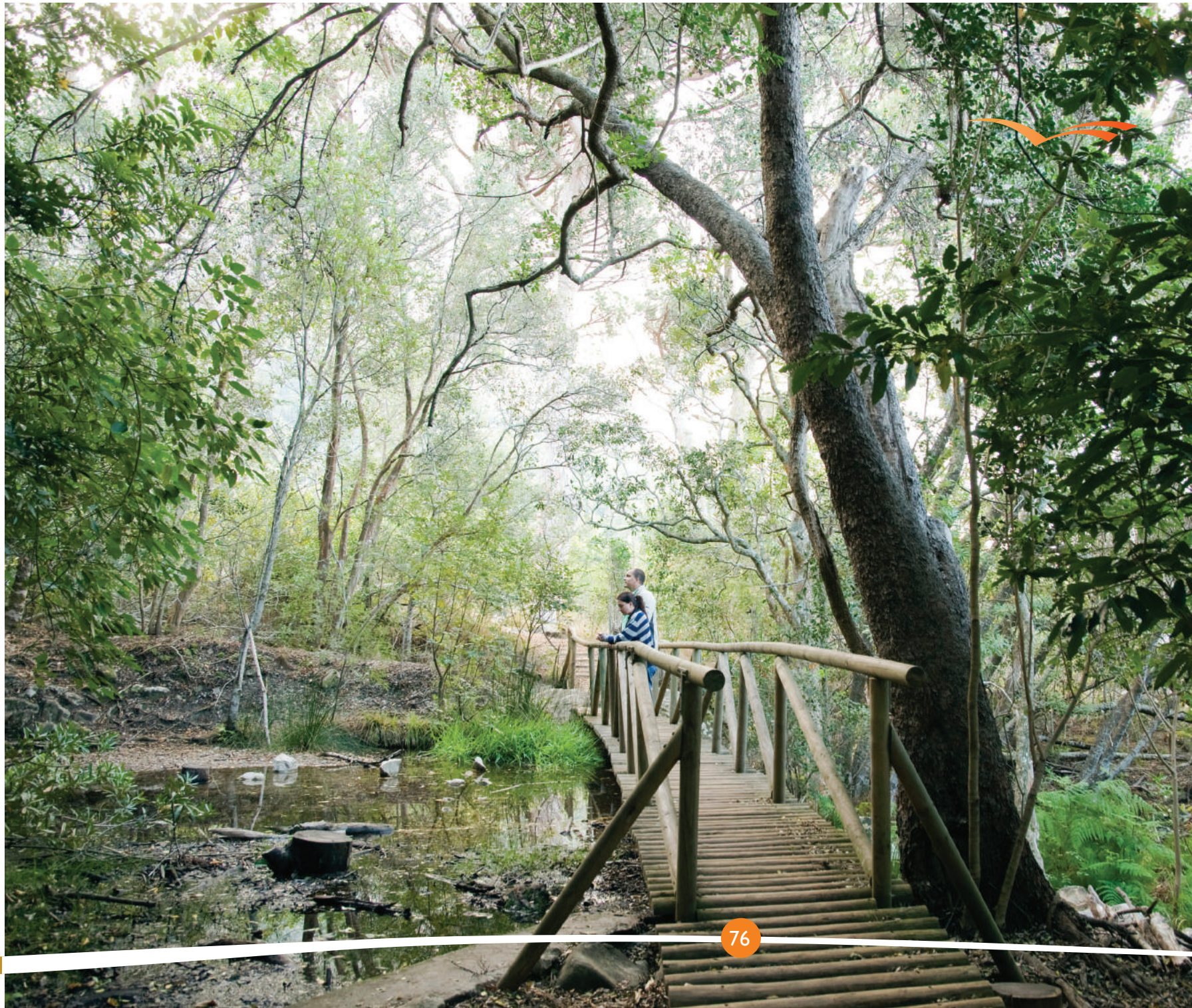
The Audit Committee concurs and accepts the conclusions of the Auditor-General South-Africa (AGSA) on the Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the AGSA.



Prof. H de Jager
Chairperson of the Audit Committee

Department of Tourism
31 July 2017





1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

The status of human resources in the Department

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

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

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

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

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

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

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

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

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

Employee performance management

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

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

Employee wellness programmes

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

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

The Department has exceeded government's targets for persons with disabilities and currently stands at 4.6% representation for this group. At SMS level, the Department has reached 51% female occupation of posts.



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

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

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

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel-related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2016 to 31 March 2017

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	227 079	125 793	1 131	1 912	55	199
Policy and Knowledge Services	1 214 938	44 193	3 341	-	4	71
International Tourism	54 785	40 084	1 146	-	73	64
Domestic Tourism	422 844	56 048	152	11 347	13	89
Total	1 919 646	266 118	5 770	13 259	14	423

Table 3.1.2 Personnel costs by salary band for the period 1 April 2016 to 31 March 2017

Salary band	Personnel expenditure (R'000)	% of total personnel cost	Number of employees	Average personnel cost per employee (R'000)
Skilled (levels 3-5)	5 796	2.18	29	199 862
Highly skilled production (levels 6-8)	58 440	21.95	185	315 892
Highly skilled supervision (levels 9-12)	128 138	48.15	209	613 100
Senior and top management (levels 13-16)	66 571	25.02	64	1 040 188
Contract	7 172	2.70	39	183 897
Total	266 117	100	526	505 928

Table 3.1.3 Salaries, overtime, homeowner's allowances and medical aid by programme for the period 1 April 2016 to 31 March 2017

Programme	Salaries		Overtime		Homeowner's allowances (HOAs)		Medical aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOAs as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	79 041	74.8	253	.02	2 874	2.7	3 510	3.3
Policy and Knowledge Services	28 920	77.1	-	-	1 071	2.9	797	2.1
International Tourism	26 522	77.9	-	-	1 073	3.2	749	2.2
Domestic Tourism	36 543	74.2	5	-	1 259	2.6	1 354	2.7
Total	171 025	75.5	258	.01	6 278	2.8	6 409	2.8

Table 3.1.4 Salaries, overtime, homeowner's allowances and medical aid by salary band for the period 1 April 2016 to 31 March 2017

Salary band	Salaries		Overtime		Homeowner's allowances (HOAs)		Medical aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOAs as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (levels 3-5)	4 012	69.1	48	0.8	386	6.7	443	7.6
Highly skilled production (levels 6-8)	34 839	71.7	136	0.3	1 967	4.0	2 930	6.0
Highly skilled supervision (levels 9-12)	79 430	75.8	68	0.1	2 682	2.6	2 362	2.3
Senior management (levels 13-16)	46 605	80.8	-	-	1 222	2.1	638	1.1
Contract	6 139	83.8	6	0.1	21	-	36	0.5
Total	171 025	75.5	258	0.1	6 278	2.8	6 409	2.8

3.2 Employment and vacancies

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

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

This information is presented in terms of three key variables:

- Programme
- Salary band
- Critical occupations



Table 3.2.1 Employment and vacancies by programme as on 31 March 2017

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	284	263	7.4%	14
Policy & knowledge services	93	86	8.4%	7
International Tourism	68	65	7.4%	0
Domestic Tourism	284	105	3.7%	8
Total	554*	519*	6.3%	29

* Including additional

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2017

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	23	23	0%	23
Skilled(3-5)	31	31	3.2%	0
Highly skilled production (6-8)	204	193	5.4%	6
Highly skilled supervision (9-12)	225	205	8.9%	0
Senior management (13-16)	71	68	4.2%	0
Total	554	519	6.3%	29

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2017

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Financial and related official	8	5	37.5%	0
Senior Manager	71	68	4.2%	0
Total	79	73	7.6%	0

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –

(a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;

(b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;

(c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and

(d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3 Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2017

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Minister / Deputy- Minister	2	2	100%	0	0%
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	5	5	100%	0	0%
Salary Level 14	14	14	100%	0	0%
Salary Level 13	49	46	94 %	3	6%
Total	71	68	96%	3	4%

Table 3.3.2 SMS post information as on 30 September 2016

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Minister / Deputy- Minister	2	2	100%	0	0%
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	5	4	80%	1	20%
Salary Level 14	14	14	100%	0	0%
Salary Level 13	49	47	96%	1	4%
Total	71	68	97%	2	3%



Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2016 to 31 March 2017

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Salary Level 13	1	1	1
Total	1	1	1

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2016 to 31 March 2017

Reasons for vacancies not advertised within six months	Reasons for vacancies not filled within twelve months
Director: Knowledge Management – Department underwent a restructuring process during the financial year in review and management took an informed decision to halt most recruitment processes which also affected this post pending the finalisation of placement of existing employees first. The post remains vacant following implementation of the new structure on 1 April 2017 and has been advertised with closing date of 12 May 2017. Director: Eastern Europe and Mediterranean - Management took an informed decision to halt most recruitment processes for this position pending the review of the departmental strategy and restructuring process. As a result, the post was abolished and ceased to exist by the end of the year in review.	Director: Knowledge Management – Department underwent a restructuring process during the financial year in review and management took an informed decision to halt most recruitment processes which also affected this post pending the finalisation of placement of existing employees first. The post remains vacant following implementation of the new structure on 1 April 2017 and has been advertised with closing date of 12 May 2017. Director: Eastern Europe and Mediterranean - Management took an informed decision to halt most recruitment process for this position pending the review of the departmental strategy and restructuring process. The post was as a result abolished and ceased to exist by the end of the year in review.

Notes

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

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2016 to 31 March 2017

Reasons for vacancies not advertised within six months	Reasons for vacancies not filled within twelve months
None – Management decision halted the recruitment processes	None – Management decision halted the recruitment processes

Notes

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

3.4 Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2016 to 31 March 2017

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Skilled (Levels 3-5)	31	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	196	1	100	1	100	0	0
Highly skilled supervision (Levels 9-12)	225	0	0	0	0	0	0
Senior Management Service Band A	47	0	0	0	0	0	0
Senior Management Service Band B	14	0	0	0	0	0	0
Senior Management Service Band C	5	0	0	0	0	0	0
Senior Management Service Band D	3	0	0	0	0	0	0
Contract (Levels 1-2)	23	0	0	0	0	0	0
Contract (Levels 6-8)	8	0	0	0	0	0	0
Senior management (13-16)	2	0	0	0	0	0	0
Total	554	1	1	1	100	0	0

The following table provides a summary of the number of posts evaluated.



Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2016 to 31 March 2017

Gender	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	0	0	0	0	0
Total	1	0	0	0	1
Employees with a disability	0	0	0	0	0

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2016 to 31 March 2017

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	None

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2016 to 31 March 2017

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0

Notes

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

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
--	------

3.5 Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2016 to 31 March 2017

Salary band	Number of employees at beginning of period-1 April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	8	23	8	100%
Skilled (Levels3-5)	31	1	0	0%
Highly skilled production (Levels 6-8)	193	12	10	5%
Highly skilled supervision (Levels 9-12)	216	7	19	9%
Senior Management Service Band A	43	3	3	7%
Senior Management Service Band B	14	0	0	0%
Senior Management Service Band C	4	2	0	0%
Senior Management Service Band D	3	0	1	33%
Total	512	48	41	8%

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2016 to 31 March 2017

Critical occupation	Number of employees at beginning of period-April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Financial and related professionals	12	1	2	16.7%
Senior Managers	64	5	4	6%
TOTAL	76	6	6	7.8%

Notes

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



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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2016 to 31 March 2017

Termination Type	Number	% of Total Resignations
Death	1	0.2%
Resignation	20	4%
Expiry of contract	5	1%
Dismissal – operational changes	0	0%
Dismissal – misconduct	2	1%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	0	0%
Transfer to other Public Service Departments	13	3%
Other	0	0%
Total	41	8%
Total number of employees who left as a % of total employment	8%	8%

Table 3.5.4 Promotions by critical occupation for the period 1 April 2016 to 31 March 2017

Occupation	Employees 1 April 2016	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
N/A					

Table 3.5.5 Promotions by salary band for the period 1 April 2016 to 31 March 2017

Salary Band	Employees 1 April 2016	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Skilled (Levels 3-5)	85	0	0%	23	27.06%
Highly skilled production (Levels 6-8)	198	3	1.52%	140	70.71%
Highly skilled supervision (Levels 9-12)	150	4	2.67%	164	109.33%
Senior Management (Levels 13-16)	61	4	6.56%	50	81.97%
Contract (Levels 1-2)	8	0	0%	0	0%
Contract (Levels 3-5)	2	0	0%	0	0%
Contract (Levels 6-8)	3	1	33.33%	1	33.33%
Contract (Levels 9-12)	1	1	100%	0	0%
Contract (Levels 13-16)	3	0	0%	0	0%
Total	511	13	2.54%	378	73.97%

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2017

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	24	3	3	3	25	2	4	3	67
Professionals	70	4	5	4	94	8	3	7	195
Technicians and associate professionals	52	0	0	1	39	5	2	3	105
Clerks	35	1	0	0	72	2	1	2	113
Service and sales workers	10	2	0	1	7	0	0	0	20
Plant and machine operators and assemblers	4	0	0	0	0	0	0	0	4
Elementary occupations	9	0	0	0	8	1	0	0	18
Total	204	10	8	9	245	18	10	15	519
Employees with disabilities	14	0	1	1	7	0	0	1	24

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	2	3	0	1	1	7
Senior Management	23	2	2	1	22	1	3	3	57
Professionally qualified and experienced specialists and mid-management	85	2	5	6	87	7	3	6	201
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	60	5	0	0	101	8	3	5	182
Semi-skilled and discretionary decision making	16	0	0	0	12	1	0	0	29
Contract (Top Management), Permanent	1	0	0	0	0	0	0	0	1
Contract (Senior Management), Permanent	0	1	1	0	0	1	0	0	3
Contract (Professionally Qualified), Permanent	1	0	0	0	2	0	0	0	3
Contract (Skilled Technical), Permanent	6	0	0	0	5	0	0	0	11
Contract (Semi-Skilled), Permanent	2	0	0	0	0	0	0	0	2
Contract (Unskilled), Permanent	10	0	0	0	13	0	0	0	23
Total	204	10	8	9	245	18	10	15	519



Table 3.6.3 Recruitment for the period 1 April 2016 to 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	1	0	2
Senior Management	2	0	0	0	0	0	0	1	3
Professionally qualified and experienced specialists and mid-management	2	0	0	0	3	1	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	2	0	1	0	5
Contract (Professionally qualified, Permanent)	1	0	0	0	0	0	0	0	1
Contract (Semi-skilled), Permanent	4	0	0	0	3	0	0	0	7
Contract (Unskilled), Permanent	1	0	0	0	0	0	0	0	1
Total	12	0	0	0	9	1	2	1	25
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2016 to 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	1	0	1
Senior Management	1	0	0	0	1	0	0	1	3
Professionally qualified and experienced specialists and mid-management	2	0	0	0	3	1	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	4	0	0	0	0	0	0	1	5
Total	7	0	0	0	4	1	1	2	15
Employees with disabilities	0	0	0	0	1	0	0	0	1

Table 3.6.5 Terminations for the period 1 April 2016 to 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	2	0	0	1	1	0	0	0	4
Professionally qualified and experienced specialists and mid-management	10	0	0	0	9	0	0	0	19
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	9	0	0	0	1	0	0	0	10
Contract (Unskilled), Permanent	6	0	0	0	2	0	0	0	8
Total	27	0	0	1	13	0	0	0	41
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2016 to 31 March 2017

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary hearings held	9	0	0	0	0	0	0	0	9

Table 3.6.7 Skills development for the period 1 April 2016 to 31 March 2017

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	50	1	0	0	45	2	0	1	99
Professionals	5	0	0	0	4	0	0	0	9
Technicians and associate professionals	31	0	0	0	51	0	0	0	82
Clerks	26	1	2	0	58	2	0	1	90
Service and sales workers	6	0	0	0	0	0	0	0	6
Plant and machine operators and assemblers	6	0	0	0	0	0	0	0	6
Elementary occupations	2	0	0	0	1	0	0	0	2
Non-employees	15	0	0	0	22	0	0	0	37
Total	141	2	2	0	181	4	0	2	331
Employees with disabilities	2	0	0	0	1	0	0	0	3



3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2016

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Salary Level 16 - Director-General/ Head of Department	1	1	1	100%
Salary Level 15	3	3	3	100%
Salary Level 14	15	15	15	100%
Salary Level 13	42	42	42	100%
Total	61	61	61	100%

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2017.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2017

Reasons
There was no failure to conclude performance agreements with SMS members during the reporting period.

Notes

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

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2017

Reasons
There were no disciplinary actions as all performance agreements were concluded.

Notes

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

3.8 Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2016 to 31 March 2017

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Female	137	239	57.32	1 710	12 480.69
African, Male	102	192	53.13	1 246	12 219.54
Asian, Female	6	10	60	128	21 357.03
Asian, Male	3	7	42.86	56	18 652.94
Coloured, Female	11	18	61.11	130	11 781.87
Coloured, Male	1	10	10	7	6 869.73
Blacks, Female	154	267	57.68	1 968	12 776.61
Blacks, Male	106	209	50.72	1 309	12 351.14
White, Female	9	14	64.29	182	20 185.65
White, Male	4	8	50	109	27 286.17
Employees with a disability	13	23	56.52	150	11 526.33
TOTAL	286	521	54.89	3 717	12 998.17

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2016 to 31 March 2017

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	22	29	75.86	96	4 354.92	22
Skilled (level 3-5)	92	185	49.73	682	7 411.34	92
Highly skilled production (level 6-8)	144	201	71.64	2 125	14 755.92	144
Highly skilled supervision (level 9-12)	-	23	-	-	-	-
Total	258	438	50	17	16 549.87	



Performance Rewards by critical occupation for the period 1 April 2016 to 31 March 2017

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	36	50	72	487	13 515.26
Archivists curators and related professionals	2	2	100	28	13 787.74
Cleaners in offices, workshops, hospitals, etc.	10	13	76.92	42	4 177.27
Client information clerks (switchboard reception information clerks)	1	2	50	6	5 818.57
Communication and information related	3	13	23.08	37	12 284.55
Community development workers	23	34	67.65	317	13 777.12
Finance and economics related	2	3	66.67	18	8 855.02
Financial and related professionals	8	12	66.67	114	14 213.33
Financial clerks and credit controllers	3	8	37.50	20	6 595.36
General legal administration & related professionals	4	4	100	75	18 767.94
Human resources & organisational development & related professionals	11	20	55	157	14 234.38
Human resources clerks	3	9	33.33	19	6 401.84
Human resources related	5	8	62.50	39	7 855.19
Information technology related	4	6	66.67	61	15 209.72
Language practitioners interpreters & other communications	4	8	50	30	7 501.02
Legal related	-	2	-	-	0.00
Librarians and related professionals	4	9	44.44	47	11 774.03
Library mail and related clerks	9	10	90	49	5 444.15
Light vehicle drivers	3	4	75	26	8 604.54
Logistical support personnel	14	27	51.85	122	8 679.00
Material-recording and transport clerks	1	1	100	4	4 052.89
Mathematicians and related professionals	-	1	-	-	-
Messengers porters and deliverers	4	5	80	20	4 904.09
Natural sciences related	2	2	100	28	13 763.05
Other administrative & related clerks and organisers	3	27	11.11	25	8 380.96

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Other administrative policy and related officers	18	24	75	216	11 980.35
Other information technology personnel.	3	4	75	26	8 702.61
Other occupations	-	2	-	-	-
Risk management and security services	5	8	62.50	65	13 079.97
Secretaries & other keyboard operating clerks	23	57	40.35	151	6 554.87
Security officers	-	12	-	-	-
Senior managers	26	64	40.63	785	30 207.06
Statisticians and related professionals	3	3	100	78	25 838.36
Trade/industry advisers & other related profession	49	67	73.13	629	12 842.65
TOTAL	286	521	54.89	3 717	12 998.17

Notes

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



Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2016 to 31 March 2017

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	19	45	42	542	28 531.95	0.01
Band B	6	14	43	204	34 048.58	0.01
Band C	1	5	20	39	38 985.03	0.01
Band D	-	3	-	-	-	-
TOTAL	26	67	39	785	30 207.06	0.01

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2016 to 31 March 2017

Salary band	01 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
N/A						

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2016 to 31 March 2017

Major occupation	01 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
N/A						

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2016 to 31 December 2017

Salary band	Total days	% Days with Medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Skilled (Levels 3-5)	235	52.3	42	8.4%	6	123
Highly skilled production (levels 6-8)	1 509	47.6	184	36.8%	8	719
Highly skilled supervision (levels 9 -12)	1 665	50.6	199	39.8%	8	842
Top and Senior management (levels 13-16)	408	44.6	57	11.4%	7	185
Contract (Levels 1-2)	30	36.7	10	2%	3	11
Contract (Levels 3-5)	2	100	1	0.2%	2	2
Contract (Levels 6-8)	23	69.6	4	0.8%	6	16
Contract (Levels 9-12)	65	50	2	0.4%	3	3
Contract (Levels 13-16)	5	60	1	0.2%	5	3
Total	3 883	49	500	100%	8	1 901

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2016 to 31 December 2017

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Highly skilled production (Levels 6-8))	71	100%	3	50%	24	66
Highly skilled supervision (Levels 9-12)	25	100%	1	16.7%	25	55
Senior management (Levels 13-16)	13	100%	1	16.7%	13	47
Contract (Levels 6-8)	29	100%	1	16.7%	29	40
Total	138	100%	6	100%	23	208

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



Table 3.10.3 Annual Leave for the period 1 January 2016 to 31 December 2017

Salary band	Total days taken	Average days per Employee	Number of Employees who took leave
Skilled (Levels 3-5)	733	15	50
Highly skilled production (Levels 6-8)	4 097	18	229
Highly skilled supervision (Levels 9-12)	4 708	21	228
Senior management (Levels 13-16)	1 371	21	64
Contract (Levels 1-2)	172	6	28
Contract (Levels 3-5)	24	8	3
Contract (Levels 6-8)	74	7	10
Contract (Levels 9-12)	31	16	2
Contract (Levels 13-16)	74	25	3
Total	11 284	18	617

Table 3.10.4 Capped leave for the period 1 January 2016 to 31 December 2017

Salary band	Total days of capped leave taken	Number of Employees who took capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 December 2016
Highly skilled production (Levels 6-8)	0	0	0	15.1
Highly skilled supervision (Levels 9-12)	0	0	0	33.86
Senior management (Levels 13-16)	5	1	5	49.66
Skilled (Levels 3-5)	0	0	0	41.29
Total	5	1	5	17

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

Table 3.10.5 Leave payouts for the period 1 April 2016 to 31 March 2017

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Capped leave pay-outs on termination of service for 2016/17	601	32	18 781
Current leave pay-out on termination of service for 2016/17	283	20	14 150
Leave pay-out for 2016/17 due to non-utilisation of leave for the previous cycle	214	10	21 400
Total	1 098	62	17 710

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
N/A	

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter I of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		SMS Member: Advocate MA Mopeli - Director: Employee Relations, Health and Transformation.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		Dedicated Unit: Mr SV Nkosi: Deputy Director- Employee Health and Wellness and Ms M Sibande: Assistant Director Employee Health and Wellness.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		The department has introduced this programme to its entire staff and it was championed by the Director-General of the Department. Key services/elements: Counselling Services in last 4 quarters; Conducted HIV & AIDS Information Sessions during the World Aids day; and Employee Assistance Programme Services. Moreover, this unit operates within the scope of four (4) Employee Health and Wellness (EHV) Pillars which are: HIV&AIDS and TB Management Programmes, as well as Bereavement Matters, Health and Productivity Management and Occupational Health Management Programmes.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter I of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		X	The department has established a Transformation and HR Consultative Forum where issues of Employee Health and Wellness including HIV & AIDS are discussed in line with the Public Service Regulations, 2001.
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.		X	Policy review: The policy review will take place during the course of 2016/2017 financial year. The unit has HIV Counselling and Testing (HCT) statistics reports and awareness campaigns on the implementation of the HIV&AIDS and TB Management policy.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Measures in place: There is a dedicated unit which specialises in Employee Health & 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, it further provides HIV counselling and wellness interventions in all four quarters in the financial year.



Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		HIV Counselling and Testing (HCT) Services: The department had four interventions during the financial year 2015/2016, where staff members were encouraged to go for HIV Test and this was done in collaboration with the Health Screening Program conducted in the department through the Government Employees Medical Scheme (GEMS). The average percentage of employees reached was approximately 45% from the entire staff.
			Monitoring and evaluation: The unit compiled four (4) reports on EHW quarterly interventions to assess the impact of health promotion programmes per intervention and submitted the report to the Department of Public Service and Administration (DPSA).

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2016 to 31 March 2017

There were no collective agreements during this period.

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2016 to 31 March 2017

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	0	0%
Written warning	1	33.3%
Final written warning	0	0%
Suspended without pay	1	33.3%
Fine	0	0%
Demotion	0	0%
Dismissal	1	33.3%
Not guilty	0	0%
Case withdrawn	0	0%
Total	3	100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2016 to 31 March 2017

Type of misconduct	Number	% of total
Unlawful possession of confidential documents belonging to the department	1	33.3%
Pointing a firearm at a colleague.	1	33.3%
Theft	1	33.3%
Total	3	100%

Table 3.12.4 Grievances logged for the period 1 April 2016 to 31 March 2017

Grievances	Number	% of Total
Number of grievances addressed	8	100%

Table 3.12.5 Disputes lodged with Councils for the period 1 April 2016 to 31 March 2017

Disputes	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	1	100%
Total number of disputes lodged	1	100%

Table 3.12.6 Strike actions for the period 1 April 2016 to 31 March 2017

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2016 to 31 March 2017

Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	191
Cost of suspension (R'000)	350



3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2016 to 31 March 2017

Occupational category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Internship and external bursaries	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	35	0	47	9	56
	Male	33	0	37	5	42
Professionals	Female	227	0	11	15	26
	Male	170	0	13	17	30
Technicians and associate professionals	Female	13	0	0	10	10
	Male	18	0	0	6	6
Clerks	Female	13	0	24	10	34
	Male	10	0	8	6	14
Non-permanent employees	Female	13	21	0	0	21
	Male	13	15	0	0	15
Sub Total	Female	302	21	82	44	147
	Male	244	15	58	34	107
Total		545	36	140	78	254

Table 3.13.2 Training provided for the period 1 April 2016 to 31 March 2017

Occupational Categories	Gender	Employment	Internship and External Bursaries	Skills Programmes & other short courses	Other forms of training (Internal Bursaries, Project Khaedu and CIP)	Total
Legislators, senior officials and managers	Female	0	0	25	24	49
	Male	0	0	35	15	50
Professionals	Female	0	0	2	4	6
	Male	0	0	1	2	3
Technicians and associate professionals	Female	0	0	27	24	51
	Male	0	0	14	17	31
Clerks	Female	0	0	38	22	60
	Male	0	0	18	12	30

Occupational Categories	Gender	Employment	Internship and External Bursaries	Skills Programmes & other short courses	Other forms of training (Internal Bursaries, Project Khaedu and CIP)	Total
Service and sales workers	Female	0	0	0	2	2
	Male	0	0	1	3	4
Skilled agriculture and fishery workers	Female	0	0	190	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	5	1	6
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	2	2
Non-permanent employees	Female	14	22	0	0	22
	Male	13	15	0	0	15
Gender sub totals	Female	14	22	92	76	190
	Male	13	15	74	52	141
Total		27	37	166	128	331

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2016 to 31 March 2017

Nature of injury on duty	Number	% of total
Required basic medical attention only	4	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	4	100



3.15 Utilisation of Consultants

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

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

Report on consultant appointments using appropriated funds for the period 1 April 2016 to 31 March 2017

Project title	Total number of consultants who worked on project	Duration (work days)	Contract value in Rand	Percentage ownership by HDI groups
Implementation of business and market access support of Tourism Enterprises- Gauteng OR-006122- Silvermeadow Trading	9	12 Months	1 756 170.00	100%
Baseline study on the State of Transformation in the Tourism Sector OR-005751 -Urban-Econ Development Economists	8	3 Months	346 902.00	25%
Outsourcing of the drafting of 2015/2016 State of Tourism Report OR-006010-Urban-Econ Development Economists	5	4 Months	159 372.00	25%
Review of the Department of Tourism Social Responsibility Implementation (SRI) projects OR-005940- GTAC	Not indicated	24 Months	14 451 280.00	Public Entity
Facilitation of provincial tourism SMME business and market support; Northern Cape OR-006128- De Hart Training	3	12 Months	457 467.00	100%
Facilitation of provincial tourism SMME business and market support; Free State OR-006129- De Hart Training	3	12 Months	1 269 219.00	100%
Facilitation of provincial tourism SMME business and market support; Eastern Cape OR-006132- De Hart Training	3	12 Months	1 658 073.00	100%
Facilitation of provincial tourism SMME business and market support; Western Cape OR-006131- De Hart Training	3	12 Months	1 288 143.00	100%

Project title	Total number of consultants who worked on project	Duration (work days)	Contract value in Rand	Percentage ownership by HDI groups
Facilitation of provincial tourism SMME business and market support; North West OR-006130- De Hart Training	3	12 Months	770 896.50	100%
Facilitation of provincial tourism SMME business and market support; Limpopo OR-006125- Agnovision	Not indicated	12 Months	1 568 750.00	100%
Facilitation of provincial tourism SMME business and market support; Mpumalanga OR-006127- Agnovision	Not indicated	12 Months	2 023 750.00	100%
Facilitation of provincial tourism SMME business and market support; KwaZulu-Natal OR-006126- Agnovision	Not indicated	12 Months	1 882 500.00	100%
State readiness assessment to host tourism business incubator programme: Pilgrims Rest OR-006139-Agnovision	Not indicated	12 Months	621 905.00	100%
State readiness assessment to host tourism business incubator programme: Phalaborwa OR-006124-Agnovision	Not indicated	12 Months	649 305.00	100%
State readiness assessment to host tourism business incubator programme: Manyeleti OR-006123-Agnovision	Not indicated	12 Months	627 405.00	100%
Technical review of the financial statements OR-005651-KPMG	3	Once off	98 000.00	25.66%
Rapid viability assessment of the EPWP Projects OR-005562-SIVEST SA	Not indicated	4 Months	875 195.10	15.68%
Member of the technical team Tourism statistics and information OR-006144-Lee Ann Bac	1	6 Months	197 829.99	100%
Installation of solar system OR-005809-Bes Mandla	Not indicated	18 Months	9 304 844.32	100%
Technical Advisory services: Renewable Energy retro-fitment pilot project Phambili Merz	6	12 Months	3 000 000.00	100%
Installation of turnkey photovoltaic energy solutions at Robben Island Museum-pilot project OR-005778-Solar Future Energy	Not indicated	18 Months	24 957 655.06	



Project title	Total number of consultants who worked on project	Duration (work days)	Contract value in Rand	Percentage ownership by HDI groups
Installation of turnkey photovoltaic energy solutions at Kruger National Park-pilot project OR-005861-Resolution Circle		18 Months	35 804 445.87	
The development of guidelines for UA incentives for the tourism sector OR-005633- IDC Consultants Group	2	6 Months	246 696.00	
Technical Advisory services: Renewable Energy retro-fitment Parsons Brinckerhoff Africa		12 Months	4 131 355.00	
Development of a transformation strategy for the Tourism Sector OR-005730-Urban Econ Development Economists		3 Months	377 340.00	25%
Technical Resources for SharePoint OR-004781-Exponent	6	36 Months	6 979 330.80	25%
Technical Resources for the Electronic Document Management System (EDMS) OR-003793-Datacentrix	2	36 Months	8 390 971.40	50%
TOTAL			123 894 801.04	

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

3.16 Severance Packages

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





PART E: FINANCIAL INFORMATION

Report of the auditor-general to Parliament on vote no. 33: Department of Tourism

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Tourism set out on pages 110 to 178, which comprise the appropriation statement, the statement of financial position as at 31 March 2017 and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Tourism as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the modified cash standard (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of accounting officer

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS and the requirements of the 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:

7. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention either to liquidate the department or to cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2017:



DEPARTMENT OF TOURISM VOTE 33
REPORT OF THE AUDITOR GENERAL
for the year ended 31 March 2017

Programmes	Pages in the annual performance report
Programme 2 – Policy and Knowledge Services	39 – 46
Programme 4 – Domestic Tourism Management	49 – 55

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 2 – Policy and Knowledge Services
 - Programme 4 – Domestic Tourism Management

Other matter

15. I draw attention to the matter below
- Achievement of planned targets
16. Refer to the annual performance report on pages 39 to 46 and 49 to 55 for information on the achievement of planned targets for the year and explanations provided for the over / underachievement of a number of targets.

Report on audit of compliance with legislation

Introduction and scope

17. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Other information

18. The Department of Tourism's accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the management report for the year; overview of the departmental performance, governance, human resource management, information on transfers and subsidies, a report on the use of foreign aid assistance as required by the department annual report guide and the audit

committee report required by the Public Finance Management Act, 1999 (Act No.1 of 1999) (PFMA). The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.

19. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
20. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have not yet received the annual report. When I do receive this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected I may have to re-issue my auditor's report amended as appropriate.

Internal control deficiencies

21. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Other reports

22. I draw attention to the following engagement conducted by the Government Technical Advisory Centre (GTAC) that had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.



DEPARTMENT OF TOURISM VOTE 33
REPORT OF THE AUDITOR GENERAL
for the year ended 31 March 2017

23. As previously reported, GTAC has been requested to review the Expanded Public Works Programme (EPWP) projects to ensure finalisation of these projects in an effective and efficient manner. The review covered all EPWP projects not yet finalised since inception of the department till 31 March 2017. At the date of the report, the review was still in progress.

Auditor General

Pretoria
31 July 2017



Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the department's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
- identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards.



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DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per programme									
Programmes	2016/17							2015/16	
	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
Programme									
1 ADMINISTRATION	237 456	-	(1 192)	236 264	227 079	9 185	96.1	227 378	224 811
2 POLICY AND KNOWLEDGE SERVICES	1 269 753	-	406	1 270 159	1 214 938	55 221	95.7	1 205 699	1 195 525
3 INTERNATIONAL TOURISM	55 624	-	562	56 186	54 785	1 401	97.5	50 500	49 928
4 DOMESTIC TOURISM	446 683	-	224	446 907	422 844	24 063	94.6	310 601	307 130
TOTAL	2 009 516	-	-	2 009 516	1 919 646	89 870	95.5	1 794 178	1 777 394
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				5 321				6 770	
Actual amounts per Statement of Financial Performance (Total Revenue)				2 014 837				1 800 948	
Actual amounts per Statement of Financial Performance Expenditure					1 919 646				1 777 394



DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per economic classification									
Economic classification	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	615 647	61 096	(79 587)	597 156	584 672	12 484	97.9	463 980	452 618
Compensation of employees	269 541	-	-	269 541	266 118	3 423	98.7	253 059	252 906
Salaries and wages	213 205	24 866	-	238 071	234 852	3 219	98.6	222 945	222 792
Social contributions	56 336	(24 866)	-	31 470	31 266	204	99.4	30 114	30 114
Goods and services	346 106	61 096	(79 587)	327 615	318 554	9 061	97.2	210 921	199 712
Administrative fees	331	(171)	-	160	160	-	100	240	240
Advertising	6 469	(3 162)	-	3 307	2 303	1 004	69.6	2 809	2 673
Minor assets	1 296	(677)	-	619	619	-	100	269	269
Audit costs: External	6 281	(24)	-	6 257	6 257	-	100	4 985	4 985
Bursaries: Employees	900	834	-	1 734	1 734	-	100	1 171	1 171
Catering: Departmental activities	1 932	1 315	-	3 247	3 247	-	100	1 868	1 868
Communication (G&S)	5 602	(441)	-	5 161	5 161	-	100	5 194	5 194
Computer services	20 516	(2 265)	-	18 251	18 251	-	100	19 109	19 109
Consultants: Business and advisory services	13 653	407	7 677	21 737	20 799	938	95.7	21 530	19 490
Scientific and technological services	8	(8)	-	-	-	-	-	54	54
Legal services	151	456	-	607	607	-	100	520	520
Contractors	2 958	1 474	500	4 932	4 932	-	100	4 476	4 476
Agency and support / outsourced services	2 412	(383)	-	2 029	2 029	-	100	1 124	1 124
Entertainment	197	(155)	-	42	42	-	100	45	45
Fleet services (including government motor transport)	1 280	(343)	-	937	937	-	100	895	895
Consumable supplies	2 289	(631)	(47)	1 611	1 611	-	100	2 098	2 083
Consumable: Stationery printing and office supplies	4 774	(1 802)	-	2 972	2 972	-	100	4 036	3 958
Operating leases	26 533	7 341	-	33 874	33 874	-	100	34 390	34 390
Property payments	3 070	76	-	3 146	3 146	-	100	3 335	3 335
Transport provided: Departmental activity	14 089	(14 024)	-	65	65	-	100	-	-
Travel and subsistence	31 813	5 565	-	37 378	32 293	5 085	86.4	39 648	33 062

DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per economic classification									
Economic classification	2016/17							2015/16	
	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
Training and development	186 248	67 136	(87 717)	165 667	165 667	-	100	51 247	51 247
Operating payments	6 129	(2 744)	-	3 385	3 385	-	100	4 747	4 747
Venues and facilities	7 173	3 112	-	10 285	8 251	2 034	80.2	6 902	4 548
Rental and hiring	2	210	-	212	212	-	100	229	229
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 167 309	(44 202)	69 473	1 192 580	1 169 672	22 908	98.1	1 236 203	1 230 784
Departmental agencies and accounts	1 029 424	10 588	-	1 040 012	1 040 012	-	100	1 050 536	1 045 570
Higher education institutions	4 011	-	-	4 011	4 011	-	100	3 809	3 800
Foreign governments and international organisations	6 322	-	47	6 369	6 368	1	100	6 004	5 810
Public corporations and private enterprises	79 170	(3 858)	-	75 312	75 312	-	100	72 916	72 915
Public corporations	-	-	-	-	-	-	-	30 000	30 000
Private enterprises	79 170	(3 858)	-	75 312	75 312	-	100	42 916	42 915
Non-profit institutions	16 027	-	(15 527)	500	200	300	40	24 450	24 200
Households	32 355	(50 932)	84 953	66 376	43 769	22 607	65.9	78 488	78 489
Social benefits	-	433	-	433	433	-	100	2 141	2 141
Other transfers to households	32 355	(51 365)	84 953	65 943	43 336	22 607	65.7	76 347	76 348
Payments for capital assets	226 560	(17 666)	10 114	219 008	164 530	54 478	75.1	93 415	93 413
Buildings and other fixed structures	218 841	(17 866)	10 114	211 089	158 988	52 101	75.3	87 160	87 160
Buildings	104 651	96 324	10 114	211 089	158 988	52 101	75.3	87 160	87 160
Other fixed structures	114 190	(114 190)	-	-	-	-	-	-	-
Machinery and equipment	7 308	200	-	7 508	5 350	2 158	71.3	6 213	6 211
Transport equipment	981	(560)	-	421	421	-	100	-	-
Other machinery and equipment	6 327	760	-	7 087	4 929	2 158	69.5	6 213	6 211
Software and other intangible assets	411	-	-	411	192	219	46.7	42	42
Payment for financial assets	-	772	-	772	772	-	100	580	579
TOTAL	2 009 516	-	-	2 009 516	1 919 646	89 870	95.5	1 794 178	1 777 394



DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Detail per programme I: ADMINISTRATION									
Sub-programmes	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1 MINISTRY	32 356	(4 976)	-	27 380	26 823	557	98	27 894	26 028
2 MANAGEMENT	19 339	(595)	-	18 744	17 129	1 615	91.4	15 867	15 384
3 CORPORATE AFFAIRS	156 493	(2 116)	(1 192)	153 185	146 172	7 013	95.4	146 340	146 122
4 OFFICE ACCOMMODATION	29 268	7 687	-	36 955	36 955	-	100	37 277	37 277
Total for Sub-programmes	237 456	-	(1 192)	236 264	227 079	9 185	96.1	227 378	224 811

Detail per programme I: ADMINISTRATION									
Economic classification	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	233 153	(1 960)	(1 192)	230 001	221 803	8 198	96.4	221 389	218 822
Compensation of employees	130 408	-	(1 192)	129 216	125 793	3 423	97.4	121 318	121 318
Salaries and wages	115 075	(64)	(1 192)	113 819	110 600	3 219	97.2	106 432	106 432
Social contributions	15 333	64	-	15 397	15 193	204	98.7	14 886	14 886
Goods and services	102 745	(1 960)	-	100 785	96 010	4 775	95.3	100 071	97 504
Administrative fees	124	(10)	-	114	114	-	100	122	122
Advertising	1 978	(297)	-	1 681	1 681	-	100	1 290	1 290
Minor assets	899	(395)	-	504	504	-	100	150	150
Audit costs: External	4 781	456	-	5 237	5 237	-	100	4 985	4 985
Bursaries: Employees	890	844	-	1 734	1 734	-	100	1 171	1 171
Catering: Departmental activities	993	(119)	-	874	874	-	100	546	546
Communication (G&S)	3 704	127	-	3 831	3 831	-	100	3 921	3 921
Computer services	16 707	(1 990)	-	14 717	14 717	-	100	18 223	18 223
Consultants: Business and advisory services	3 686	20	-	3 706	2 768	938	74.7	1 542	1 542
Scientific and technological services	8	(8)	-	-	-	-	-	-	-
Legal services	-	457	-	457	457	-	100	404	404

DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Detail per programme I: ADMINISTRATION - Continued									
Economic classification	2016/17							2015/16	
	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
Contractors	1 556	2 670	-	4 226	4 226	-	100	2 799	2 799
Agency and support / outsourced services	2 387	(666)	-	1 721	1 721	-	100	1 124	1 124
Entertainment	194	(170)	-	24	24	-	100	43	43
Fleet services (including government motor transport)	1 280	(343)	-	937	937	-	100	895	895
Consumable supplies	1 721	(436)	-	1 285	1 285	-	100	1 591	1 591
Consumable: Stationery printing and office supplies	2 524	(564)	-	1 960	1 960	-	100	2 470	2 470
Operating leases	26 533	7 341	-	33 874	33 874	-	100	34 390	34 390
Property payments	2 936	169	-	3 105	3 105	-	100	3 299	3 299
Transport provided: Departmental activity	14 089	(14 089)	-	-	-	-	-	-	-
Travel and subsistence	7 955	6 701	-	14 656	12 011	2 645	82	15 922	13 355
Training and development	3 170	(2 039)	-	1 131	1 131	-	100	1 718	1 718
Operating payments	2 498	(687)	-	1 811	1 811	-	100	1 786	1 786
Venues and facilities	2 130	879	-	3 009	1 817	1 192	60.4	1 667	1 667
Rental and hiring	2	189	-	191	191	-	100	13	13
Transfers and subsidies	185	1 046	-	1 231	1 231	-	100	2 239	2 239
Departmental agencies and accounts	185	-	-	185	185	-	100	175	175
Households	-	1 046	-	1 046	1 046	-	100	2 064	2 064
Social benefits	-	266	-	266	266	-	100	1 538	1 538
Other transfers to households	-	780	-	780	780	-	100	526	526
Payments for capital assets	4 118	462	-	4 580	3 593	987	78.4	3 609	3 609
Machinery and equipment	3 742	462	-	4 204	3 401	803	80.9	3 567	3 567
Transport equipment	927	(506)	-	421	421	-	100	-	-
Other machinery and equipment	2 815	968	-	3 783	2 980	803	78.8	3 567	3 567
Software and other intangible assets	376	-	-	376	192	184	51.1	42	42
Payment for financial assets	-	452	-	452	452	-	100	141	141
TOTAL	237 456	-	(1 192)	236 264	227 079	9 185	96.1	227 378	224 811



DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per economic classification - Programme 1: ADMINISTRATION									
I.1. MINISTRY	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	31 046	(5 418)	-	25 628	25 628	-	100	27 085	25 219
Compensation of employees	14 488	571	-	15 059	15 059	-	100	13 471	13 471
Goods and services	16 558	(5 989)	-	10 569	10 569	-	100	13 614	11 748
Transfers and subsidies	-	24	-	24	24	-	100	147	147
Households	-	24	-	24	24	-	100	147	147
Payments for capital assets	1 310	-	-	1 310	753	557	57.5	597	597
Machinery and equipment	1 310	-	-	1 310	753	557	57.5	597	597
Payment for financial assetst	-	418	-	418	418	-	100	65	65
Total	32 356	(4 976)	-	27 380	26 823	557	98	27 894	26 028

I.2. MANAGEMENT	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	18 871	(626)	-	18 245	16 877	1 368	92.5	14 102	13 619
Compensation of employees	14 151	(571)	-	13 580	12 553	1 027	92.4	11 317	11 317
Goods and services	4 720	(55)	-	4 665	4 324	341	92.7	2 785	2 302
Transfers and subsidies	-	31	-	31	31	-	100	1 419	1 419
Households	-	31	-	31	31	-	100	1 419	1 419
Payments for capital assets	468	-	-	468	221	247	47.2	297	297
Machinery and equipment	468	-	-	468	221	247	47.2	297	297
Payment for financial assets	-	-	-	-	-	-	-	49	49
Total	19 339	(595)	-	18 744	17 129	1 615	91.4	15 867	15 384

DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per economic classification - Programme 1: ADMINISTRATION - Continued									
I.3: CORPORATE AFFAIRS	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	153 968	(3 603)	(1 192)	149 173	142 343	6 830	95.4	142 925	142 707
Compensation of employees	101 769	-	(1 192)	100 577	98 181	2 396	97.6	96 530	96 530
Goods and services	52 199	(3 603)	-	48 596	44 162	4 434	90.9	46 395	46 177
Transfers and subsidies	185	991	-	1 176	1 176	-	100	673	673
Departmental agencies and accounts	185	-	-	185	185	-	100	175	175
Households	-	991	-	991	991	-	100	498	498
Payments for capital assets	2 340	462	-	2 802	2 619	183	93.5	2 715	2 715
Machinery and equipment	1 964	462	-	2 426	2 427	(1)	100	2 673	2 673
Software and other intangible assets	376	-	-	376	192	184	51.1	42	42
Payment for financial assets	-	34	-	34	34	-	100	27	27
Total	156 493	(2 116)	(1 192)	153 185	146 172	7 013	95.4	146 340	146 122

I.4: OFFICE ACCOMMODATION	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	29 268	7 687	-	36 955	36 955	-	100	37 277	37 277
Goods and services	29 268	7 687	-	36 955	36 955	-	100	37 277	37 277
Total	29 268	7 687	-	36 955	36 955	-	100	37 277	37 277



DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Detail per programme 2: POLICY AND KNOWLEDGE SERVICES									
Sub-programmes	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1 POLICY AND KNOWLEDGE SERVICES MANAGEMENT	5 094	(984)	-	4 110	4 110	-	100	4 787	2 668
2 POLICY DEVELOPMENT AND EVALUATION	22 492	381	-	22 873	21 563	1 310	94.3	22 323	21 030
3 RESEARCH AND KNOWLEDGE MANAGEMENT	32 029	70	120	32 219	31 231	988	96.9	29 586	28 098
4 SOUTH AFRICAN TOURISM	1 024 847	-	-	1 024 847	1 024 847	-	100	977 712	977 712
5 TOURISM INCENTIVE PROGRAMME	185 291	533	286	186 110	133 187	52 923	71.6	171 291	166 017
Total for Sub-programmes	1 269 753	-	406	1 270 159	1 214 938	55 221	95.7	1 205 699	1 195 525

Detail per programme 2: POLICY AND KNOWLEDGE SERVICES									
Economic classification	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	66 849	(2 599)	406	64 656	62 088	2 568	96	74 477	69 280
Compensation of employees	43 787	-	406	44 193	44 193	-	100	39 875	39 721
Salaries and wages	31 939	6 989	406	39 334	39 334	-	100	35 470	35 316
Social contributions	11 848	(6 989)	-	4 859	4 859	-	100	4 405	4 405
Goods and services	23 062	(2 599)	-	20 463	17 895	2 568	87.5	34 602	29 559
Administrative fees	83	(54)	-	29	29	-	100	104	104
Advertising	1 867	(735)	-	1 132	310	822	27.4	1 007	871
Minor assets	121	(69)	-	52	52	-	100	53	53
Audit costs: External	-	84	-	84	84	-	100	-	-
Bursaries: Employees	10	(10)	-	-	-	-	-	-	-
Catering: Departmental activities	262	453	-	715	715	-	100	328	328
Communication (G&S)	798	(455)	-	343	343	-	100	300	300

DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Detail per programme 2: POLICY AND KNOWLEDGE SERVICES - Continued									
Economic classification	2016/17							2015/16	
	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
Computer services	716	1 334	-	2 050	2 050	-	100	758	758
Consultants: Business and advisory services	6 157	(2 069)	-	4 088	4 088	-	100	16 424	16 119
Contractors	-	104	-	104	104	-	100	78	78
Agency and support / outsourced services	10	(10)	-	-	-	-	-	-	-
Entertainment	1	(1)	-	-	-	-	-	-	-
Consumable supplies	73	34	-	107	107	-	100	51	51
Consumable: Stationery, printing and office supplies	699	(274)	-	425	425	-	100	501	501
Travel and subsistence	5 263	(413)	-	4 850	3 943	907	81.3	6 986	4 620
Training and development	1 163	2 178	-	3 341	3 341	-	100	2 405	2 405
Operating payments	2 548	(1 897)	-	651	651	-	100	2 219	2 219
Venues and facilities	3 291	(799)	-	2 492	1 653	839	66.3	3 334	1 098
Transfers and subsidies	1 107 428	6 777	-	1 114 205	1 114 205	-	100	1 130 262	1 125 287
Departmental agencies and accounts	1 024 847	10 588	-	1 035 435	1 035 435	-	100	1 044 368	1 039 402
Higher education institutions	4 011	-	-	4 011	4 011	-	100	3 809	3 800
Public corporations and private enterprises	78 570	(3 858)	-	74 712	74 712	-	100	71 891	71 891
Public corporations	-	-	-	-	-	-	-	30 000	30 000
Private enterprises	78 570	(3 858)	-	74 712	74 712	-	100	41 891	41 891
Non-profit institutions	-	-	-	-	-	-	-	10 000	10 000
Households	-	47	-	47	47	-	100	194	194
Social benefits	-	47	-	47	47	-	100	144	144
Other transfers to households	-	-	-	-	-	-	-	50	50
Payments for capital assets	95 476	(4 197)	-	91 279	38 626	52 653	42.3	937	935
Buildings and other fixed structures	94 016	(3 935)	-	90 081	37 980	52 101	42.2	-	-
Buildings	-	90 081	-	90 081	37 980	52 101	42.2	-	-
Other fixed structures	94 016	(94 016)	-	-	-	-	-	-	-
Machinery and equipment	1 425	(262)	-	1 163	646	517	55.5	937	935
Other machinery and equipment	1 425	(262)	-	1 163	646	517	55.5	937	935
Software and other intangible assets	35	-	-	35	-	35	-	-	-
Payment for financial assets	-	19	-	19	19	-	100	23	23
TOTAL	1 269 753	-	406	1 270 159	1 214 938	55 221	95.7	1 205 699	1 195 525



DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per economic classification - Programme 2: POLICY AND KNOWLEDGE SERVICES									
2.1. POLICY AND KNOWLEDGE SERVICES MANAGEMENT	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5 067	(1 026)	-	4 041	4 041	-	100	4 745	2 626
Compensation of employees	3 714	(1 161)	-	2 553	2 553	-	100	1 637	1 637
Goods and services	1 353	135	-	1 488	1 488	-	100	3 108	989
Payments for capital assets	27	38	-	65	65	-	100	42	42
Machinery and equipment	27	38	-	65	65	-	100	42	42
Payment for financial assets	-	4	-	4	4	-	100	-	-
Total	5 094	(984)	-	4 110	4 110	-	100	4 787	2 668

2.2. POLICY DEVELOPMENT AND EVALUATION	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	22 000	385	-	22 385	21 258	1 127	95	21 965	20 672
Compensation of employees	15 485	1 091	-	16 576	16 576	-	100	15 704	15 704
Goods and services	6 515	(706)	-	5 809	4 682	1 127	80.6	6 261	4 968
Transfers and subsidies	-	26	-	26	26	-	100	48	48
Households	-	26	-	26	26	-	100	48	48
Payments for capital assets	492	(38)	-	454	271	183	59.7	288	288
Machinery and equipment	492	(38)	-	454	271	183	59.7	288	288
Payment for financial assets	-	8	-	8	8	-	100	22	22
Total	22 492	381	-	22 873	21 563	1 310	94.3	22 323	21 030

DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per economic classification - Programme 2: POLICY AND KNOWLEDGE SERVICES - <i>Continued</i>									
2.3. RESEARCH AND KNOWLEDGE MANAGEMENT	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	27 410	47	120	27 577	26 958	619	97.8	25 204	23 725
Compensation of employees	18 930	70	120	19 120	19 120	-	100	17 125	16 972
Goods and services	8 480	(23)	-	8 457	7 838	619	92.7	8 079	6 753
Transfers and subsidies	4 011	16	-	4 027	4 027	-	100	3 902	3 893
Higher education institutions	4 011	-	-	4 011	4 011	-	100	3 809	3 800
Households	-	16	-	16	16	-	100	93	93
Payments for capital assets	608	-	-	608	239	369	39.3	479	479
Machinery and equipment	573	-	-	573	239	334	41.7	479	479
Software and other intangible assets	35	-	-	35	-	35	-	-	-
Payment for financial assets	-	7	-	7	7	-	100	1	1
Total	32 029	70	120	32 219	31 231	988	96.9	29 586	28 098

2.4. SOUTH AFRICAN TOURISM	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	1 024 847	-	-	1 024 847	1 024 847	-	100	977 712	977 712
Departmental agencies and accounts	1 024 847	-	-	1 024 847	1 024 847	-	100	977 712	977 712
Total	1 024 847	-	-	1 024 847	1 024 847	-	100	977 712	977 712



DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per economic classification - Programme 2: POLICY AND KNOWLEDGE SERVICES - <i>Continued</i>									
2.5. TOURISM INCENTIVE PROGRAMME	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	12 372	(2 005)	286	10 653	9 831	822	92.3	22 563	22 257
Compensation of employees	5 658	-	286	5 944	5 944	-	100	5 409	5 408
Goods and services	6 714	(2 005)	-	4 709	3 887	822	82.5	17 154	16 849
Transfers and subsidies	78 570	6 735	-	85 305	85 305	-	100	148 600	143 634
Departmental agencies and accounts	-	10 588	-	10 588	10 588	-	100	66 656	61 690
Public corporations and private enterprises	78 570	(3 858)	-	74 712	74 712	-	100	71 891	71 891
Non-profit institutions	-	-	-	-	-	-	-	10 000	10 000
Households	-	5	-	5	5	-	100	53	53
Payments for capital assets	94 349	(4 197)	-	90 152	38 051	52 101	42.2	128	126
Buildings and other fixed structures	94 016	(3 935)	-	90 081	37 980	52 101	42.2	-	-
Machinery and equipment	333	(262)	-	71	71	-	100	128	126
Total	185 291	533	286	186 110	133 187	52 923	71.6	171 291	166 017

DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Detail per programme 3: INTERNATIONAL TOURISM									
Sub-programmes	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1 INTERNATIONAL TOURISM MANAGEMENT	4 932	80	-	5 012	4 419	593	88.2	4 097	4 097
2 AMERICAS AND WESTERN EUROPE	20 161	(2 430)	264	17 995	17 535	460	97.4	17 039	16 830
3 AFRICA AND MIDDLE EAST	16 451	615	147	17 213	17 155	58	99.7	15 940	15 824
4 ASIA AUSTRALASIA AND EASTERN EUROPE	14 080	1 735	151	15 966	15 676	290	98.2	13 424	13 177
TOTAL	55 624	-	562	56 186	54 785	1 401	97.5	50 500	49 928

Detail per programme 3: INTERNATIONAL TOURISM									
Economic classification	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	48 138	(14)	515	48 639	48 050	589	98.8	43 341	42 963
Compensation of employees	39 522	-	562	40 084	40 084	-	100	37 737	37 737
Salaries and wages	25 097	9 914	562	35 573	35 573	-	100	33 443	33 443
Social contributions	14 425	(9 914)	-	4 511	4 511	-	100	4 294	4 294
Goods and services	8 616	(14)	(47)	8 555	7 966	589	93.1	5 604	5 226
Administrative fees	57	(52)	-	5	5	-	100	11	11
Advertising	562	(550)	-	12	12	-	100	26	26
Minor assets	202	(185)	-	17	17	-	100	24	24
Catering: Departmental activities	82	262	-	344	344	-	100	266	266
Communication (G&S)	406	(149)	-	257	257	-	100	285	285
Computer services	10	49	-	59	59	-	100	-	-
Consultants: Business and advisory services	-	78	-	78	78	-	100	67	67
Legal services	-	68	-	68	68	-	100	-	-



DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Detail per programme 3: INTERNATIONAL TOURISM - Continued									
Economic classification	2016/17							2015/16	
	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
Contractors	-	2	-	2	2	-	100	591	591
Entertainment	1	16	-	17	17	-	100	-	-
Consumable supplies	199	(78)	(47)	74	74	-	100	117	102
Consumable: Stationery printing and office supplies	723	(494)	-	229	229	-	100	231	231
Travel and subsistence	5 063	(75)	-	4 988	4 399	589	88.2	3 052	2 807
Training and development	387	759	-	1 146	1 146	-	100	162	162
Operating payments	676	(245)	-	431	431	-	100	510	510
Venues and facilities	248	580	-	828	828	-	100	258	140
Rental and hiring	-	-	-	-	-	-	-	4	4
Transfers and subsidies	6 322	7	47	6 376	6 375	1	100	6 407	6 213
Foreign governments and international organisations	6 322	-	47	6 369	6 368	1	100	6 004	5 810
Households	-	7	-	7	7	-	100	403	403
Social benefits	-	7	-	7	7	-	100	403	403
Payments for capital assets	1 164	-	-	1 164	353	811	30.3	747	747
Machinery and equipment	1 164	-	-	1 164	353	811	30.3	747	747
Other machinery and equipment	1 164	-	-	1 164	353	811	30.3	747	747
Payment for financial assets	-	7	-	7	7	-	100	5	5
TOTAL	55 624	-	562	56 186	54 785	1 401	97.5	50 500	49 928

DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per economic classification - Programme 3: INTERNATIONAL TOURISM									
3.1. INTERNATIONAL TOURISM MANAGEMENT	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4 832	80	-	4 912	4 323	589	88	3 524	3 524
Compensation of employees	3 395	310	-	3 705	3 705	-	100	2 985	2 985
Goods and services	1 437	(230)	-	1 207	618	589	51.2	539	539
Transfers and subsidies	-	-	-	-	-	-	-	403	403
Households	-	-	-	-	-	-	-	403	403
Payments for capital assets	100	-	-	100	96	4	96	165	165
Machinery and equipment	100	-	-	100	96	4	96	165	165
Payment for financial assets	-	-	-	-	-	-	-	5	5
Total	4 932	80	-	5 012	4 419	593	88.2	4 097	4 097

3.2. AMERICAS AND WESTERN EUROPE	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	17 101	(2 430)	(47)	14 624	14 624	-	100	14 413	14 398
Compensation of employees	13 813	(394)	-	13 419	13 419	-	100	12 787	12 787
Goods and services	3 288	(2 036)	(47)	1 205	1 205	-	100	1 626	1 611
Transfers and subsidies	2 529	-	311	2 840	2 839	1	100	2 292	2 098
Foreign governments and international organisations	2 529	-	311	2 840	2 839	1	100	2 292	2 098
Payments for capital assets	531	-	-	531	72	459	13.6	334	334
Machinery and equipment	531	-	-	531	72	459	13.6	334	334
Total	20 161	(2 430)	264	17 995	17 535	460	97.4	17 039	16 830



DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per economic classification - Programme 3: INTERNATIONAL TOURISM - Continued									
3.3: AFRICA AND MIDDLE EAST	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	12 493	608	411	13 512	13 512	-	100	12 163	12 047
Compensation of employees	10 404	84	411	10 899	10 899	-	100	10 038	10 038
Goods and services	2 089	524	-	2 613	2 613	-	100	2 125	2 009
Transfers and subsidies	3 793	-	(264)	3 529	3 529	-	100	3 712	3 712
Foreign governments and international organisations	3 793	-	(264)	3 529	3 529	-	100	3 712	3 712
Payments for capital assets	165	-	-	165	107	58	64.8	65	65
Machinery and equipment	165	-	-	165	107	58	64.8	65	65
Payment for financial assets	-	7	-	7	7	-	100	-	-
Total	16 451	615	147	17 213	17 155	58	99.7	15 940	15 824

3.4: ASIA AUSTRALASIA AND EASTERN EUROPE	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	13 712	1 728	151	15 591	15 591	-	100	13 241	12 994
Compensation of employees	11 910	-	151	12 061	12 061	-	100	11 927	11 927
Goods and services	1 802	1 728	-	3 530	3 530	-	100	1 314	1 067
Transfers and subsidies	-	7	-	7	7	-	100	-	-
Households	-	7	-	7	7	-	100	-	-
Payments for capital assets	368	-	-	368	78	290	21.2	183	183
Machinery and equipment	368	-	-	368	78	290	21.2	183	183
Total	14 080	1 735	151	15 966	15 676	290	98.2	13 424	13 177

DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Detail per programme 4: DOMESTIC TOURISM									
Sub- programmes	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1 DOMESTIC TOURISM MANAGEMENT	14 327	(652)	-	13 675	13 375	300	97.8	11 437	11 432
2 DOMESTIC TOURISM MANAGEMENT: SOUTHERN REGION	14 490	600	224	15 314	15 132	182	98.8	14 816	14 566
3 DOMESTIC TOURISM MANAGEMENT: NORTHERN REGION	15 745	410	-	16 155	16 152	3	100	18 622	18 619
4 SOCIAL RESPONSIBILITY IMPLEMENTATION	386 594	2 968	-	389 562	365 984	23 578	93.9	252 226	249 013
5 STRATEGIC PARTNERS IN TOURISM	15 527	(3 326)	-	12 201	12 201	-	100	13 500	13 500
TOTAL	446 683	-	224	446 907	422 844	24 063	94.6	310 601	307 130

Detail per programme 4: DOMESTIC TOURISM									
Economic classification	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	267 507	65 669	(79 316)	253 860	252 731	1 129	99.6	124 773	121 553
Compensation of employees	55 824	-	224	56 048	56 048	-	100	54 129	54 130
Salaries and wages	41 094	8 027	224	49 345	49 345	-	100	47 600	47 601
Social contributions	14 730	(8 027)	-	6 703	6 703	-	100	6 529	6 529
Goods and services	211 683	65 669	(79 540)	197 812	196 683	1 129	99.4	70 644	67 423
Administrative fees	67	(55)	-	12	12	-	100	3	3
Advertising	2 062	(1 580)	-	482	300	182	62.2	486	486
Minor assets	74	(28)	-	46	46	-	100	42	42
Audit costs: External	1 500	(564)	-	936	936	-	100	-	-
Catering: Departmental activities	595	719	-	1 314	1 314	-	100	728	728
Communication (G&S)	694	36	-	730	730	-	100	688	688
Computer services	3 083	(1 658)	-	1 425	1 425	-	100	128	128
Consultants: Business and advisory services	3 810	2 378	7 677	13 865	13 865	-	100	3 497	1 762



DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Detail per programme 4: DOMESTIC TOURISM - Continued									
Economic classification	2016/17							2015/16	
	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
Legal services	151	(69)	-	82	82	-	100	116	116
Contractors	1 402	(1 302)	500	600	600	-	100	1 008	1 008
Agency and support / outsourced services	15	293	-	308	308	-	100	-	-
Entertainment	1	-	-	1	1	-	100	2	2
Consumable supplies	296	(151)	-	145	145	-	100	339	339
Consumable: Stationery, printing and office supplies	828	(470)	-	358	358	-	100	834	756
Property payments	134	(93)	-	41	41	-	100	36	36
Transport provided: Departmental activity	-	65	-	65	65	-	100	-	-
Travel and subsistence	13 532	(648)	-	12 884	11 940	944	92.7	13 688	12 280
Training and development	181 528	66 238	(87 717)	160 049	160 049	-	100	46 962	46 962
Operating payments	407	85	-	492	492	-	100	232	232
Venues and facilities	1 504	2 452	-	3 956	3 953	3	99.9	1 643	1 643
Rental and hiring	-	21	-	21	21	-	100	212	212
Transfers and subsidies	53 374	(52 032)	69 426	70 768	47 861	22 907	67.6	97 295	97 045
Departmental agencies and accounts	4 392	-	-	4 392	4 392	-	100	5 993	5 993
Public corporations and private enterprises	600	-	-	600	600	-	100	1 025	1 024
Private enterprises	600	-	-	600	600	-	100	1 025	1 024
Non-profit institutions	16 027	-	(15 527)	500	200	300	40	14 450	14 200
Households	32 355	(52 032)	84 953	65 276	42 669	22 607	65.4	75 827	75 828
Social benefits	-	113	-	113	113	-	100	56	56
Other transfers to households	32 355	(52 145)	84 953	65 163	42 556	22 607	65.3	75 771	75 772
Payments for capital assets	125 802	(13 931)	10 114	121 985	121 958	27	100	88 122	88 122
Buildings and other fixed structures	124 825	(13 931)	10 114	121 008	121 008	-	100	87 160	87 160
Buildings	104 651	6 243	10 114	121 008	121 008	-	100	87 160	87 160
Other fixed structures	20 174	(20 174)	-	-	-	-	-	-	-
Machinery and equipment	977	-	-	977	950	27	97.2	962	962
Transport equipment	54	(54)	-	-	-	-	-	-	-
Other machinery and equipment	923	54	-	977	950	27	97.2	962	962
Payment for financial assets	-	294	-	294	294	-	100	411	410
TOTAL	446 683	-	224	446 907	422 844	24 063	94.6	310 601	307 130



DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per economic classification - Programme 4: DOMESTIC TOURISM									
4.1. DOMESTIC TOURISM MANAGEMENT	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	8 731	(122)	-	8 609	8 609	-	100	6 380	6 376
Compensation of employees	3 618	(171)	-	3 447	3 447	-	100	3 277	3 277
Goods and services	5 113	49	-	5 162	5 162	-	100	3 103	3 099
Transfers and subsidies	5 492	(600)	-	4 892	4 592	300	93.9	4 918	4 917
Departmental agencies and accounts	4 392	-	-	4 392	4 392	-	100	3 993	3 993
Public corporations and private enterprises	600	(600)	-	-	-	-	-	725	724
Non-profit institutions	500	-	-	500	200	300	40	200	200
Payments for capital assets	104	67	-	171	171	-	100	139	139
Machinery and equipment	104	67	-	171	171	-	100	139	139
Payment for financial assets	-	3	-	3	3	-	100	-	-
Total	14 327	(652)	-	13 675	13 375	300	97.8	11 437	11 432

4.2. DOMESTIC TOURISM MANAGEMENT: SOUTHERN REGION	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	14 416	510	224	15 150	14 968	182	98.8	13 569	13 569
Compensation of employees	10 039	601	224	10 864	10 864	-	100	10 011	10 011
Goods and services	4 377	(91)	-	4 286	4 104	182	95.8	3 558	3 558
Transfers and subsidies	-	-	-	-	-	-	-	797	547
Non-profit institutions	-	-	-	-	-	-	-	750	500
Households	-	-	-	-	-	-	-	47	47
Payments for capital assets	74	51	-	125	125	-	100	85	85
Machinery and equipment	74	51	-	125	125	-	100	85	85
Payment for financial assets	-	39	-	39	39	-	100	365	365
Total	14 490	600	224	15 314	15 132	182	98.8	14 816	14 566



DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per economic classification - Programme 4: DOMESTIC TOURISM - Continued									
4.3. DOMESTIC TOURISM MANAGEMENT: NORTHERN REGION	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000

Current payments	15 556	(364)	-	15 192	15 189	3	100	16 221	16 218
Compensation of employees	11 987	(337)	-	11 650	11 650	-	100	11 304	11 304
Goods and services	3 569	(27)	-	3 542	3 539	3	99.9	4 917	4 914
Transfers and subsidies	-	616	-	616	616	-	100	2 309	2 309
Departmental agencies and accounts	-	-	-	-	-	-	-	2 000	2 000
Public corporations and private enterprises	-	600	-	600	600	-	100	300	300
Households	-	16	-	16	16	-	100	9	9
Payments for capital assets	189	147	-	336	336	-	100	82	82
Machinery and equipment	189	147	-	336	336	-	100	82	82
Payment for financial assets	-	11	-	11	11	-	100	10	10
Total	15 745	410	-	16 155	16 152	3	100	18 622	18 619

4.4. SOCIAL RESPONSIBILITY IMPLEMENTATION	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	228 804	68 971	(95 067)	202 708	201 764	944	99.5	88 603	85 390
Compensation of employees	30 180	(93)	-	30 087	30 087	-	100	29 537	29 538
Goods and services	198 624	69 064	(95 067)	172 621	171 677	944	99.5	59 066	55 852
Transfers and subsidies	32 355	(52 048)	84 953	65 260	42 653	22 607	65.4	75 771	75 772
Households	32 355	(52 048)	84 953	65 260	42 653	22 607	65.4	75 771	75 772
Payments for capital assets	125 435	(14 196)	10 114	121 353	121 326	27	100	87 816	87 816
Buildings and other fixed structures	124 825	(13 931)	10 114	121 008	121 008	-	100	87 160	87 160
Machinery and equipment	610	(265)	-	345	318	27	92.2	656	656
Payment for financial assets	-	241	-	241	241	-	100	36	35
Total	386 594	2 968	-	389 562	365 984	23 578	93.9	252 226	249 013

DEPARTMENT OF TOURISM VOTE 33
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per economic classification - Programme 4: DOMESTIC TOURISM - <i>Continued</i>									
4.5. STRATEGIC PARTNERS IN TOURISM	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	(3 326)	15 527	12 201	12 201	-	100	-	-
Goods and services	-	(3 326)	15 527	12 201	12 201	-	100	-	-
Transfers and subsidies	15 527	-	(15 527)	-	-	-	-	13 500	13 500
Non-profit institutions	15 527		(15 527)	-	-	-	-	13 500	13 500
Total	15 527	(3 326)	-	12 201	12 201	-	100	13 500	13 500



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

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

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

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

3. Details on payments for financial assets

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

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

4.1 Per programme	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	R'000
Programme 1: Administration				
Compensation of employees	129 216	125 793	3 423	3%
Good and services	100 785	96 010	4 775	5%
Payments for capital assets	4 580	3 593	987	22%
Programme 2: Policy and Knowledge Services				
Goods and services	20 463	17 895	2 568	13%
Payments for capital assets	91 279	38 626	52 653	58%
Programme 3: International Tourism				
Good and services	8 555	7 966	589	7%
Transfers and subsidies	6 376	6 375	1	-
Payments for capital assets	1 164	353	811	70%
Programme 4: Domestic Tourism				
Good and servicest	197 812	196 683	1 129	1%
Transfers and subsidies	70 768	47 861	22 907	32%
Payments for capital assets	121 985	121 958	27	-
TOTAL	746 607	656 738	89 870	-

Programme 1: Administration

Explanation of variance: This underspending is mainly due to cost containment measures implemented by the Departments in compliance with instructions received from the National Treasury. These measures included procedures to reduce spending on Goods and Services as well as the Purchases of Capital Assets together with the abolishment of non-critical vacated posts to reduce spending on Compensation of Employees.

DEPARTMENT OF TOURISM VOTE 33
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2017

Programme 2: Policy and Knowledge Services

Explanation of variance: The majority of the saving in the Programme is due to delays in the implementation of the Tourism Incentive Programme projects. Contractual negotiations together with the requirement for additional environmental impacts studies delayed the implementation of various projects scheduled to take place in the 2016/17 financial year. A roll-over of funds (R52.1 million) has been submitted to the National Treasury in order to fund the delayed projects from the 2016/17 unspent funds.

Programme 3: International Tourism

Explanation of variance: This underspending is mainly due to cost containment measures implemented by the Departments in compliance with instructions received from the National Treasury. These measures included procedures to reduce spending on Goods and Services as well as the Purchases of Capital Assets.

Programme 4: Domestic Tourism

Explanation of variance: The bulk of the unspent funds (R22.6 million) is due to funds allocated to the Expanded Public Works Programme Incentive which was not approved by the Department of Public Works for spending. These funds must therefore be relinquished back to the National Treasury as unspent funds.

4.2 Per economic classification	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	R'000
Current payments	597 156	584 672	12 484	-
Compensation of employees	269 541	266 118	3 423	1%
Goods and services	327 615	318 554	9 061	3%
Transfers and subsidies	1 192 580	1 169 672	22 908	-
Departmental agencies and accounts	1 040 012	1 040 012	-	0%
Higher education institutions	4 011	4 011	-	0%
Public corporations and private enterprises	75 312	75 312	-	0%
Foreign governments and international organisations	6 369	6 368	1	0%
Non-profit institutions	500	200	300	60%
Households	66 376	43 769	22 607	34%
Payment for capital assets	219 008	164 530	54 478	-
Buildings and other fixed structures	211 089	158 988	52 101	25%
Machinery and equipment	7 508	5 350	2 158	29%
Software and other intangible assets	411	192	219	53%
Payment for financial assets	772	772	-	0%
TOTAL	2 009 516	1 919 646	89 870	-

Explanation of variances: The bulk of the variance under Compensation of Employees, Goods and Services, and Payments for Capital Assets is mainly due to cost containment measures implemented by the Departments in compliance with instructions received from the National Treasury. These measures included procedures to reduce spending on Goods and Services as well as the Purchases of Capital Assets together with the abolishment of non-critical vacated posts to reduce spending on Compensation of Employees. The majority of the variance within Transfers and Subsidies is mainly due to delays in the implementation of the Tourism Incentive Programme projects and funds allocated to the Expanded Public Works Programme Incentive whereby approval was not granted by the Department of Public Works for funds to be disbursed.



	Note	2016/17	2015/16
		R'000	R'000
REVENUE			
Annual appropriation	1	2 009 516	1 794 178
Departmental revenue	2	5 321	6 770
TOTAL REVENUE		2 014 837	1 800 948
EXPENDITURE			
Current expenditure			
Compensation of employees	4	266 118	252 906
Goods and services	5	318 554	199 712
Total current expenditure		584 672	452 618
Transfers and subsidies			
Transfers and subsidies	7	1 169 672	1 230 784
Total transfers and subsidies		1 169 672	1 230 784
Expenditure for capital assets			
Tangible assets	8	164 338	93 371
Intangible assets	8	192	42
Total expenditure for capital assets		164 530	93 413
Payments for financial assets	6	772	579
TOTAL EXPENDITURE		1 919 646	1 777 394
SURPLUS/(DEFICIT) FOR THE YEAR		95 191	23 554
Reconciliation of net surplus/ (deficit) for the year			
Voted funds		89 870	16 784
Annual appropriation		89 870	16 784
Departmental revenue	13	5 321	6 770
SURPLUS/(DEFICIT) FOR THE YEAR		95 191	23 554

DEPARTMENT OF TOURISM VOTE 33
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2017

	Note	2016/17	2015/16
		R'000	R'000
ASSETS			
Current assets		90 029	16 819
Cash and cash equivalents	9	89 065	16 130
Prepayments and advances	10	384	87
Receivables	11	580	602
Non-current assets		127	363
Receivables	11.4	127	363
TOTAL ASSETS		90 156	17 182
LIABILITIES			
Current liabilities		89 904	16 847
Voted funds to be surrendered to the revenue fund	12	89 870	16 784
Departmental revenue to be surrendered to the revenue fund	13	17	45
Payables	14	17	18
TOTAL LIABILITIES		89 904	16 847
NET ASSETS		252	335
Represented by:			
Recoverable revenue		252	335
TOTAL		252	335



	Note	2016/17	2015/16
		R'000	R'000
Recoverable revenue			
Opening balance		335	322
Transfers:		(83)	13
Debts recovered (included in departmental receipts)		(226)	(149)
Debts raised		143	162
Closing balance		252	335
TOTAL		252	335

DEPARTMENT OF TOURISM VOTE 33
CASH FLOW STATEMENT
for the year ended 31 March 2017

	Note	2016/17	2015/16
		R'000	R'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts		2 014 798	1 800 864
Annual appropriated funds received	1	2 009 516	1 794 178
Departmental revenue received	2	5 136	6 127
Interest received	2	146	559
Net (increase)/decrease in working capital		(40)	409
Surrendered to revenue fund		(22 133)	(32 580)
Surrendered to RDP fund/Donor		-	(4 800)
Current payments		(584 672)	(452 618)
Payments for financial assets		(772)	(579)
Transfers and subsidies paid		(1 169 672)	(1 230 784)
Net cash flow available from operating activities	15	237 509	79 912
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(164 530)	(93 413)
Proceeds from sale of capital assets	2	39	84
Net cash flow from investing activities		(164 491)	(93 329)
CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(83)	13
Net cash flow from financing activities		(83)	13
Net increase/(decrease) in cash and cash equivalents		72 935	(13 404)
Cash and cash equivalents at beginning of period		16 130	29 534
Cash and cash equivalents at end of period	16	89 065	16 130



Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements.

These are based on the best information available at the time of preparation.

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

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	Comparative information
6.1	Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	Current year comparison with budget A comparison between the approved final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

DEPARTMENT OF TOURISM VOTE 33
ACCOUNTING POLICIES
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7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / or penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable. Accruals and payables not recognised are measured at cost.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term excluding interest.



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9	Aid Assistance
9.1	Aid assistance received Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	Aid assistance paid Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10	Cash and cash equivalents Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11	Prepayments and advances Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost.
12	Loans and receivables Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
13	Investments Investments are recognised in the statement of financial position at cost.
14	Financial assets
14.1	Financial assets (not covered elsewhere) A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
14.2	Impairment of financial assets Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
15	Payables Loans and payables are recognised in the statement of financial position at cost.

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16	Capital Assets
16.1	Immovable capital assets Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at fair value for recording in the asset register. Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.
16.2	Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R.I. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R.I. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.
16.3	Intangible assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R.I. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R.I. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.
17	Provisions and Contingents
17.1	Provisions Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	Contingent assets Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
17.4	Commitments Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.



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18	Unauthorised expenditure Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
19	Fruitless and wasteful expenditure Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
20	Irregular expenditure Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
21	Changes in accounting policies, accounting estimates and errors Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
22	Events after the reporting date Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
23	Principal-Agent arrangements The department is party to a principal-agent arrangement for Expanded Public Works Programme projects. In terms of the arrangement the department is the principal and is responsible for the appointment of an Implementing Agent. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.
24	Departures from the MCS requirements Management has concluded that the financial statements present fairly the department's primary and secondary information and the department complied with the Standard.

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25	Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National Revenue Fund when the underlying asset is disposed and the related funds are received.
26	Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
27	Related party transactions A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.
28	Inventories (Effective from date determined in a Treasury Instruction) At the date of acquisition, inventories are recorded at cost price in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction the cost of inventory is its fair value at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value. Subsequent measurement of the cost of inventory is determined on the weighted average basis.
29	Public-Private Partnerships Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
30	Key management personnel Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The Special Advisor to the Executing Authority is not part of the key management personnel as he/she should refrain from interfering in the administration and management of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.
31	Employee benefits The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.



1. Annual appropriation

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

	2016/17		2015/16
	Final appropriation	Actual funds received	Appropriation received
	R'000	R'000	R'000
Administration	236 264	236 264	233 656
Policy and Knowledge Services	1 270 159	1 270 159	1 206 214
International Tourism	56 186	56 186	47 308
Domestic Tourism	446 907	446 907	307 000
TOTAL	2 009 516	2 009 516	1 794 178

2. Departmental revenue

	Note	2016/17	2015/16
		R'000	R'000
Sales of goods and services other than capital assets	2.1	163	165
Interest, dividends and rent on land	2.2	146	559
Sales of capital assets	2.3	39	84
Transactions in financial assets and liabilities	2.4	4 973	5 962
TOTAL DEPARTMENTAL REVENUE COLLECTED		5 321	6 770

2.1 Sales of goods and services other than capital assets

	Note	2016/17	2015/16
	2	R'000	R'000
Sales of goods and services produced by the Department		157	165
Sales by market establishment		72	77
Administrative fees		1	-
Other sales		84	88
Sales of scrap, waste and other used current goods		6	-
TOTAL		163	165

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2.2 Interest, dividends and rent on land

	Note	2016/17	2015/16
	2	R'000	R'000
Interest		146	559
TOTAL		146	559

2.3 Sale of capital assets

	Note	2016/17	2015/16
	2	R'000	R'000
Tangible assets		39	84
Machinery and equipment	27.2	39	84
TOTAL		39	84

2.4 Transactions in financial assets and liabilities

	Note	2016/17	2015/16
	2	R'000	R'000
Other receipts, including recoverable revenue		4 973	5 962
TOTAL		4 973	5 962

Note:

Other receipts include unspent SRI projects funds refunded to the National Revenue Fund.

3. Aid assistance

	2016/17	2015/16
	R'000	R'000
Opening balance	-	4 800
Paid during the year	-	(4 800)
CLOSING BALANCE	-	-



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4. Compensation of employees

4.1 Salaries and wages

	Note	2016/17	2015/16
	4	R'000	R'000
Basic salary		181 893	174 186
Performance award		3 806	3 430
Service-based		345	359
Compensative/circumstantial		2 218	2 162
Periodic payments		2 523	698
Other non-pensionable allowances		44 067	41 957
TOTAL		234 852	222 792

Note:

Periodic payments include part time appointed Ministerial Advisors.

4.2 Social contributions

	Note	2016/17	2015/16
	4	R'000	R'000
Employer contributions			
Pension		23 492	22 500
Medical		7 737	7 578
Bargaining council		37	36
TOTAL		31 266	30 114
TOTAL COMPENSATION OF EMPLOYEES		266 118	252 906
Average number of employees		522	518

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5. Goods and services

	Note	2016/17	2015/16
		R'000	R'000
Administrative fees		160	240
Advertising		2 303	2 673
Minor assets	5.1	619	269
Bursaries (employees)		1 734	1 171
Catering		3 247	1 868
Communication		5 161	5 194
Computer services	5.2	18 251	19 109
Consultants: Business and advisory services		20 799	19 490
Legal services		607	520
Contractors		4 932	4 530
Agency and support/outsourced services		2 029	1 124
Entertainment		42	45
Audit cost – external	5.3	6 257	4 985
Fleet services		937	895
Consumables	5.4	4 583	6 041
Operating leases		33 874	34 390
Rental and hiring		212	229
Property payments	5.5	3 146	3 335
Transport provided as part of the departmental activities		65	-
Travel and subsistence	5.6	32 293	33 062
Venues and facilities		8 251	4 548
Training and development		165 667	51 247
Other operating expenditure	5.7	3 385	4 747
TOTAL		318 554	199 712

Note:

- The launch of the Expanded Public Works Programme projects together with Ministerial Imbizos contributed to the increase in Venues and facilities as well as Catering expenditure.
- Expanded Public Works Programme (EPWP) project's training is included in the item Training and development.



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5.1 Minor assets

	Note	2016/17	2015/16
	5	R'000	R'000
Tangible assets		619	267
Machinery and equipment		619	267
Intangible assets		-	2
Software		-	2
TOTAL		619	269

5.2 Computer services

	Note	2016/17	2015/16
	5	R'000	R'000
State Information Technology Agency (SITA) computer services		7 018	9 585
External computer service providers		11 233	9 524
TOTAL		18 251	19 109

5.3 Audit cost – external

	Note	2016/17	2015/16
	5	R'000	R'000
Regularity audits		6 257	4 985
TOTAL		6 257	4 985

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5.4 Consumables

	Note	2016/17	2015/16
	5	R'000	R'000
Consumable supplies		1 613	2 083
Uniform and clothing		66	427
Household supplies		614	945
Building material and supplies		176	302
Communication accessories		7	-
IT consumables		671	246
Other consumables		79	163
Stationery, printing and office supplies		2 970	3 958
TOTAL		4 583	6 041

5.5 Property payments

	Note	2016/17	2015/16
	5	R'000	R'000
Municipal services		2 934	2 747
Property management fees		147	148
Property maintenance and repairs		-	54
Other (cleaning and fumigation services)		65	386
TOTAL		3 146	3 335

5.6 Travel and subsistence

	Note	2016/17	2015/16
	5	R'000	R'000
Local		26 373	24 584
Foreign		5 920	8 478
TOTAL		32 293	33 062



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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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5.7 Other operating expenditure

	Note	2016/17	2015/16
	5	R'000	R'000
Professional bodies, membership and subscription fees		872	2 502
Resettlement costs		71	388
Other (printing & publications and courier services)		2 442	1 857
TOTAL		3 385	4 747

6. Payments for financial assets

	Note	2016/17	2015/16
		R'000	R'000
Other material losses written off	6.1	403	78
Debts written off	6.2	369	501
TOTAL		772	579

6.1 Other material losses written off

	Note	2016/17	2015/16
	6	R'000	R'000
Nature of losses			
Losses (damage to vehicles due to accidents)		403	78
TOTAL		403	78

Note:

Other material losses written off include the write-off of one vehicle to the value of R236 003.72

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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6.2 Debts written off

	Note	2016/17	2015/16
Nature of debts written off	6	R'000	R'000
Other debt written off (departmental debt)		369	501
TOTAL		369	501

Note:

The formal process as prescribed within the National Treasury Regulations was followed to recover the debt. As recommended by the State Attorney the recovery will be uneconomical and cause undue hardship to the individual. The amount of R307 731.21 was written off.

7. Transfers and subsidies

		2016/17	2015/16
	Note	R'000	R'000
Departmental agencies and accounts	Annex 1A	1 040 012	1 045 570
Higher-education institutions	Annex 1B	4 011	3 800
Public corporations and private enterprises	Annex 1C	75 312	72 915
Foreign governments and international organisations	Annex 1D	6 368	5 810
Non-profit institutions	Annex 1E	200	24 200
Households	Annex 1F	43 769	78 489
TOTAL		1 169 672	1 230 784

8. Expenditure for capital assets

	Note	2016/17	2015/16
		R'000	R'000
Tangible assets		164 338	93 371
Building and other fixed structures	29.1	158 988	87 160
Machinery and equipment	27.1	5 350	6 211
Intangible assets		192	42
Software	28.1	192	42
TOTAL		164 530	93 413



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Note:

The Expanded Public Works Programme infrastructure projects are classified as Capital-work-in progress

8.1 Analysis of voted funds utilised to acquire capital assets

	2016/17	2015/16
	R'000	R'000
Tangible assets	164 338	93 371
Building and other fixed structures	158 988	87 160
Machinery and equipment	5 350	6 211
Intangible assets	192	42
Software	192	42
TOTAL	164 530	93 413

8.2 Finance lease expenditure included in expenditure for capital assets

	2016/17	2015/16
	R'000	R'000
Tangible assets		
Machinery and equipment	1 588	1 223
TOTAL	1 588	1 223

9. Cash and cash equivalents

	2016/17	2015/16
	R'000	R'000
Consolidated Paymaster general account	96 620	23 802
Disbursements	(7 610)	(7 727)
Cash on hand	55	55
TOTAL	89 065	16 130

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Note:

An amount of R337.10 was deposited into the departmental bank account (ABSA) and the interface with the Department's Paymaster general account took place in April 2017. As the Department is on modified cash accounting, this amount is not part of the cash and cash equivalents as stated above.

10. Prepayments and advances

	Note	2016/17	2015/16
		R'000	R'000
Travel and subsistence		125	87
Prepayments	10.1	259	-
TOTAL		384	87

10.1 Prepayments (Not expensed)

	Note	2016/17	2015/16
		R'000	R'000
Goods and services		259	-
TOTAL		259	-

Note:

Prepayment to Department of International Relations and Co-operation for travel related bookings.

10.2 Prepayments (Expensed)

	2016/17	2015/16
	R'000	R'000
Goods and services	32 280	9 926
Capital	60 495	1 066
TOTAL	92 775	10 992



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The following Expanded Public Works Programme Infrastructure and Training projects received payments for commencement of the projects

Project Name	Expensed 2016/17 R'000	Balance as at 31 March 2017 R'000
Goods and services:		
Wine Service Training	20 000	20 000
Food Safety Training	10 000	8 964
Gauteng Tourism Safety Monitors	2 280	2 280
Sub-Total	32 280	31 244

Capital Assets:		
WC-Agulhas White House Project	27 495	27 495
LP-Mapungubwe Youth Hostel	12 000	12 000
LP-Phiphidi Water Falls	9 000	9 000
NC-Platfontein Lodge	10 000	5 453
FS-Masilonyana Visitors Info Centre	2 000	2 000
Sub Total	60 495	55 948
TOTAL	92 775	87 192

11. Receivables

		2016/17			2015/2016		
		R'000	R'000	R'000	R'000	R'000	R'000
	Note	Current	Non- Current	Total	Current	Non- Current	Total
Claims recoverable	11.1 Annex 3	-	-	-	31	-	31
Recoverable expenditure	11.2	321	-	321	55	-	55
Staff debt	11.3	219	-	219	146	-	146
Other debtors	11.4	-	127	127	-	363	363
Fruitless and wasteful expenditure	11.5	40	-	40	370	-	370
TOTAL		580	127	707	602	363	965

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11.1 Claims recoverable

	Note	2016/17	2015/16
	11	R'000	R'000
National departments		-	31
TOTAL			31

11.2 Recoverable expenditure (disallowance accounts)

	Note	2016/17	2015/16
	11	R'000	R'000
Departmental suspense account (Damaged Vehicles)		321	55
TOTAL		321	55

11.3 Staff debt

	Note	2016/17	2015/16
	11	R'000	R'000
Departmental debt account		219	146
TOTAL		219	146

11.4 Other debtors

	Note	2016/17	2015/16
	11	R'000	R'000
Debt account – non-current		116	359
Departmental suspense accounts – non-current		11	4
TOTAL		127	363

11.5 Fruitless and wasteful expenditure

	Note	2016/17	2015/16
	11	R'000	R'000
Opening balance		370	196
Less amounts recovered		(370)	(196)
Transfers from note 23.1, "Fruitless and wasteful expenditure"		40	370
TOTAL		40	370



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12. Voted funds to be surrendered to the revenue fund

	2016/17	2015/16
	R'000	R'000
Opening balance	16 784	25 666
As restated	16 784	25 666
Transfer from statement of financial performance (as restated)	89 870	16 784
Paid during the year	(16 784)	(25 666)
CLOSING BALANCE	89 870	16 784

13. Departmental revenue to be surrendered to the revenue fund

	2016/17	2015/16
	R'000	R'000
Opening balance	45	189
As restated	45	189
Transfer from statement of financial performance (as restated)	5 321	6 770
Paid during the year	(5 349)	(6 914)
CLOSING BALANCE	17	45

14. Payables – current

	Note	2016/17	2015/16
		R'000	R'000
Other payables	14.1	17	18
TOTAL		17	18

14.1 Other payables

	Note	2016/17	2015/16
	14	R'000	R'000
Salary-related payables		17	18
TOTAL		17	18

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15. Net cash flow available from operating activities

	2016/17	2015/16
	R'000	R'000
Net surplus/(deficit) as per statement of financial performance	95 191	23 554
Add back non-cash/cash movements not deemed operating activities	142 318	56 358
(Increase)/decrease in receivables – current	258	401
(Increase)/decrease in prepayments and advances	(297)	20
Increase/(decrease) in payables – current	(1)	(12)
Proceeds from sale of capital assets	(39)	(84)
Expenditure on capital assets	164 530	93 413
Surrendered to revenue fund	(22 133)	(32 580)
Surrendered to RDP fund/Donor	-	(4 800)
Net cash flow generated by operating activities	237 509	79 912

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

	2016/17	2015/16
	R'000	R'000
Consolidated Paymaster general account	96 620	23 802
Disbursements	(7 610)	(7 727)
Cash on hand	55	55
TOTAL	89 065	16 130

17. Contingent liabilities and contingent assets

17.1 Contingent liabilities

		2016/17	2015/16
		R'000	R'000
Liable to	Nature		
Housing loan guarantees	Employees	Annex 2A 26	26
Claims against the Department		Annex 2B 11 059	14 689
Intergovernmental payables (unconfirmed balances)		Annex 4 74	539
TOTAL		11 159	15 254



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The Department has only one housing guarantee. There is no possibility of any outflow or reimbursement. Due to the sensitivity of claims against the Department that are currently within the legal domain, no indication can be provided on the possible outflow or reimbursement.

17.2 Contingent assets

	2016/17	2015/16
Nature of contingent asset	R'000	R'000
National Tourism Careers Expo partners/Black Magic – termination of contract and reimbursement of total amount paid	1 083	1 083
Been Around GP Advert Consulting CC – non-performance/breach of contract	2 805	2 805
Pilgrim's Rest tourism centre development – unspent amount to be refunded to the department	1 286	1 286
TOTAL	5 174	5 174

18. Commitments

	2016/17	2015/16
	R'000	R'000
Current expenditure		
Approved and contracted	453 633	67 352
Total current expenditure	453 633	67 352
Capital expenditure		
Approved and contracted	420 539	502 253
Total capital expenditure	420 539	502 253
TOTAL COMMITMENTS	874 172	569 605

Expanded Public Works Programme multi-year contract payments for auditing services training and infrastructure projects – R497,344 million Tourism Incentive Programme projects linked to energy efficiency and destination development – R334,694 million.

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19. Accruals and payables not recognised

			2016/17	2015/16
Listed by economic classification			R'000	R'000
	30 days	30+ days	Total	Total
Goods and services	3 859	-	3 859	5 510
Capital assets	130	212	342	337
Other (assets and liabilities)	255	-	255	280
TOTAL	4 244	212	4 456	6 127

			2016/17	2015/16
Listed by programme level			R'000	R'000
Administration			1 811	2 988
Policy and Knowledge Services			667	819
International Tourism			409	513
Domestic Tourism			1 314	1 527
Other (assets and liabilities)			255	280
TOTAL			4 456	6 127



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19.1 Payables not recognised

	2016/17	2015/16
Listed by economic classification	R'000	R'000
	Total	Total
Goods and services	-	76
Other (compensation of employees)	-	2
TOTAL	-	78

	2016/17	2015/16
Listed by programme level	R'000	R'000
Administration	-	57
Domestic Tourism	-	21
TOTAL	-	78

		2016/17	2015/16
		R'000	R'000
Confirmed balances with other departments	Annex 4	30	78
TOTAL		30	78

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

Audit fees	R 492 205,20	Telephone account	R 255 156,24
Travel and subsistence	R 2 863 742,35	Venues and facilities	R 761 023,00
EPWP Infrastructure projects	R 212 111,00		

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20. Employee benefits

	2016/17	2015/16
	R'000	R'000
Leave entitlement	10 329	7 760
Service bonus (13th cheque)	6 927	6 645
Performance awards	3 983	3 692
Capped leave commitments	4 284	3 994
Provision for long service awards	129	108
TOTAL	25 652	22 199

Note:

Leave entitlement includes a negative amount of R226 655,89 due to the utilisation of leave within the first quarter of the leave cycle (Leave taken without any leave credits available).

21. Finance lease expenditure

2016/17	Machinery and equipment	Total
Not later than 1 year	888	888
Later than 1 year but not later than 5 years	645	645
Total lease commitments	1 533	1 533

2015/16	Machinery and equipment	Total
Not later than 1 year	1 170	1 170
Later than 1 year but not later than 5 years	462	462
Total lease commitments	1 632	1 632

General description of the material leasing arrangements

The Department has no material lease agreements. No vehicles are leased. All vehicle lease agreements have expired. No asset of the Department is sub-leased. Restrictions on finance leases for photocopiers are imposed on the Department and included under maintenance and repairs.



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22. Irregular expenditure

22.1 Reconciliation of irregular expenditure

	Note	2016/17	2015/16
		R'000	R'000
Opening balance		-	-
Irregular expenditure – relating to current year		-	(39)
Less: Current year amounts condoned		-	(39)
Irregular expenditure awaiting condonation		-	-

23. Fruitless and wasteful expenditure

23.1 Reconciliation of fruitless and wasteful expenditure

	Note	2016/17	2015/16
		R'000	R'000
Opening balance		-	49
Prior-period error			-
As restated		-	49
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		60	786
Less: Amounts resolved		(20)	(465)
Less: Amounts transferred to receivables for recovery	11.5	(40)	(370)
Fruitless and wasteful expenditure awaiting resolution		-	-

23.2 Analysis of current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2016/17 R'000
Late cancellation/no-show/flight amendments with regard to travel bookings.	No disciplinary steps required – investigation conducted and expenditure recovered or found to be valid.	60
TOTAL		60

23.3 Details of fruitless and wasteful expenditure under investigation (not in the main note)

Incident	Disciplinary steps taken/criminal proceedings	2016/17 R'000
Late cancellation/no-show/flight amendments with regard to travel bookings		45
TOTAL		45

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24. Related-party transactions

Payments made to South African Tourism	2016/17	2015/16
	R'000	R'000
Tourism Market Access	12 170	661
Tourism Indaba Support	486	9 897
Tourism Grading Support	-	15 000
Indaba Ministerial Roundtable Discussion	-	575
TOTAL	12 656	26 133

Note:

South African Tourism is a Public Entity of the Department under the Minister's portfolio.

Programme 2: Policy and Knowledge services; sub programme South African Tourism's transfer payment has been included in Annexure 1A and 1C to the financial statements.

25. Key management personnel

	No. of individuals	2016/17 R'000	2015/16 R'000
Political office-bearers	2	4 211	4 211
Officials:			
Level 15 to 16	5	6 298	6 930
Level 14	15	17 938	17 111
TOTAL		28 447	28 252

26 Provisions

	2016/17	2015/16
	R'000	R'000
Expanded Public Works Programme – completed in the financial year. Final completion report not submitted or signed off. Retention fees outstanding.	9 001	9 365
TOTAL	9 001	9 365

26.1 Reconciliation of movement in provisions – 2016/17

	2016/17	2015/16
	R'000	R'000
Opening balance	9 365	9 365
Increase in provision	-	-
Settlement of provision	(364)	-
Closing balance	9 001	9 365



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27. Movable tangible capital assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017					
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	54 431		3 824	(1 945)	56 310
Transport assets	6 678		421	-	7 099
Computer equipment	25 858		2 614	(1 850)	26 622
Furniture and office equipment	13 437		408	(89)	13 756
Other machinery and equipment	8 458		381	(6)	8 833
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	54 431		3 824	(1 945)	56 310

27.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017					
	Cash	Non-cash	(Capital-work-in-progress current costs and finance lease payments)	Received current year, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	5 350		(1 588)	62	3 824
Transport assets	421	-	-	-	421
Computer equipment	2 552	-	-	62	2 614
Furniture and office equipment	408	-	-	-	408
Other machinery and equipment	1 969	-	(1 588)	-	381
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	5 350	-	(1 588)	62	3 824

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27.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017				
	Sold for cash	Non-cash disposals	Total disposals	Cash received (actual)
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	1 311	634	1 945	39
Transport assets	-	-	-	-
Computer equipment	1 311	539	1 850	39
Furniture and office equipment	-	89	89	-
Other machinery and equipment	-	6	6	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	1 311	634	1 945	39

27.3 Movement for 2015/16

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016					
	Opening balance	Prior-period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	51 729	-	5 002	(2 300)	54 431
Transport assets	6 990	-	-	(312)	6 678
Computer equipment	23 111	-	4 537	(1 790)	25 858
Furniture and office equipment	13 228	-	338	(129)	13 437
Other machinery and equipment	8 400	-	127	(69)	8 458
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	51 729	-	5 002	(2 300)	54 431



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27.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017			
	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	1 374	6 686	8 060
Additions	-	588	588
Disposals	-	(148)	(148)
TOTAL MINOR ASSETS	1 374	7 126	8 500

	Intangible assets	Machinery and equipment	Total
Number of RI minor assets	-	551	551
Number of minor assets at cost	444	6 254	6 698
TOTAL NUMBER MINOR ASSETS	444	6 805	7 249

27.5 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016			
	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	1 372	6 671	8 043
Additions	2	205	207
Disposals	-	(190)	(190)
TOTAL MINOR ASSETS	1 374	6 686	8 060

	Intangible assets	Machinery and equipment	Total
Number of RI minor assets	-	511	511
Number of minor assets at cost	444	5 996	6 440
TOTAL NUMBER OF MINOR ASSETS	444	6 507	6 951

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28. Intangible capital assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017				
	Opening balance	Value adjustments	Additions	Closing balance
	R'000	R'000	R'000	R'000
Software	4 003	-	192	4 195
TOTAL INTANGIBLE CAPITAL ASSETS	4 003	-	192	4 195

28.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017				
	Cash	Non-cash	Received current year, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000
Software	192	-	-	192
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	192	-	-	192

28.2 Movement for 2015/16

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016				
	Opening balance	Prior-period error	Additions	Closing balance
	R'000	R'000	R'000	R'000
Software	3 961	-	42	4 003
TOTAL INTANGIBLE CAPITAL ASSETS	3 961	-	42	4 003

29 Immovable tangible capital assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017				
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Other fixed structures	1 390	65 658	(65 658)	1 390
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	1 390	65 658	(65 658)	1 390



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EPWP infrastructure projects completed and not handed over in 2016/2017

FS - Black Water Fly Fishing & Trout	R1 390
TOTAL	R1 390

EPWP infrastructure projects completed and handed over in 2016/2017

LP-Khalanga Guest Lodge - Phase 2	18 920
MP-Huntington Village Tourism Project - Phase 3	2 430
LP-Muyexe Tourism project	10 296
FS-Tokoloko Game Farm - Phase 2	2 832
GP-Komjekejeke Heritage Site Project	13 962
EC-Port St Johns Waterfront	6 087
WC-Development of Donkey Tracking Route-Phase 3	11 131
TOTAL	65 658



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29.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017				
	Cash	Non-cash	(Capital work-in-progress current cost)	Total
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	158 988	65 658	(158 988)	65 658
Other fixed structures	158 988	65 658	(158 988)	65 658
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	158 988	65 658	(158 988)	65 658

29.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017			
	Non-cash disposals	Total disposals	Cash received (actual)
	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	65 658	65 658	
Other fixed structures	65 658	65 658	-
TOTAL DISPOSAL OF IMMOVABLE TANGIBLE CAPITAL ASSETS	65 658	65 658	-

29.3 Movement for 2015/16

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016					
	Opening balance	Prior-period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Other fixed structures	-	-	65 923	(64 533)	1 390
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	65 923	(64 533)	1 390



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30. Principal-agent arrangements

30.1 Department acting as the principal (Expanded Public Works Programme Infrastructure and Training Projects)

List of the entities acting as agents for the department and the fee paid as compensation to the agent		Fee Paid	
Project	Agent	2016/17 R'000	2015/16 R'000
EC - Cradock 4 Garden of Remembrance	G P Greeff & Architects Urban Environmental	777	46
EC - Mthatha Airport Information Centre	Manyano Consulting and Management CC	-	240
EC- Mthonsi Lodge Project	MBB Consulting Services - EC (Inc.)	74	889
EC - Six Day Hiking Trail	Simply Indigenous Nursery CC	571	5
EC - Hospitality Youth Programme	Amathemba Skills	231	-
Food Safety Training Programme	The Tourism and Business Institute Of S.A	175	-
FS - Sentinel Peak Car Access	City of Cape Town	-	764
FS - Tourism Buddies Learnership	VPK Business Venture	315	-
FS - Building a Guesthouse in Qwa Qwa Phase 2	River Ranger Management Sect. 21	1 132	-
FS -Acc. Facilities at Metsi Matsho Dam Phase 3	River Ranger Management Sect. 22	-	1 324
GP - Komjekejeke Heritage Site Project	Kayamandi Development Services (Pty) Ltd	74	222
GP - Hospitality Youth Programme	VPK Business Venture	347	-
KZN - Muzi Pan Canoeing Project Phase 2	Rich Rewards Trading 34 Pty Ltd T/A Sigma International	147	-
KZN - Hospitality Youth Programme	Tourism World Pty (Ltd)	722	-
LP - Tourism Buddies	Bonwelong Skills Development	243	1 429
LP - Ngove Cultural Centre Phase 2	Second Generation Consulting	286	1 000
LP - Mukumbani Waterfalls - Phase 3	Naledzi Environmental Consultants	7	-
MP - Hospitality Youth Programme	VPK Business Venture	770	-
National Youth Chef Training Programme	South African Chef Association	930	1 500
NC - Hospitality Youth Programme	Networx for Career Development	121	-
NC - Platfontein Lodge	Anix Consulting CC	82	-
NW - Manyane Lodge Project	R E A A G A Infrastructure (PTY) Ltd	102	40
Tourism Blue Flag	WESSA	570	-
WC - Hospitality Youth Programme	Networx for Career Development	606	-
TOTAL		8 281	7 459



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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	TRANSFER ALLOCATION				TRANSFER		2015/16
DEPARTMENT/ AGENCY/ ACCOUNT	Adjusted appropriation	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
South African Tourism	1 024 847	-	-	1 024 847	1 024 847	100%	977 712
National Tourism Careers Expo (Free State Tourism Authority)	4 392	-	-	4 392	4 392	100%	3 993
Tourism Accelerated Apprenticeship Programme	-	-	-	-	-	-	2 000
Culture Art Tourism Hospitality and Sports Sector Education and Training Authority	185	-	-	185	185	100%	175
Tourism Incentive Programme:							
Gauteng Tourism Authority	-	-	-	-	-	-	18 350
Robben Island Museum	-	-	-	-	-	-	10 000
South Africa National Biodiversity Institute (SANBI)	-	-	-	-	-	-	2 500
South Africa National Parks	-	-	-	-	-	-	15 840
South African Tourism	-	-	10 588	10 588	10 588	100%	15 000
TOTAL	1 029 424	-	10 588	1 040 012	1 040 012		1 050 536

Disclosure of unspent funds transferred to beneficiaries	Disclosure
South African Tourism	No unspent funds
National Tourism Careers Expo (Free State Tourism Authority)	No unspent funds
Culture Art Tourism Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	Spending for 2017 academic year
Tourism Incentive Programme:	
South African Tourism	R9.102 million unspent by entity as at 31 March 2017



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ANNEXURE 1B

STATEMENT OF TRANSFERS TO HIGHER-EDUCATION INSTITUTIONS

	TRANSFER ALLOCATION				TRANSFER			2015/16
NAME OF HIGHER-EDUCATION INSTITUTION	Adjusted appropriation	Roll-overs	Adjustments	Total available	Actual transfer	Amount not transferred	% of available funds transferred	Appropriation Act
		R'000	R'000	R'000	R'000	R'000	%	R'000
Cape Peninsula University of Technology	802	-	-	802	802	-	100%	587
University of Johannesburg		-	-	-	-	-	-	587
University of Pretoria	1 605	-	-	1 605	1 605	-	100%	1 174
University of Venda	802	-	-	802	802	-	100%	588
University of Zululand		-	-	-	-	-	-	864
University of KwaZulu-Natal	802	-	-	802	802	-	100%	-
TOTAL	4 011	-	-	4 011	4 011	-		3 800

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ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

	TRANSFER ALLOCATION				EXPENDITURE				2015/16
NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	Adjusted appropriation	Roll-Overs	Adjustments	Total Available	Actual Transfer	% of available funds transferred	Capital	Current	Appropriation Act
		R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Transfers									
Tourism Incentive Programme:									
National Industrial Development Corporation of South Africa		-	-	-	-		-	-	30 000
Sub- total: Public corporations		-	-	-	-		-	-	30 000
Private enterprises									
Transfers									
NI 2 Treasure Route	600	-	-	600	600	100%	-	600	300
Southern African Tourism Services Association		-	-	-	-	-	-	-	724
Tourism Incentive Programme:									
Tourism Grading Support	200	-	352	552	552	100%	-	552	137
Market Access Support	7365	-	(1 159)	6 206	6 206	100%	-	6 206	12 920
Destination Development:									
Steve Biko Foundation Trust	15 027	-	-	15 027	15 027	100%	-	15 027	13 661
South African National Parks	43 136	-	(3 051)	40 085	40 085	100%	-	40 085	9 915
Nahakwe Lodge (PTY) LTD	4 842	-	-	4 842	4 842	100%	-	4 842	5 258
National Heritage Project	8 000	-	-	8 000	8 000	100%	-	8 000	-
Sub- total: Private enterprises	79 170	-	(3 858)	75 312	75 312		-	75 312	42 915
TOTAL	79 170	-	(3 858)	75 312	75 312		-	75 312	72 915



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ANNEXURE 1D

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	Adjusted Appropriation	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Regional Tourism Organisation of Southern Africa (RETOSA)	3 793	-	(264)	3 529	3 529	100%	3 712
United Nations World Tourism Organisation (UNWTO)	2 529	-	311	2 840	2 839	100%	2 098
TOTAL	6 322	-	47	6 369	6 368		5 810

ANNEXURE 1E

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
NON-PROFIT INSTITUTIONS	Adjusted Appropriation	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Federated Hospitality Association of Southern Africa (Fedhasa)	500	-	-	500	200	40%	200
Strategic Partners in Tourism	15 527	-	(15 527)	-	-	-	13 500
Tourism interpretive signage	-	-	-	-	-	-	500
Tourism Incentive Programme:							
National Heritage Project	-	-	-	-	-	-	10 000
TOTAL	16 027	-	(15 527)	500	200		24 200

DEPARTMENT OF TOURISM VOTE 33
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1F
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
HOUSEHOLDS	Adjusted Appropriation	Roll-overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Expanded Public Works Programme	8 021	--	34 535	42 556	42 556	100%	66 037
Expanded Public Works Programme incentive	24 334	-	(1 727)	22 607	-	-	9 735
Subtotal	32 355	-	32 808	62 163	42 556	-	75 772
Bursaries (Non-Employee)	-	-	780	780	780	100%	-
Employee social benefits: Leave gratuity	-	-	433	433	433	100%	2 141
Claim Against the State (Cash)	-	-	-	-	-	-	526
Tourism Grading Support	-	-	-	-	-	-	50
TOTAL	32 355	-	34 021	66 376	43 769		78 489

ANNEXURE 1G
STATEMENT OF GIFTS DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
Received in cash	The Department was named the best functioning department as part of the Department of Public Service and Administration's Batho Pele Awards. The award comes with a cash prize sponsored by Capitec Bank.		
Capitec Bank		10	-
TOTAL		10	-



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ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2017 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2016	Guarantee draw-downs during the year	Guarantee repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2017	Guaranteed interest for year ended 31 March 2017	Realised losses not recoverable, i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Nedbank Limited	Housing	130	26	-	-	-	26	-	-
TOTAL		130	26	-	-	-	26	-	-

ANNEXURE 2B

STATEMENT OF CLAIMS AGAINST THE DEPARTMENT AS AT 31 MARCH 2017

Nature of liability	Opening Balance 1 April 2016	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (provide details hereunder)	Closing balance 31 March 2017
	R'000	R'000	R'000	R'000	R'000
Claims against the Department					
I CAN-ABCOR – Free State training project agreement	10 290	-	-	-	10 290
Black Magic Communications – counter-claim against the National Tourism Careers Expo partners for repudiation of agreement	594	-	-	-	594
NS Neluvhola and 131 others – claim against the Department for terminating a contract with an implementing agent	3 085	-	3 085	-	-
Labour relations matter – Applicant not shortlisted for the advertised position as Director: Labour Relations.	720	-	545	-	175
TOTAL	14 689	-	3 630	-	11 059

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ANNEXURE 3
CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year-end 2016/17	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Payment date up to six (6) working days before year-end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENT								
Department of Water and Sanitation	-	1	-	-	-	1	-	-
Department of Economic Development	-	30	-	-	-	30	-	-
TOTAL	-	31	-	-	-	31	-	-

ANNEXURE 4
INTERGOVERNMENTAL PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year-end 2016/17	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Payment date up to six (6) workingdays before year-end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENT								
Current								
* Department of Economic Development	-	2	-	-	-	2	-	-
Department of International Relations and Cooperation	-	-	-	405	-	405	-	-
**Department of Justice and Constitutional Development	12	37	-	-	12	37	-	-
**Department of Government Printing Works	13	39	-	134	13	173	-	-
**Department of National School of Government	-	-	74	-	74	-	-	-
*North West Provincial Government: Tourism	5	-	-	-	5	-	-	-
TOTAL	30	78	74	539	104	617	-	-

*Compensation of employees

**Goods and services



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ANNEXURE 5

Movement of Capital Work-in-Progress

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Current Year Capital WIP	Completed Assets (Current and Capital)	Closing balance
		R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Other fixed structures	978 382	158 988	(65 658)	1 071 712
TOTAL	978 382	158 988	(65 658)	1 071 712

	Number of projects		2016/17
Age analysis on ongoing projects	Planned Construction not started	Planned Construction started	Total R'000
0 to 1 Year	0	15	2 503
1 to 3 Years	4	107	1 069 209
Total	4	122	1 071 712

Movement of Capital Work-in-Progress

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Prior period	Current Year	Completed Assets	Closing balance
		Errors	Capital WIP		
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES					
Other fixed structures	403 344	490 578	87 160	(2 700)	978 382
TOTAL	403 344	490 578	87 160	(2 700)	978 382

Notes

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