

ANNUAL REPORT 2023/24 FINANCIAL YEAR



tourism
Department:
Tourism
REPUBLIC OF SOUTH AFRICA



SOUTH AFRICAN TOURISM

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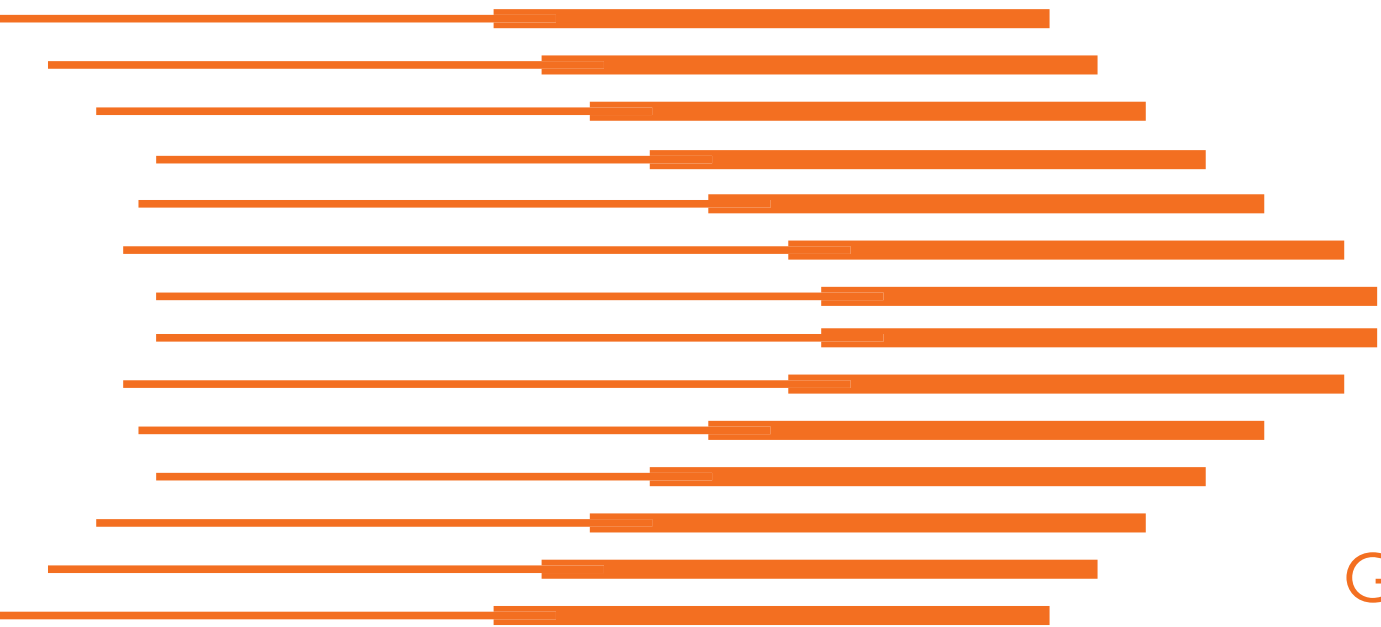
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PART A:

GENERAL INFORMATION

I. LIST OF ABBREVIATIONS/ACRONYMS

ACSA	Airports Company South Africa
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
AU	African Union
B-BBEE	Broad-Based Black Economic Empowerment
BRICS	Brazil, Russia, India, China and South Africa
CFO	Chief Financial Officer
COVID-19	Coronavirus disease 2019, also referred to as Coronavirus
CSIR	Council of Scientific and Industrial Research
DBSA	Development Bank of Southern Africa
DG	Director-General
DDG	Deputy Director-General
DDM	District Development Model
DPSA	Department of Public Service and Administration
DPWI	Department of Public Works and Infrastructure
EC	Eastern Cape Province
EE	Employment Equity
EHW	Employee Health and Wellness
EPWP	Expanded Public Works Programme
FS	Free State Province
FTE	Full Time Equivalent
G20	Group of 20: Intergovernmental Forum comprising 19 countries and the European Union
GP	Gauteng Province
GTIP	Green Tourism Incentive Programme
HDI	Historically Disadvantaged Individuals
HR	Human Resource
HRD	Human Resource Development
ICC	International Convention Centre

ICT	Information and Communication Technology
IORA	Indian Ocean Rim Association
KZN	KwaZulu-Natal Province
LP	Limpopo Province
MASP	Market Access Support Programme
MoA	Memorandum of Agreement
MP	Mpumalanga Province
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NC	Northern Cape Province
NCPC	National Cleaner Production Centre
NDP	National Development Plan
NEF	National Empowerment Fund
NQF	National Qualifications Framework
NSG	National School of Government
NT	National Treasury
NTCE	National Tourism Careers Expo
NTSS	National Tourism Sector Strategy
NW	North West Province
ORW	Other Remunerative Work
PERSAL	Personal and Salary System
PFMA	Public Finance Management Act
POE	Portfolio of Evidence
PWD	Persons with Disabilities
RECP	Resource Efficiency Cleaner Production
RMC	Risk Management Committee
RPL	Recognition of Prior Learning
RSA	Republic of South Africa
SADC	Southern African Development Community
SANBI	South African National Biodiversity Institute

SANParks	South African National Parks
SAPS	South African Police Services
SA Tourism	South African Tourism
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SEFA	Small Enterprise Finance Agency
SEIAS	Socio Economic Impact Assessment System
SITA	State Information Technology Association
SLA	Service Level Agreement
SMMEs	Small, Medium and Micro Enterprises
SMS	Senior Management Service
SOEs	State-Owned Enterprises
SOP	Standard Operating Procedure
Stats SA	Statistics South Africa
TBCSA	Tourism Business Council of South Africa
TEF	Tourism Equity Fund
TGCSA	Tourism Grading Council of South Africa
TGSP	Tourism Grading Support Programme
TIP	Tourism Incentive Programme
TMP	Tourism Monitors Programme
TRF	Tourism Relief Fund
TSMP	Tourism Sector Master Plan
TSRP	Tourism Sector Recovery Plan
TTF	Tourism Transformation Fund
UNWTO	United Nations World Tourism Organisation
WC	Western Cape Province
WSP	Workplace Skills Plan

2. FOREWORD BY THE MINISTER



Ms. Patricia De Lille, MP
Minister of Tourism

I am pleased to present the Department of Tourism's Annual Report for the 2023/24 financial year. The year under review was the last of the sixth Administration and an example of how the collective efforts of our tourism sector, both private and public, showed how we, the industry, are a driver for

economic growth and empower women, youth, and Small, Medium, and Macro Enterprises (SMMEs) for a more inclusive South Africa.

This is important as we celebrate South Africa's 30 years of democracy, which signifies the country's journey towards freedom, equality, and unity. South Africa's progress in the past three decades is a testament to the country's remarkable transformation and growth as a tourism destination celebrating diversity and cultural heritage.

In the year under review, we achieved remarkable milestones. The Department of Tourism finalised the Tourism Sector Master Plan, a collaborative effort between the Department of Tourism and social partners such as the private sector, labour, and community representatives.

The Master Plan guides the government and all social partners on how to act collectively on shared goals to deliver tourism, economic activity, and jobs for the benefit of all South Africans.

The Tourism Sector Master Plan seeks to assist the tourism sector in moving towards full recovery by focusing on protecting and rejuvenating supply, re-igniting tourism demand, and strengthening the enabling capabilities. The Master Plan is aligned with the National Development Plan (NDP 2030), which recognises tourism as one of the main drivers of employment and economic growth and as a demand stimulator.

During the year under review, the Department also reviewed the 1996 Tourism White Paper on the Development and Promotion of Tourism in South Africa and gazetted the 2023 Tourism Green Paper on the Development and Promotion of Tourism in South Africa for public comment. It received about 4,000 comments, which were analysed and informed the new White Paper.

In the 2023/24 financial year, the Department of Tourism developed a National Tourism Statistics Plan (NTSP) to provide strategic direction for improving quality-assured tourism statistics to inform decision-making across all government and private sectors.

Evidence of our success is in the economic impact of tourism and the increasing numbers of visitors and their economic impact.

South Africa's tourism performance saw remarkable growth in 2023, with total tourist arrivals increasing by 48,9% compared to 2022. From January to December 2023, South Africa welcomed close to 8.5 million tourists from the rest of the world; around 6.4 million of those visitors were from the rest of the African continent.

Across all markets, we saw a notable increase in arrivals to South Africa from Asia, Europe, America, the United Kingdom, Africa and the Middle East. The latest figures available for January to May 2024 revealed that South Africa welcomed nearly 3.8 million arrivals towards the end of the financial year under review. This represents an increase of 9,7% compared to the same period in 2023. In terms of the economic impact for South Africa, total foreign direct spending grew by 27.5%, reaching R95.1 billion in the 2023/24 financial year, up from R74.6 billion in the 2022/23 financial year.

Tourism is well-positioned to link underdeveloped regions with developed ones as it transcends spatial and geographic boundaries. The sector offers skills development opportunities for semi- and unskilled workers. Tourism ensures that people have access to socioeconomic services, opportunities, and choices. It creates jobs, generates income, and creates viable communities. It is the main bridge for building understanding and has a unique ability to promote peace between and among people everywhere.

During the past financial year, the Department co-hosted the Tourism Dialogue and BRICS Outreach in Durban, KwaZulu-Natal Province, with eight foreign

ministers. In October 2023 it successfully hosted BRICS Tourism Ministers in Cape Town. After the meeting, the Ministers signed a Communique outlining areas of collaboration among the BRICS countries to build a robust, sustainable, and inclusive tourism revival.

In November, the Deputy Minister led a diplomatic outreach to Kenya to promote bilateral tourism relations, while I, as the Minister, travelled to China to unblock and promote growth in this essential growth market for South Africa. Regarding tourism safety, the Department implemented the Tourism Monitors Programme in all provinces, including the South African National Biodiversity Institute (SANBI) and iSimangaliso. I re-established the Tourism Safety Forum and worked closely with partners in government, the private sector, and communities to improve tourists' safety.

I also unlocked the Tourism Equity Fund (TEF), and applications were opened on 6 November 2023. Demand for the TEF has surpassed expectations, and as of 22 March 2024, 2 282 inquiries from prospective TEF applicants (potential applicants) were received, with 306 completed applications submitted.

The gains made in engineering long-term sustainable growth for our industry have been a collaborative effort.

I wish to thank all our tourism partners for the work we will continue to do together to elevate the impact of tourism for more inclusive economic growth.

Thank you.



Ms. Patricia De Lille, MP
Minister of Tourism

3. DEPUTY MINISTER STATEMENT



Ms. Makhotsa Sotyu
Deputy Minister of Tourism

I am pleased to highlight the achievements and milestones for the financial year as outlined in the 2023/24 Annual Performance Report. The report focuses on the progress we have made to support our stakeholders in the pursuit of maximum service delivery and the steps taken to eradicate unemployment, to live by our values, to deliver on our strategy, and to respond to the new challenges we face in the country.

Over the past financial year, the tourism sector has found many ways and innovative programmes to contribute to the economy of South Africa.

The Tourism Grading Council of South Africa (TGCSA) accommodation grading programme was evaluated during the period under review. Graded accommodation establishments are keen to affirm that grading helps to improve the quality and standard of their facilities/businesses. Significant gains and improvement in service quality were found, especially when an establishment decides to improve from one star to another.

During the period 2022 to 2029, the South African National Conventions Bureau (SANCB) has sourced and submitted 78 bids for international business events to be held on home ground, in South Africa.

During this financial year, South Africa won 17 bids. These secured bids would be able to contribute at least R77 million to South Africa's Government Development Plan (GDP) between 2022 and 2025 and attract at least 2 705 international and regional delegates. Secured conferences will also contribute to dispersing business events around the region, hosted in Johannesburg, Tshwane, Ekurhuleni, Cape Town, Sun City, Parys, Skukuza, and Potchefstroom.

The Department supports the implementation of 29 community-based tourism projects as part of destination enhancement initiatives. These projects are based in the rural areas. It was created to encourage tourists to travel outside the cities and contribute to an inclusive economy. Projects were implemented in Limpopo, Free State, North West, Northern Cape, Eastern Cape, KwaZulu-Natal and Mpumalanga. Large-scale events usually take place in the major cities and are mostly supported by established investors, whereas townships, small towns, and villages are overlooked.

Many of these places are underdeveloped and under served. The Department developed and launched a Township Tourism Framework and Strategy to support events in rural areas, particularly townships and villages. Townships and rural tourism were supported by holding a single event in each township.

Youth training programmes for young people between the ages of 18 - 35 in various fields have been implemented by the Department.

These have been done in various fields within the Tourism and Hospitality Sector since 2010. The following programmes were implemented during the 2023/24 financial year: Training of 3 908 unemployed youth on Norms and Standards for Safe Tourism Operations, Training of 276 SMMEs on Norms and Standards for Safe Tourism Operations in all nine provinces, the National Tourism Career Expo (NTCE), 50 Chefs through Recognition of Prior Learning and training of 1 905 unemployed youth on identified skills development programmes. Domestic Tourism growth is considered as a core focus of the industry.

During the period under review, the Department has implemented four domestic tourism campaigns. The following campaigns were implemented: World Tourism Day and Tourism Month in the North West Province, the Festive Campaign at Hartbeespoort in North West Province, the Cultural Event at Walmansthal in Gauteng, and the Easter Campaign at Kone Village in Makhado Local Municipality, Limpopo Province.

Finally, I would like to express my sincere and utmost gratitude and appreciation to our Minister, Patricia de Lille who has been at the forefront in leading this industry to much higher levels.

To the Director-General and the entire workforce, I would like to convey my appreciation for their contribution towards excellent service delivery through ensuring effective and efficient execution of duties.

I must also warmly thank our people, the broader communities, and stakeholders without whom none of these would have been possible and who consistently go the extra mile to anticipate and respond to the needs of the tourism industry at all times.



Ms. Makhotsa Maggie Sotyu, MP
Deputy Minister of Tourism

4. REPORT OF THE ACCOUNTING OFFICER



Mr Nkhumeleni Victor Tharage
Accounting Officer

4.1 Overview of the operations of the Department

As part of our contribution to the Government's economic transformation agenda, we sought to achieve 40% expenditure on procurement of goods

and services from SMMEs, 40% procurement spend from women-owned businesses, and ensure that all compliant invoices are paid within 30 days. The targeted expenditure was achieved during the reporting period. However, we fell short of fully achieving the other targets.

We have 99,35% payment of all compliant invoices received paid within 30 days. Our shortfall was 0,65% of invoices not paid within 30 days. Measures are being implemented to address the shortfall and avoid future recurrence.

We had targeted a minimum of 50% women representation at the SMS level. By the end of the financial year, we were off target by 4%. We maintained women's representation at the SMS level at 46%. The target was mainly affected by the exit of females at SMS levels. As a corrective measure, we implemented targeted recruitment strategies to achieve the target of 50% with priority given to filling SMS posts. This includes advertising vacant posts with preferences to correct and meet the target.

On the vacancy rate, which we had planned to keep below 6%, we fell short of the target by 5.5% and maintained it at 11,5% as at 31 March 2024. This target was affected by several factors. These include natural attrition of employees coinciding with cost containment measures imposed in the public sector, resulting in a gradually increasing vacancy rate. Furthermore, the backlog created by the cost containment measures exerts pressure on the Human

Resources capacity to manage bulk recruitment when restrictions are lifted. Going forward, we will continue to engage the DPSA on prioritised vacancies in line with the standing directive on filling the vacant posts.

The Department has registered achievement in numerous other commitments outlined in its plans. Some of these achievements are highlighted below.

The Department finalised the Tourism Sector Master Plan for the period up to the 2025/26 financial years. The Plan galvanised government, industry, and labour to a shared vision that will position the tourist industry on an inclusive and sustainable competitive path for the benefit of all South Africans. It springs from the Tourism Sector Recovery Plan (TSRP) created to alleviate the effects of COVID-19. It outlines strategic pillars, interventions, and enablers to support sector growth and highlights risks.

We have assessed the condition of state-owned tourist attractions supported by the Department. The Department does not necessarily manage these attractions. However, the Department must continue undertaking periodic reviews to determine their condition and whether they meet tourist expectations. This is vital to increase visits to these attractions. South Africa boasts diverse and exciting tourist attractions, which must be effectively managed and maintained to ensure that the visitor gets the greatest possible experience as this contributes to the destination's reputation.

We finalised the evaluation of the Departmental Incubation Approach which has been rolled out since 2016 as part of our enterprise development programme. Recently, the Department implemented incubators at Pilanesberg, Manyeleti, Ba-Phalaborwa, and Mier. The incubators support tourism enterprises' growth, competitiveness, and sustainability in those regions. The evaluation sought to review the method of implementing the Incubation Programme using evidence from the four incubators to improve the support provided to South African tourism enterprises.

To promote international cooperation in tourism development and grow arrivals to South Africa, the Department hosted two outreach programmes with China and Kenya. The Outreach Programme shared information on the state of readiness of South Africa for tourism recovery with the stakeholders and the diplomatic community in both countries. Both sessions were hosted

in collaboration with SA Tourism, the Department of Transport, the Airports Company of South Africa (ACSA), the Department of Home Affairs, and the South African Embassies in both countries. The Outreach Programmes led by the Minister in China and the Deputy Minister in Kenya served as a platform to unlock tourism barriers, facilitate ease of access, and position South Africa as a preferred destination.

To improve coherence and impact of government service delivery, the Department integrated tourism concepts from long-term tourism masterplans into the District Development Model (DDM) One Plans for OR Tambo District, eThekweni Metro, Pixley Ka Seme District, and Namakwa District. The Department supports the implementation of DDM, whose main aim is to maximise the impact of government interventions within districts.

The success of a tourism destination depends on a safe and secure environment for visitors to create memorable tourism experiences. We conducted four (4) Tourist Safety Awareness Sessions in Mpumalanga, Eastern Cape, Gauteng, and Limpopo. This intervention is implemented in collaboration with sector role players as well as the security cluster to address criminal activities targeted at tourists.

The Tourism Incentive Programme (TIP), which we implemented, is an initiative launched in March 2015 with an overarching policy rationale rooted in the National Development Plan (NDP) and the New Growth Path (NGP). These recognise tourism as a labour-intensive and tradable service sector and a catalyst to support faster and more inclusive economic growth, as one of the six priorities underpinning South Africa's 2030 vision. The TIP, therefore, serves as a tool to stimulate the growth, development, and transformation of the South African Tourism sector.

All aspects of the TIP are implemented in collaboration with other government departments and entities. In this regard, our Department has formal partnerships through Memoranda of Agreement with entities such as the National Empowerment Fund (NEF), the Industrial Development Corporation (IDC), South African Tourism (SA Tourism), and the Small Enterprise Finance Agency (SEFA).

One of the incentives offered by the Department under TIP is the Tourism

Transformation Fund (TTF). The TTF was introduced as a collaborative initiative by the Department and the NEF to address the generally slow pace and extent of transformation in the tourism sector. The TTF is administered and implemented by the NEF on behalf of the Department and offers a combination of debt finance and grant funding for smaller new and expansion tourism development projects with a majority black shareholding. The TTF application follows the same process as that of a regular loan application to the NEF. Loans for tourism projects approved by the NEF will then be considered for a grant funding portion of 50% of the loan amount up to a maximum of R5 million. More information and application forms for NEF loans and TTF grant support are available on the NEF website (www.nefcorp.co.za).

The Department of Tourism lives up to its values of empowerment and recognition of its employees. This requires us to empower our employees by creating an environment conducive to growth and development. This is evidenced by creating opportunities for internal promotion and career advancement for existing employees. During the reporting period, the Department managed to promote 14 employees internally who successfully competed openly for the opportunities.

The Department has created an environment that supports employees financially and otherwise in pursuing academic qualifications. The Department's commitment to education and professional development is truly commendable and greatly appreciated by all who benefit from it. During the process, the service delivery was not compromised.

I want to express my sincere gratitude to the employees who grabbed the opportunity provided to them by the Department on their journey toward their Doctoral Degrees. Your commitment to fostering a culture of growth and development within the Department is truly inspiring. I hope others are encouraged to pursue their academic aspiration, knowing they have such a supportive employer behind them in contributing to a capable and professional public service department like ours. The Department has six officials who have attained PhDs and are still employed.

4.2 Overview of the financial results of the Department

Programme Expenditure

Programme Name	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	Final (Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	Final (Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1: Administration	312 827	303 112	9 715	335 735	323 490	12 245
Programme 2: Tourism Research, Policy and International Relations	1 378 789	1 367 469	11 320	1 404 910	1 395 094	9 816
Programme 3: Destination Development	422 283	359 972	62 311	416 542	411 612	4 930
Programme 4: Tourism Sector Support Services	346 646	341 699	4 947	345 170	343 524	1 646
Total	2 460 545	2 372 252	88 293	2 502 357	2 473 720	28 637

The Department of Tourism has utilised 96.4% of its 2023/24 allocation, saving R88.3 million (3.6%). The breakdown of this saving is as follows:

- Administration (R9.7 million): The majority of this underspending is attributed to the Compensation of Employees, primarily due to delays in filling positions exacerbated by the measures for cost containment of Compensation of Employees on vacant posts. The slight saving under Goods and Services is attributed to the implementation of cost containment measures by National Treasury directives.
- Tourism Research, Policy, and International Relations (R11.3 million): A significant portion of the underspending is within the Compensation of Employees due to delays in filling positions exacerbated by the freeze on vacant posts. The savings under transfers and subsidies for the United Nations World Tourism Organisation (UNWTO) contributions are attributed to fluctuations in foreign currency exchange rates.
- Destination Development (R62.3 million): The underspending within the Compensation of Employees is due to delays in filling positions compounded by the measures for cost containment of Compensation

of Employees on vacancies. The underspending under Goods and Services is attributed to the Department not receiving approval to utilise the entire Expanded Public Works Programme (EPWP) Incentive budget, as the Department did not meet the job creation/Full-Time Equivalents (FTE) job targets set by the Department of Public Works and Infrastructure (DPWI).

- Tourism Sector Support Services (R4.9 million): A significant portion of the saving lies within the Compensation of Employees due to delays in filling positions exacerbated by the freeze on vacant posts. The slight saving under Goods and Services is due to the implementation of cost containment measures as per National Treasury directives.

4.2.1 Virements/roll overs

- The Department received approval from the National Treasury to shift an amount of R90 million from Goods and Services in Programme 3: Destination Development to Capital Assets for the Expanded Public Works Programme (EPWP).

- The Department also received approval for the virement of R21 million from Programme 2: Tourism Research, Policy, and International Relations, under Transfers and Subsidies: Departmental agencies and accounts: South African Tourism, to Compensation of Employees, in all programmes to defray excess expenditure in line with the cost of living salary adjustments announced by the DPSA.
- The National Treasury also approved a virement rounded off to R400 000, from Goods and Services: Travel and subsistence to Transfer and Subsidies: Foreign Governments and International Organisations: United Nations World Tourism Organisation (UNWTO), within Programme 2: Tourism Research, Policy and International Relations, for membership fees.

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

4.3 Unauthorised Expenditure, Fruitless & Wasteful Expenditure

The Department did not have any unauthorised expenditure in the reporting period. 71 cases amounting to R 212 378.35 of alleged fruitless and wasteful expenditures were reported for the financial year which was dealt with as follows:

- 34 were confirmed as fruitless and wasteful expenditure amounting to R45 084.19
 - » 18 cases amounting to R12 628.03 were recovered;
 - » 16 cases amounting to R32 456.16 were written-off;
- 8 cases amounting to R64 384.12 were found not to meet the definition of fruitless and wasteful expenditure.
- 29 cases amounting to R102 910.04 were still to be finalised as at the end of the financial year.

The main reasons for the fruitless and wasteful expenditure were cancellations/ amendments and no-shows for travel and accommodation services.

4.4 Strategic focus over the short to medium-term period

The Department continues to implement Programmes that support the most

vulnerable in society, including unemployed youth, and SMMEs in rural villages, small towns, and townships. These Programmes are targeted nationally through our Working for Tourism Programme, the Tourism Incentive Programme, Enterprise Development and Transformation Programme, Tourism Visitor Services, Destination Enhancement, and the Skills Development Programme.

The Tourism Sector Masterplan will frame our priorities in the short term. The Medium-Term Development Framework of the 7th Administration will further guide the tourism plans' development.

Through the Working for Tourism Programme, funded through the Expanded Public Works Programme (EPWP), the Department continues to implement labour-intensive projects targeted at the unemployed youth.

The Tourism Incentive Programme that we implement supports greater destination competitiveness, transformation, and accelerated tourism and enterprise growth. Through the TIP, we will continue to implement the Green Tourism Incentive Programme (GTIP), Tourism Equity Fund (TEF), Tourism Transformation Fund (TTF), Market Access Support Programme (MASP) and the Tourism Grading Support Programme (TGSP) in the medium-term (2024/25 – 2025/26).

The Department's Enterprise Development and Transformation Programme enables us to implement projects that provide various support packages to SMMEs, drive transformation, and ensure the development of emerging operators. These projects include the implementation of the Business Support and Development Incubation Programme. For the 2024/25 financial year, the Department planned to continue implementing the following Incubation Programmes: Community-based Tourism Enterprises Incubator and Business Advisory Services.

The Department will continue to implement programmes to support tourist safety. The objective is to enhance tourism safety awareness at key tourism attractions and within the destination to create memorable tourism experiences. In line with the National Tourism Safety Strategy, campaigns will be conducted jointly with provinces and other stakeholders interested in tourism safety and security, including SAPS, SA Tourism, TBCSA, provinces, and municipalities. This includes implementing the Tourism Monitors Programme (TMP), a short-term initiative identified in the National Tourism Safety Strategy.

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

The Department will continue to implement the Skills Development Programme in the medium term (2024/25 – 2025/26) targeting retrenched and unemployed youth between 18-35 years old. It is worth noting that the funding for delivering the Youth Skills Development Programmes has been significantly reduced. This impacts the number of skills development programmes to be delivered and the number of learners to be recruited for placement on these initiatives.

4.5 Public-Private Partnerships

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

4.6 Discontinued key activities/activities to be discontinued

The following are activities to be discontinued:

At the end of the projects' life cycle, the following have been discontinued: Tourism Technology & Innovation Incubator and Food Service Incubator. Incubation support will continue in alternate prioritised focused areas, i.e., Community-based Tourism Enterprises, Business Advisory Services focusing on Women in Tourism in Limpopo, and Business Advisory Services. The budget will continue to fund incubation but for different focus areas.

4.7 New or proposed activities

To improve the delivery of services, the Department will implement its evaluation programme in new focus areas, i.e., the impact of infrastructure supporting tourism projects and the Impact of the Tourism Incentive Programme. Funding allocated to the evaluation programme will be assigned to this work.

To improve product diversity for significant attractions, the Department will implement an enhancement project at Robben Island Museum, a World Heritage Site. This will be funded from the infrastructure component of the Working for Tourism budget.

4.8 Supply Chain Management

The Department received no unsolicited bids in the 2023/24 financial year.

To avoid irregular expenditure related to SCM, the Department has Bid Committees to manage and conclude the administration of bids. The bid committee members have signed the code of conduct and are capacitated to deal with the functions assigned to them.

The Department of Public Service and Administration (DPSA) website and Personal and Salary System (PERSAL) are being used to verify if State employees are doing business with the State. Bidders alleged to be involved in corrupt activities or colluding amongst themselves or departmental officials are reported to the Competition Commission for further investigation. National Treasury database of tender defaulters is also used as a tool to check potential bidders who are already registered in the database; only bidders who are not registered in the database are appointed.

The challenges experienced in SCM were related to tender irregularities and bid rigging, which led to some tenders being cancelled. All the matters identified for the year under review were reported to the relevant authorities for further processing.

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

The Department did not receive any gifts or donations in kind from non-related parties in 2023/24

4.10 Exemptions and deviations received from the National Treasury

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

4.11 Events after the reporting date

At 22:26 on Monday, 22 July 2024, the Department detected a potential breach of its Information and Communication Technology systems. Through preliminary analysis, it appeared that the VMWare environment was potentially compromised. This immediately prompted the Department to invoke its disaster recovery protocol. The Department is taking the necessary precautionary measures and thoroughly investigating this breach in partnership with security partners to determine the origin and extent of the breach. The findings of the investigation will inform further action. The Department cannot, at this stage, estimate the financial effect of the event.

4.12 Other

None.

4.13 Acknowledgements and Appreciation

Tourism is a vibrant and complex value chain with a wide variety of activities serving many different markets. It involves diverse stakeholders from all tiers of government, the private sector, and non-governmental organisations to serve the visitor economy. We are grateful to all our partners who continue to collaborate to grow the impact of tourism on our economy.

We recognise and appreciate the engagement with the Portfolio and Select Committees in Parliament for keeping us focused on what we needed to do.

We appreciate the leadership and direction provided by the Minister and the Deputy Minister in implementing plans for tourism growth and development. The robust and critical engagement we have had with both has assisted us in focusing our attention on projects that improve the lives of our people.

Without the commitment of the officials of our Department to

the plans they conceive during planning sessions and implement throughout the year, none of these achievements would be possible. Our Department achieves this because its human capital invests time and energy in what it believes in, and knows will make a difference. For this, I am genuinely appreciative.

4.14 Conclusion

This 2023/24 Annual Report discloses our achievements and challenges during the period under review.

4.15 Approval and sign-off



Mr Nkhumeleni Victor Tharage

Accounting Officer

Department of Tourism

Date: 31 May 2024

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

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

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

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

The Annual Report has been prepared in accordance with the guidelines for the annual report issued by the National Treasury.

The Annual Financial Statements (Part F) have been prepared under the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for preparing 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 designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information, and the annual financial statements.

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

In my opinion, the Annual Report fairly reflects the operations, performance information, human resources information, and the Department's financial affairs for the financial year ended 31 March 2024.

Yours faithfully



Mr Nkhumeleni Victor Tharage

Accounting Officer

Department of Tourism

Date: 31 May 2024

6. STRATEGIC OVERVIEW

6.1. Vision

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

6.2. Mission

To grow an inclusive and sustainable tourism economy through:

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

6.3. Values

6.3.1 Performance values

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

6.3.2 Organisational values

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

7. LEGISLATIVE AND OTHER MANDATES

7.1 Constitutional mandate

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

7.2 Legislative mandate

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

7.3 Policy mandate

- The White Paper on the Development and Promotion of Tourism in South Africa, 1996, provides a framework and guidelines for tourism development and promotion in South Africa.
- The National Development Plan (NDP) is the country's 2030 vision. It envisions rising employment, productivity, and incomes as a long-term solution to reducing inequality, improving living standards, and ensuring a dignified existence for all South Africans. The NDP recognises tourism as one of the main drivers of employment and economic growth.
- The re-imagined Industrial Strategy identifies tourism as one of the seven national priority sectors.
- The National Tourism Sector Strategy (NTSS) guides the strategic development and growth of the tourism sector in pursuit of NDP targets.
- Tourism Sector Masterplan (TSMP) - derived from Sector Recovery Plan (TSRP). It primarily aims to galvanise government, industry, and labour to collectively share a common vision that will position the tourism industry on an inclusive and sustainable competitive path for the benefit of all South Africans.

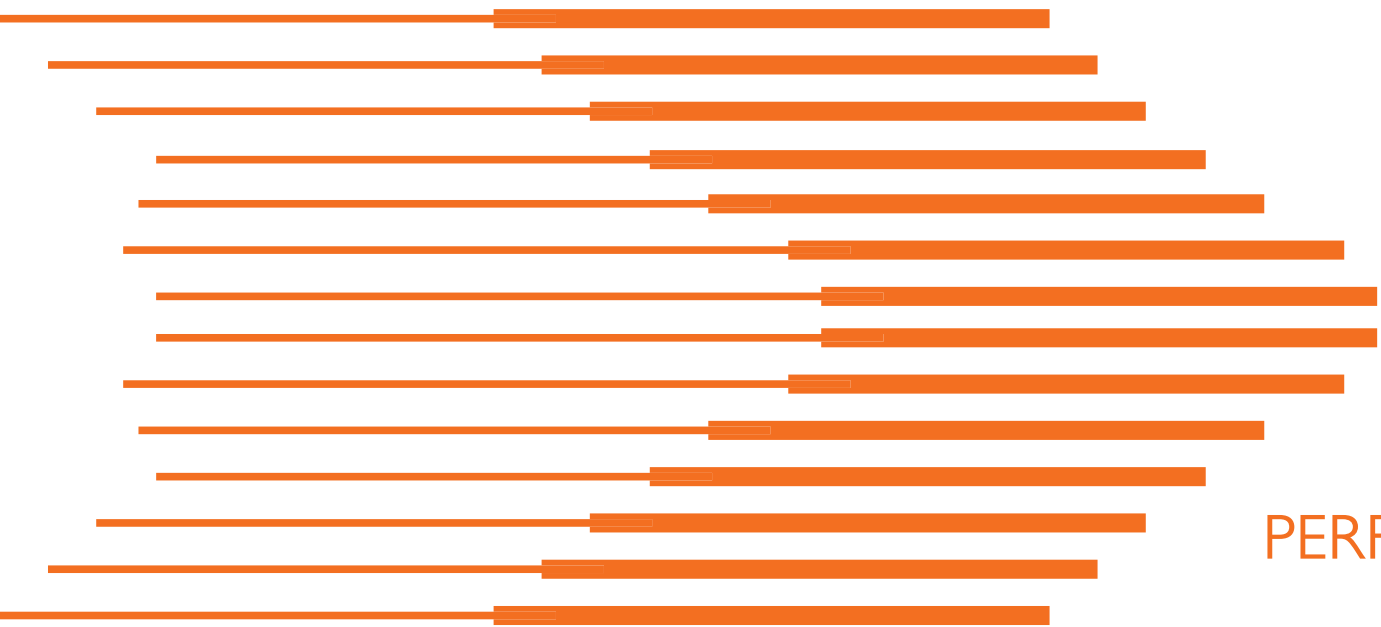
8. ORGANISATIONAL STRUCTURE



9. ENTITY REPORTING TO THE MINISTER

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

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
South African Tourism (SA Tourism).	<p>Chapter 3 of the Tourism Act, 2014 (Act 3 of 2014) stipulates the following as the functions of the South African Tourism Board:</p> <ul style="list-style-type: none"> • Market South Africa as a domestic and international tourist destination. • Market South Africa's 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. • Advise the Minister on any other matter relating to tourism marketing. • With the approval of the Minister, establish a National Conventions Bureau to market South Africa as a business tourism destination by: <ul style="list-style-type: none"> o Coordinating bidding for international conventions; o Liaising with other organs of state and suitable bodies to promote South Africa as a destination for business events; and o Reporting to the Minister on the work performance of the National Conventions Bureau. • Additionally, the Minister assigned, in terms of Section 44 of the Tourism Act, 2014, the implementation and management of the National Grading System for Tourism to the Board. 	Transfer payment	<ul style="list-style-type: none"> • Contribute to inclusive economic growth by increasing the number of international and domestic tourists. • Contribute to an enhanced, recognised, appealing, resilient and competitive tourism and business events brand for South Africa across the target markets and segments. • Enhance stakeholder partnerships and collaboration, both local and international, to better deliver on SA Tourism's mandate. • Contribute to an improved tourist experience in line with the brand promise. • Position SA Tourism's corporate brand to be recognised as a tourism and business events industry leader in market intelligence, insights and analytics. • Achieve operational efficiencies in all activities, including human, marketing, and other resources available to SA Tourism.



PART B:

PERFORMANCE INFORMATION

I. 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 103 of the Report of the Auditor-General, published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

2.1.1 Tourism Significance

Tourism is a driver for economic growth and a demand stimulator. It is well positioned to link under-developed regions with the developed ones as it transcends spatial and geographic boundaries. Tourism ensures that people have access to socio-economic services, opportunities, and choices. It creates jobs, generates incomes, and creates viable communities. It is the main bridge for building understanding and has a unique ability to promote peace between and among people everywhere.

Tourism's contribution to the economy is measured by jobs created, contribution to GDP, and revenue generated from tourism activity. As a services export sector, tourism is a significant foreign currency earner. In the South African context, this growth needed to be underpinned by the principle of inclusivity to drive tourism-sector transformation.

An increase in tourism's economic contribution is driven by an increase in domestic and international tourist arrivals as well as an increase in tourist spend. Along with its partners, the Tourism Portfolio needed to create an environment conducive to this increase by ensuring a quality and diverse

tourism offering and by developing the tourism sector capacity.

Tourism is recognised for its immense potential and significant economic contribution. The government's recognition of the critical importance of tourism in the economy is evident in the sector's inclusion as one of the priority areas of the National Development Plan (NDP) and the Economic Recovery and Reconstruction Plan (ERRP). This is due to tourism's labour-intensive nature, the potential to stimulate small business development, and the ability to generate Foreign Direct Investment (FDI) as well as significant export earnings.

2.1.2 International Arrivals and Domestic Performance

The total number of arrivals from January to December 2023 reached 8.48 million, marking a significant 48.9% increase from the figures in 2022 in the same period. The African Land market emerged as the top-performing region, with 6.2 million arrivals and an impressive 52% growth. Europe followed with 1.245 million arrivals, with a 38.2% improvement. The Americas contributed 456k arrivals, representing an improvement of 39.8%. The Africa Air region recorded 257k arrivals, representing a 35.9% increase. The Asia, Australasia, and Middle East regions achieved 360k arrivals, witnessing a substantial 60.7%.

For the period January to December 2023, the Tourists' Total Foreign Direct Spend (TFDS) exceeded 2019 levels by 17.3%, reaching R95 billion compared to R81 billion in 2019. Africa Land emerged as the top-performing region with R38 billion, followed by Europe with R32 billion.

In terms of domestic performance for January to December 2023, there were 38 million domestic overnight trips taken by South Africans. This marked an increase of 11.3% over the 2022 overnight trips, which stood at 34.0%. Bed nights or the number of nights spent away from home by domestic tourists in 2023 were 133.0 million which soared by 12.1% over the previous year's performance. This signalled a robust resurgence in the consumption of domestic tourism. Overnight domestic spend surged by an impressive 22.4% to reach R121.4 billion over 2022's R99.2 billion. On average, domestic tourists spent R3 203 per trip (9.9% over 2022). The average length of stay per trip was 3.5 nights.

2.1.3 Risks affecting tourism

The tourism sector continues to operate in the turbulent global environment. The World Economic Forum identifies several risks for the year 2024. These risks have the potential to impact the tourism sector globally. Amongst others, these include geopolitical tension due to the conflict in Europe and the Middle East. Already, the supply of raw materials such as nickel, palladium, and titanium essential for aircraft manufacturing was impacted by the war, thereby influencing airlines' decisions. They include extreme weather patterns, cost of living crisis, which affects discretionary income, misinformation, disinformation, and violent civil strikes and riots.

South Africa is also affected by the above global risks. However, there are also local risks that the tourism sector ought to contend with in 2024. These, amongst others, include public debt and associated cost containment measures; infrastructure challenges generally and those leading to tourist attractions; frequency of extreme weather patterns such as climate change and its impact on tourism infrastructure; cost of living crisis and its potential to undermine domestic tourism; ease of access issues and communication challenges between departments; safety and security; and unemployment, poverty and social inequality.

2.1.4 Tourist Safety

International tourism trends indicate that personal safety and security issues are highly important in potential tourists' choice of a destination. Incidents of crime directed at tourists and tourism products create a negative perception and reputation about a destination, which in turn impacts both the visitor experience and visitor numbers. Crime has adverse effects on the growth of tourism.

Violent protests and attacks on tourists and the headlines they make negatively impact the perception of countries as destinations to visit. South Africa is no exception.

This notwithstanding, implementing the Tourism Safety Programme in partnership with the security cluster remains critical. The roll-out of

Tourism Monitors at safety hotspots continues as part of the Tourism Safety strategy.

The National Tourism Safety Strategy, which aims to promote public-private sector collaboration for coordinated tourism safety issues and advocates for a multidisciplinary Integrated Tourist Safety Action Plan, is being implemented. These efforts are led by the South African Police Service (SAPS). The Department of Tourism and SAPS have signed a Memorandum of Understanding to collaborate on crime prevention, crime investigation, and tourism safety. They developed an action plan to implement the MoU, focusing on safety programmes, increasing visibility, and supporting industry growth through the Tourism Safety Monitors Programme. They also established a case management system, which includes joint tourism safety awareness. The Tourism Monitors Programme (TMP) is part of the broader government intervention that involves training, mentorship, and deployment of unemployed youth in tourism attractions and sites. The Programme is administered along with the Extended Public Works Programme (EPWP) – Working for Tourism.

2.1.5 Shocks in Tourism Trajectory

During the sixth Administration, the global tourism economy experienced significant external shocks in its growth trajectory. Within South Africa, the global pandemic, the 2021 unrest, crime as well as extreme weather events created significant negative impacts on tourism. As such, stabilisation and recovery efforts would take up most of the resources during this term.

The challenges confronted during this period presented an opportunity for the sector to recalibrate, refresh, and renew. Collaboration between communities, the private sector, and the government has resulted in steady growth to regain losses suffered during the shocks. While significant effort is still required to achieve South Africa's aspirations for the growth and development of tourism, sector partners can demonstrate tangible progress made within the sixth administration term.

2.1.6 South Africa's Economic Reconstruction and the Tourism Sector Recovery Plans

At the advent of the COVID-19 Pandemic, Government response prioritised mitigating the effects of the pandemic, stabilising the economy, addressing the extreme decline in supply and demand protecting jobs, and implementing an economic strategy to drive the recovery of the economy as the country emerged from the pandemic. To this end, the Cabinet adopted South Africa's Economic Reconstruction and Recovery Plan. Tourism Sector Recovery Plan (TSRP) pinpointed recovery interventions required for the tourism sector. However, since the shocks experienced by the sector extended beyond the pandemic, the TSRP was revised into the Tourism Sector Master Plan (TSMP), which aligns with the National Tourism Sector Strategy to stimulate the industry, labour, and government to collectively act on shared goals to deliver tourism economic activity and jobs for the benefit of all South Africans.

The Department converted the TSRP into the TSMP, which the Cabinet approved in September 2023 for implementation. The Plan contains three (3) pillars: Protect and Rejuvenate Supply, Reignite Demand, and Strengthen Enabling Capability to support the sector's recovery and long-term sustainability. The goal is to preserve jobs and livelihoods within the sector, facilitate the creation of new job opportunities, match demand and supply, and strengthen transformation in the sector, including empowerment of women, youth, and people with disabilities.

2.1.7 Improving access for visitors to South Africa

As of December 2023, 132 countries out of 196 UN Member States now enjoy visa waivers to South Africa. The eVisa system has been expanded to 34 countries, with almost all countries now covered by either a visa waiver or eVisa. As of the e-Visa roll-out date, the Department of Home Affairs (DHA) has received 75 153 applications, approved 33 833, and rejected 39 586 with 1 734 pending. Nigeria leads e-Visa applications with 17 258, followed by China at 10 048, India at 9 080, Egypt at 2 082, and Romania at 1 837. The other countries in the top 10 are Cameroon, the Philippines, Lithuania, Kenya, and Ethiopia.

2.1.8 Aviation Recovery Update as at 31 March 2024

Passenger recovery across the Airports Companies South Africa (ACSA) airports achieved a recovery of 87% at the end of December 2023. The total number of airline movements showed a 93% recovery and a 10% year-on-year growth for December 2023 and January 2024. ACSA's recovery has been bolstered by an increase in supply from airlines like FlySafair, Airlink, Lift, CemAir, and South African Airways, as well as the introduction of new routes and expansions by local and foreign carriers. New routes added in the 3rd Quarter include the following:

- LAM Mozambique's 3 weekly flights from Maputo to Cape Town, which were preceded by the LAM flights from JHB to Inhambane, Vilankulo, and Beira;
- SAA Flights to Brazil.
- FlySafair added 4 new African cities to its network i.e. Harare, Victoria Falls, Maputo, and Livingstone.
- Airlink added additional flights between JHB and Lilongwe.

The 4th quarter saw the introduction of the following:

- SAA flight between JHB and Perth, Australia;
- British Airways signing an interline agreement with CemAir opening up onward connection to major RSA destinations;
- FlySafair, ProFlight from Zambia added more capacity to its Cape Town - Lusaka route;
- Whilst LAM Mozambique added 3 destinations in Mozambique from JHB, i.e. Pemba, Nampula, and Tete.

2.2 Service Delivery Improvement Plan

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

- 1) Developing the central database system (facilitation of tourist guides appeals).

- 2) Develop tourism skills.
- 3) Provision of tourism information (effective and efficient communication service on tourism departmental programmes and projects).

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

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Developing the central database system (facilitate tourist guide appeals)	Tourist guides provinces.	100% implementation of provisions in the Tourism Act, No 3 of 2014 in terms of maintaining a central database of registered tourist guides and publishing such information. All Provincial Registrars and IT officials will be consulted in developing the central database system. Quarterly engagements with Provincial Registrars.	One programme to establish a centralised database of Tourist Guides implemented. Maintain the Tourist Guide database Consolidated Excel spreadsheet of registered tourist guides	Tourist Guide Information System was implemented. The Tourist Guide database was continuously maintained. The Department has developed a consolidated Excel spreadsheet of registered tourist guides.
Develop tourism skills	<ul style="list-style-type: none"> Tourism service providers. Unemployed youth. SMMEs. 	The number of capacity-building programmes to develop and strengthen the skills of youth within the tourism industry. Recruitment of unemployed youth beneficiaries in all nine provinces annually.	250 SMMEs and 2500 unemployed and retrenched youth trained on Norms and Standards for Safe Tourism Operations in all nine provinces.	276 SMMEs were trained on Norms and Standards for Safe Tourism Operations in all nine provinces. 3908 unemployed youth were trained on Norms and Standards for Safe Tourism Operations.
<ul style="list-style-type: none"> Provision of tourism information. Provision of effective and efficient communication services on tourism departmental programmes and projects. 	Department of Tourism.	100% approved Communication Strategy and Implementation Plan achieved. Ensure accurate information is available on Departmental website and social media platforms.	100% of the implementation plan achieved Strategy targets implemented as per implementation plan.	100% of the Communication Implementation Plan was achieved.

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

Current/actual arrangements	Desired arrangements	Actual achievements
<p>The Department commits to open lines of communication and seeks inputs from our customers when setting standards for services.</p> <p>Continuous communication with stakeholders through various forums.</p> <p>National Tourism Stakeholder Forum.</p> <p>Roadshows.</p>	<p>The Department commits to open lines of communication and seeks inputs from our customers when setting standards for services through various publications on the website, izimbizo, and electronic suggestion system.</p>	<p>During the implementation of Departmental programmes, line managers hosted stakeholder meetings to provide updates on the progress of the programmes.</p> <p>Meetings were held to solicit inputs about programmes that communities and stakeholders are beneficiaries.</p> <p>The Department utilised various communication methods and platforms to communicate the programmes.</p> <p>The stakeholder engagements with the Tourist Guiding Management and, Knowledge Management.</p> <p>The Department hosted a hybrid Tourism Research Seminar held on 15 March 2024 to share the research findings and recommendations with stakeholders.</p>

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
<p>The Department will provide complete and accurate information about services within the provision of relevant regulations</p>	<p>Clear description of how and where services are provided using infographics, diverse media platforms, departmental website, and departmental call centre.</p>	<p>The Department's website is accessible to the client</p> <p>Exhibitions and activations</p> <p>Departmental publication e.g. Bojanala</p> <p>Departmental Izimbizo</p>

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
<p>The Department commits to meet the standard of services promised, and if not delivered, an apology and effective remedy will be offered.</p> <p>Acknowledges complaints received within five working days and try to resolve complains within 25 working days.</p>	<p>Where the expected standard was not met, the citizens have an open channel to submit their suggestions and complaints, i.e. call centre, izimbizo or an electronic suggestion, compliment and complaints system.</p>	<p>The Department's Call Centre operations is available to the client 24/7.</p> <p>An electronic suggestion, compliment, and complaint system is available.</p> <p>Tourism Complaints emails and telephone were made known to the client through the Departmental website.</p>

2.3 Organisational environment

The National Treasury cost containment measures and the subsequent Directive on the Implementation of Control Measures aimed at assisting Executive Authorities in managing fiscus sustainability have impacted operations. There is a direct correlation between the filling of vacancies and the output of the Department.

An analysis of the Department's vacancy rate and turnover rate clearly shows a negative trajectory that could make it difficult for the Department to effectively exercise its mandate. The delay in filling vacancies as a result of the implementation of cost containment measures potentially affected output and the capacity to achieve organisational goals.

Implementing the Audit Action Plan to address the audit findings and further strengthen controls positively impacted the Department's ability to avoid repeating similar mistakes. Controls and corrective measures are being implemented to address inherent risks in administration.

Budget cuts to respond to the country's fiscal difficulties will always hampered the Department's ability to expand services and infrastructure.

The Department had targeted to achieve 40% public procurement from women-owned businesses. Target exceeded by 1,58%. This was made possible by the Department implementing targeted procurement from Women-owned businesses through awarding points.

The Department has achieved 99,35% payment of all compliant invoices received within 30 days. The shortfall was 0,65% of invoices not paid within 30 days. Measures are being implemented to address the shortfall and avoid future recurrence.

2.4 Key policy developments and legislative changes

The Department has embarked on a process of reviewing the 1996 *Tourism White Paper on the Development and Promotion of Tourism in South Africa*. The review was informed by the fact that the tourism sector in South Africa is yet to reach its potential. Moreover, significant policy developments and trends have emerged

since 1996 necessitating a review of the policy. The review therefore sought to align the tourism policy with current government policy frameworks and define the next phase for tourism development in South Africa.

The Tourism Green Paper on the Development and Promotion of Tourism in South Africa, developed through policy review, aims to develop and promote tourism in South Africa, fostering a sustainable and competitive economy through an inclusive, visitor-oriented tourism sector. The Department has consulted stakeholders in the tourist industry nationwide on key policy proposals in the Green Paper. The Green Paper was presented in various governance structures, up to the Cabinet for approval. The cabinet approved the publication of the Green Paper for public comment on 30 August 2023. It was published in Gazette on 1 September 2023, with a deadline of 60 days for public comment. About 4 ,000 comments were received by the Department, which has been analysed. The updated Green Paper will be tabled for approval.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

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

Priority 1: Capable, Ethical and Developmental State

The Department's major priorities continue to be good governance and accountability to meet the 6th Administration's objectives for a Capable, Ethical, and Developmental State. In this regard, the Department has created a competent procurement system based on the principles of fairness, equity, transparency, competition, and cost-effectiveness. Deviations from standard procurement of goods and services are explained and approved by the relevant authority. These are critical to the Department's goal of conducting business in a way that maintains public trust in the State. They contribute to the development of excellent public

allowing oversight by State institutions for the public's benefit. Vulnerabilities that may have had an impact on the Department's potential problems were detected before their occurrence by identifying, assessing, and measuring the risks, as well as implementing risk mitigation strategies and monitoring the risks.

Priority 2: Economic Transformation and Job Creation

The Department plans and implements programmes in response to MTSF 2019-2024 Priority 2 (Economic Transformation and Job Creation) through its policy development, regulatory, destination management, and tourism operations support roles. This function assures a high-quality, diverse tourism product while developing sector capacity.

The Department implements Programmes that support society's most vulnerable, including unemployed youth and SMMEs in rural villages and towns, and are targeted nationally. Under the Tourism Incentive Programme, 122 SMMEs were supported to exhibit at Africa Travel Indaba 2023 in May. The Technology Incubation Programme supported ten businesses to exhibit and network with industry at the Africa Tourism Indaba. SMMEs were also supported to exhibit in Portugal and Japan during August and September 2023.

The Department is implementing the Enterprise Development Support Programme as one of its strategic ways to grow and sustain tourism in Small, Micro to Medium Enterprises (SMMEs). Tourism Business Incubation is a sub-programme under the Enterprise Development Programme. 44 Tour Operators supported on Business Development. All 44 completed the Tour Operators Incubation Programme and were supported in Business Development.

By 30 September 2023, 3 046 unemployed youth were trained on norms and standards for safe tourism operations, as part of the **Departmental Skills Programme**.

During the 2022/23 financial year, the Youth Skills Development Programmes targeting 2 500 retrenched and unemployed youth between 18-35 years were implemented. A total of 2 517 learners were enrolled in the various skills development programmes. Out of the 2 517 enrolled, about 304 learners dropped out for various reasons, whereas 810 graduated from the programmes. Five skills development programmes were delivered during the period under review.

These included Food and Beverage Training, CHEF/Professional Cookery, Food Safety Quality Assurers, Wine Service Training, and Hospitality Youth Training (Fast Food Services) Programmes. Of the 810 graduated learners, 450 graduates received permanent employment from the various host employers in the tourism and hospitality sector. An amount of R69 592 734 was spent to deliver the above programmes during the 2022/23 financial year.

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

The Department supported the implementation of 30 community-based Tourism Projects. These were in Limpopo, Free State, KwaZulu-Natal, Eastern Cape, Mpumalanga, North West, and Northern Cape. These projects are all in rural areas and were created to encourage tourists to travel outside cities and contribute to an inclusive economy.

The Department invested just over R 400 million in various projects implemented in National Parks. The Infrastructure Maintenance Programme was implemented in 19 national parks between 2019 and 2023; the Department provided R120 million for this programme, which created 953 temporary jobs in some of the most remote areas of the country, with 345 women and 519 youth employed. Furthermore, 30 Persons with Disabilities (PWDs) were employed. A total of 1 476 Full-Time Equivalent (FTE) jobs were created, with 339 495-person days worked.

The maintenance programme was expanded to provincial parks. The budget for this programme is just over R129 million for 33 project sites across all nine provinces. It is currently under implementation.

The Tourism Incentive Programme (TIP) is an initiative that was launched in March 2015 with an overarching policy rationale rooted in the National Development Plan (NDP) and the New Growth Path (NGP) that recognises tourism as a labour-intensive and tradable service sector and a catalyst to support 'faster and more inclusive economic growth' as one of the six priorities underpinning South Africa's 2030 vision. The TIP, therefore, serves as a tool to stimulate the growth, development and transformation of the South African Tourism sector.

Through the TIP, the Department aims to stimulate greater destination competitiveness, transformation and accelerated growth in the tourism sector. This, in turn, will contribute to the Department's objectives of stimulating enterprise growth, job creation, revenue growth, and an enhanced visitor experience.

As part of the TIP, the Department introduced the Green Tourism Incentive Programme (GTIP), administered by the IDC, to encourage private tourism enterprises to move towards more efficient utilisation of energy and water resources. The Department had reviewed the implementation modalities of the GTIP to ensure that the much-needed relief for businesses to retrofit was speedily disbursed so that they could reduce operational costs. R40 million was set aside for this programme. The GTIP provides partial grant funding support of 50% to 90% of the cost of retrofitting tourism facilities with energy and water efficient equipment and systems, up to R1 million, based on the results of a resource efficiency assessment.

Priority 7: A better Africa and World

The Tourism Sector Recovery Plan converted to the Masterplan, approved by the Cabinet, guides the Department and SA Tourism in its brand strategy to promote SA, increasing the volume and value of domestic tourism.

From January to December 2023 the total number of international arrivals reached 8.48 million, marking a significant 48.9% increase from the figures in 2022. The African Land market emerged as the top-performing region, with 6.2 million arrivals and an impressive 52% growth. Europe followed with 1.245 million arrivals, with a 38.2% improvement. The Americas contributed 456k arrivals, representing an improvement of 39.8%. The Africa Air region recorded 257k arrivals, representing a 35.9% increase. The Asia, Australasia, and Middle East regions achieved 360k arrivals, witnessing a substantial 60.7%.

The Tourist's Total Foreign Direct Spend exceeded 2019 levels by 17,3%, reaching R95 billion compared to R81 billion in 2019. Africa Land emerged as the top-performing region with R38 billion, followed by Europe with R32 billion.



4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

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

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

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
Outcome: Achieve good corporate and cooperative governance.						
Output: Unqualified annual audit on financial and non-financial performance.						
Output Indicator 1: Audit outcome on financial statements and performance information.						
Unqualified audit on financial statements and performance information was achieved.	Unqualified audit on financial statements and performance information was achieved.	Unqualified audit on financial statements and performance information.	Clean audit on financial statements and performance information was achieved.	None.	None.	N/A.
Output: Departmental expenditure to contribute to the Government's economic transformation agenda.						
Output Indicator 2: Percentage procurement of goods and services from SMMEs.						
61,08% expenditure on procurement of goods and services from SMMEs was achieved.	54,76% expenditure on procurement of goods and services from SMMEs was achieved.	40% expenditure achieved on procurement of goods and services from SMMEs.	57,97% expenditure was achieved on procurement of goods and services from SMMEs.	Target exceeded by 17,97%.	The Department implements targeted procurement from SMMEs through awarding of points.	N/A.
Output Indicator 3: Percentage invoices paid within prescribed timeframes.						
95,5% Payments of all compliant invoices within 30 days including State-owned Enterprises (SOE's) and Municipalities were made.	93,37% of all compliant invoices received were paid within 30 days.	100% Payment of all compliant invoices within 30 days.	99,35% (15 642 of 15 745) compliant invoices received were paid within 30 days.	0,65% (103 of the 15 745) compliant invoices were not paid within 30 days.	Invoices and supporting documents (VA26 orders) were submitted late to Finance by Officials in the Department.	Consequence Management implemented.

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
Output Indicator 4: 40% Public Procurement from Women-owned businesses.						
-	37,03% procurement was spent on women-owned businesses.	40% procurement spend from women-owned businesses.	41,58% procurement spend from women-owned businesses was achieved.	Target exceeded by 1,58%	The Department implements targeted procurement from Women-owned businesses through the awarding of points.	N/A.
Output: Oversight over South African Tourism (SA Tourism).						
Output Indicator 5: Number of public entity oversight instruments developed in terms of the SLA.						
Four reports on governance and performance of SA Tourism developed for oversight purposes were developed..	Four reports on governance and performance of SA Tourism developed for oversight purposes were developed.	Four SA Tourism quarterly oversight reports developed in terms of the Service Level Agreement (SLA).	Six instruments developed:			
			Four SA Tourism quarterly oversight reports developed in terms of the Service Level Agreement (SLA).	None.	None.	N/A.
-	-	Public Entity Oversight Framework for the Department developed and submitted for approval.	Public Entity Oversight Framework for the Department was developed and submitted for approval.	None.	None.	N/A.
-	-	Governance Protocol for Public Entity revised and submitted for approval.	Governance Protocol for Public Entity was revised and submitted for approval.	None.	None.	N/A.

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
Output: To attract and retain a capable and ethical workforce in a caring environment.						
Output Indicator 6: Percentage of vacancy rate.						
Vacancy rate was maintained at 10% of the funded establishment as at 31 March 2022.	Vacancy rate was 7,9% as at 31 March 2023.	Vacancy rate below 6%.	Vacancy rate was 11,5% as at 31 March 2024.	Off target by 5,5%.	<ul style="list-style-type: none"> Natural attrition of employees coinciding with cost containment measures imposed in the public sector resulted in a gradually increasing vacancy rate. The backlog created by the cost containment measures exerts pressure on the Human Resources capacity to manage bulk recruitment when restrictions are lifted. 	Continue to engage the DPSA on prioritised vacancies in line with the standing directive on filling of the vacant posts.

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
Output Indicator 8: Percentage of Work Place Skills Plan (WSP) implemented.						
Branch-targeted WSP was developed. 100% of the WSP was implemented.	100% of the WSP was implemented.	100% implementation of WSP.	100% of WSP was implemented.	None.	None.	N/A.
Output: Audit reports with recommendations as per the approved Internal Audit Plan.						
Output Indicator 9: Percentage implementation of the Annual Internal Audit Plan.						
100% of the annual internal Audit Plan was implemented.	100% of the Annual Internal Audit Plan was implemented.	100% implementation of the Annual Internal Audit Plan.	100% of the Annual Internal Audit Plan was implemented.	None.	None.	N/A.
Output: Effective and efficient communication on Departmental policies, programmes, services and projects.						
Output Indicator 10: Percentage implementation of the Communication Plan.						
<ul style="list-style-type: none"> 2021/22 Communications Strategy targets were implemented as per implementation plan. 2022/23 Departmental Communication Strategy and Awareness Campaign Plan was reviewed. 	100% of the approved Communication Strategy and Implementation Plan was achieved.	100% implementation of the Communication Implementation Plan.	100% of the Communication Implementation Plan was achieved.	None.	None.	N/A.

Narrative of Highlights

The seven outreach efforts allowed the Department to advance its programmes and initiatives, contributing to the sector's recovery and sustainability. By utilising a variety of accessible communication channels, we have continued to promote community engagement and empowerment. This was accomplished by mainly utilising community and regional media as well as some national media. Furthermore, multimedia communication products were developed to advance the mandate of the Department further, thus creating awareness of Departmental

programmes and priorities. This was accomplished by acquiring multimedia production services. We have also used digital media for communication and public interaction. To that end, the Department has a presence on social media platforms. The call centre, accessible on 012 444 6730, has also been effective at providing general tourism information and receiving complaints from the public seeking immediate assistance.

Implementing tools like the Combined Assurance Model for Performance Information Procedure and the Audit Action Plan helps overcome performance

reporting challenges. As a result, the assurance providers find the Department's performance information not to have any material findings on usefulness and reliability. This means the information is trustworthy, truthful, and reliable.

The Department's Entity Oversight function was strengthened by reviewing the two instruments. The first is the Public Entity Oversight Framework, which outlines and enhances the Department's performance of the public entity oversight function in support of the Executive Authority. The second is the Governance Protocol for Public Entity, which establishes the accountability arrangements between the Executive and Accounting Authorities over the Department's public entity, namely SA Tourism.

Corporate Governance of the ICT Policy framework was implemented. A new ICT Steering Committee was also established and held its meetings according to its Terms of Reference. It reviewed the minimum required policies and ICT Policy Framework drafted, which was subsequently approved for implementation.

The risk maturity assessment was carried out on the National Treasury website utilising the National and Provincial Risk Management Maturity Questionnaire.

The Department has completed the Risk Maturity Assessment at level 5. This is an indicator of the effectiveness of the present risk management systems and activities implemented and coordinated within the Department that have resulted in the maturity curve. Risk management is entrenched in the Department's core business operations.

To assist the Department, fulfill its mandate, the Legal Services protected the legal interests of the Department by providing legal services which included the following: managing litigation on behalf of the Department in terms of the Litigation Protocol; Legal drafting, vetting, interpretation, and management of contracts, including international agreements; providing sound and well researched legal opinions; and providing general legal support.

The Department prides itself in providing reasonable accommodation to more than 4% of its employees with disability. This is done by providing assistive devices and ensuring that a platform is created where matters of disability are discussed with the Head of Department.

Linking performance with budgets

Sub- Programme Name	2023/2024			2022/2023		
	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	41 558	38 012	3 546	56 719	53 007	3 712
Management	4 560	4 561	(1)	4 140	4 140	-
Corporate Management	170 134	163 966	6 168	168 390	160 235	8 155
Financial Management	65 798	65 797	1	76 911	76 532	379
Office Accommodation	30 777	30 776	1	29 575	29 576	(1)
Total	312 827	303 112	9 715	335 735	323 490	12 245



4.2 Programme 2: Tourism Research, Policy and International Relations

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

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

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
Outcome: Increase the tourism sector's contribution to inclusive economic growth.						
Output: To provide knowledge services to inform policy, planning and decision making.						
Output Indicator 1: Number of monitoring and evaluation reports on tourism projects and initiatives developed.						
<ul style="list-style-type: none"> Implementation of the Norms and Standards for Safe Operations in the sector was monitored. Two Reports on the impact evaluation of COVID-19 on the tourism sector in South Africa were developed. 	Evaluation of the Resource Efficiency project was conducted.	Five Monitoring and Evaluation Reports on tourism projects and initiatives developed:				
		1. Assessment of the condition of state-owned tourist attractions supported by the Department.	Assessment of the condition of state-owned tourist attractions supported by the Department was conducted.	None.	None.	N/A.
-	Monitoring of Capacity Building Programme (Hospitality Youth Programme, National Youth Chefs Training Programme, Tourism Monitors Programme and Food Safety Quality Assurers Programme) was undertaken.	2. Monitoring of the new and continuing Capacity-Building Programmes.	Monitoring of the new and continuing Capacity-Building Programmes was conducted	None.	None.	N/A.

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
-	-	3. Evaluation of the Departmental Incubation Approach in the <ul style="list-style-type: none"> • Pilanesberg Tourism Incubation, • Manyeleti Tourism Incubation, • Ba-Phalaborwa Tourism Incubation • Mier Tourism Incubation Projects. 	Evaluation of the Departmental Incubation Approach was conducted in the <ul style="list-style-type: none"> • Pilanesberg Tourism Incubation, • Manyeleti Tourism Incubation, • Ba-Phalaborwa Tourism Incubation • Mier Tourism Incubation Projects. 	None.	None.	N/A.
-	-	4. Evaluation of the TGCSA Accommodation Grading Programme.	Evaluation of the TGCSA Accommodation Grading Programme was conducted.	None.	None.	N/A.
2019/2020 STR was finalised and published.	2020/2021 STR was finalised and published.	5. Bi-Annual Monitoring of the performance of the Tourism Sector.	Bi-Annual Monitoring of the performance of the Tourism Sector was conducted.	None.	None.	N/A.
Output: To provide knowledge services to inform policy, planning and decision making.						
Output Indicator 2: Number of instruments developed for improving tourism statistics.						
-	-	National Tourism Statistics Plan developed.	National Tourism Statistics Plan was developed.	None.	None.	N/A.

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
Output Indicator 3: Number of Information and Knowledge Systems implemented.						
-	-	Two Information and Knowledge systems implemented:				
		1. Implementation of the Tourism Skills and Employment Portal.	The Tourism Skills and Employment Portal was implemented.	None.	None.	N/A.
-	-	2. Implementation of Tourist Guide Information System.	Tourist Guide Information System was implemented.	None.	None.	N/A.
Output: Initiatives facilitated for Regional Integration.						
Output Indicator 4: Number of fora prioritised to advance South Africa's tourism interests at regional, continental and global level through multilateral other groupings.						
South Africa's tourism interests at regional, continental and global level through participation in six G20, SADC, AU, BRICS, UNWTO and IORA were advanced.	South Africa's tourism interests at regional, continental and global level through participation in six multilateral fora UNWTO, G20, BRICS, SADC, IORA and AU were advanced.	Advance South Africa's tourism interests at regional, continental and global level through participation in six multilateral fora, UNWTO, G20, BRICS, SADC, IORA and AU.	South Africa's tourism interests at regional, continental and global level through participation in six multilateral fora, UNWTO, G20, BRICS, SADC, IORA and AU were advanced.	None.	None.	N/A.
Output Indicator 5: Sharing of Best Practices Workshop hosted.						
-	South Africa's tourism interests at regional, continental and global level through participation in six multilateral fora UNWTO, G20, BRICS, SADC, IORA and AU were advanced.	Advance South Africa's tourism interests at regional, continental and global level through participation in six multilateral fora, UNWTO, G20, BRICS, SADC, IORA and AU.	Sharing of Best Practices Workshop 2024 targeted at African countries with whom SA signed tourism agreements was hosted in hybrid on 13 March 2024 in Pretoria.	None.	None.	N/A.

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
Output: South Africa tourism showcase at priority markets.						
Output Indicator 6: Number of outreach programmes to the diplomatic community implemented.						
Four Outreach Programmes to the diplomatic community were implemented.	Two outreach programmes to the diplomatic community were implemented on 25 August 2022 and 7 December 2022 virtually.	Two outreach programmes with the diplomatic community in prioritised countries implemented.	Two outreach programmes with prioritised countries were hosted in Kenya on 20-22 November 2023, and in China on 17-23 November 2023.	None.	None.	N/A.

Narrative of Highlights

The condition of state-owned tourist attractions in South Africa was assessed in the 2023/24 financial year. One of the objectives of the assessment was to understand the factors that drive the success of state-owned tourist attractions. The Department has been investing in product development over the years, thereby enhancing attractions and positioning South Africa in the global tourism landscape. South Africa stands out as the largest travel and tourism economy on the African continent. To continue on this path, the assessment highlighted the need to establish a systematic tourist engineering infrastructure and facilities management, maintenance, and improvement plan to ensure that facilities keep up with the latest standards. Modern asset management and maintenance technology systems should be considered in state-owned attractions as part of product enhancement.

In July 2023, as part of the Department's continuous drive to improve the quality and frequency of Tourism statistics, the Department hosted, in partnership with the Department of Home Affairs, Statistics South Africa (Stats SA), South African Tourism (SA Tourism) and Tourism Business Council of South Africa (TBCSA), the inaugural Provincial Tourism Statistics Workshop for members of the Provincial Tourism Statistics Committee. The workshop's main purpose was to capacitate key provincial officials responsible for collecting tourism statistics on understanding the standard definitions applied for the different tourism concepts and unpack

the sound processes of collecting key tourism statistics, including identification of indicators needed for reporting. The workshop was well attended by officials responsible for producing and reporting on tourism statistics and performance at a provincial level.

Implementing a tourist guide information system and a tourism skills and employment portal by the Department represents a strategic investment in enhancing both the visitor experience and the workforce within the tourism sector. Initially relying on traditional methods to disseminate information and manage employment opportunities, the department recognised the need to modernise its approach to better deliver services and industry professionals.

The tourist guide information system will likely continue to evolve with emerging technologies, focusing on seamless integration, enhanced customisation, and sustainability. As the Department and the legislation adapt to changing consumer demands and global trends, this system will play a pivotal role in shaping the future of tourist guiding. Simultaneously, the tourism skills and employment portal addresses the industry's workforce needs by providing a centralised platform for job seekers, employers, and training providers. By facilitating connections between talent and opportunities, the portal helps bridge skills gaps, fosters professional development, and promotes career advancement within the tourism sector. Additionally, it serves as a valuable resource for training and capacity-building initiatives, contributing to the overall growth and sustainability of the industry.

The Department embarked on the development and deployment of these innovative platforms through a collaborative effort involving stakeholders, both internal and external. Together, these initiatives underscore the Department's commitment to driving innovation, fostering collaboration, and empowering stakeholders within the tourism ecosystem. By embracing technology and promoting skills development, the department aims to elevate the tourism sector's competitiveness, resilience, and contribution to economic growth and development.

To effect implementation, the Department and SA Tourism included the relevant Masterplan and interventions in the Annual Performance Plan for this financial year and will continue to do so until the TSMP's implementation period, i.e. 2025/26. The Department will report on achievements every quarter. The Department

will further strengthen existing strategic partnerships with the private sector, other departments such as Home Affairs, Transport, and the South African Police Service, and provinces to facilitate the implementation of interventions that support sustainable tourism growth.

To inform and support evidence-based decision-making and planning, the Department conducts research in partnership with South African public universities and research institutions. In the 2023/24 financial year, the research priorities and studies were focused on tourism grading, tourist guiding, indigenous storytelling, and the impact of electricity cuts on the sector. The research findings and recommendations were disseminated at the hybrid Tourism Research Seminar on 15 March 2024.

Linking performance with budgets

Sub- Programme Name	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Research, Policy and International Relations Management	9 104	6 933	2 171	7 636	4 992	2 644
Research and Knowledge Management	34 062	31 190	2 872	30 172	28 182	1 990
Policy Planning and Strategy	14 403	12 359	2 044	14 102	12 102	2 000
South African Tourism	1 289 739	1 289 739	-	1 329 206	1 329 206	-
International Relations and Cooperation	31 481	27 248	4 233	23 794	20 612	3 182
Total	1 378 789	1 367 469	11 320	1 404 910	1 395 094	9 816



4.3 Programme 3: Destination Development

Purpose: To facilitate and coordinate destination development

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

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
Outcome: Increase the tourism sector’s contribution to inclusive economic growth.						
Output: Number of Destination Planning and Investment Coordination initiatives undertaken.						
Output Indicator 1: Number of destination planning and investment coordination initiatives undertaken.						
Prioritised initiatives from tourism spatial masterplans were incorporated into One Plans for the following DDM districts: <ul style="list-style-type: none">• OR Tambo District• eThekwini Metro• Pixley Ka Seme District• Namakwa District	Prioritised tourism concepts and initiatives to support DDM One Plans were finalised for: <ul style="list-style-type: none">• OR Tambo District• eThekwini Metro• Pixley Ka Seme District• Namakwa District	Four Initiatives undertaken: 1. Facilitate the integration of developed tourism concepts from long-term tourism masterplans into the Tourism DDM One Plans for: <ul style="list-style-type: none">• OR Tambo District• eThekwini Metro• Pixley Ka Seme District• Namakwa District The integration of developed tourism concepts from long-term tourism masterplans into the Tourism DDM One Plans was facilitated for: <ul style="list-style-type: none">• OR Tambo District• eThekwini Metro• Pixley Ka Seme District• Namakwa District.				
The budget resorts network and brand concept were piloted.	The piloting of the budget resort network and brand concept was reviewed.	2. Implementation of the budget resort network and brand concept.	The budget resort network and brand concept were implemented.	None.	None.	N/A.

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
<ul style="list-style-type: none"> A pipeline of nationally prioritised tourism investment opportunities (<i>greenfield projects</i>) was managed. A database of distressed high-impact tourism properties (<i>brownfield projects</i>) was managed. 	A pipeline of nationally prioritised tourism investment opportunities (<i>greenfield and brownfield projects</i>) was managed.	3. A pipeline of nationally prioritised tourism investment opportunities (<i>greenfield and brownfield projects</i>) managed.	A pipeline of nationally prioritised tourism investment opportunities (<i>greenfield and brownfield projects</i>) was managed.	None.	None.	N/A.
Four investment promotion platforms were facilitated.	Two investment promotion platforms were facilitated.	Two investment promotion platforms facilitated.	13 investment promotion platforms were facilitated.	11 more investment promotion platforms were facilitated.	Some platforms are existing structures where the Department is invited to participate and play a meaningful role in the organising and participation in panel discussions. Most of these do not require additional resources from the Department.	N/A.
Output: Destination enhancement and route development projects implemented to diversify tourism offerings and enhance visitor experience in identified priority areas.						
Output Indicator 2: Number of destination enhancement initiatives supported.						
Infrastructure maintenance programme was implemented in all 19 National Parks as targeted.	Infrastructure maintenance programme was implemented in 19 National Parks.	Three initiatives supported:				
		1. Infrastructure maintenance and beautification programme	Infrastructure maintenance and beautification programme was	None.	None.	N/A.

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
		implemented in five provinces: <ul style="list-style-type: none"> • Mpumalanga • Limpopo • Eastern Cape • Free State • Western Cape 	implemented in five provinces: <ul style="list-style-type: none"> • Mpumalanga • Limpopo • Eastern Cape • Free State • Western Cape 			
Infrastructure maintenance programme was implemented in one state owned asset in all provinces.	Infrastructure maintenance and beautification programme was implemented in four Provincial State-Owned Attractions. ¹	2. Monitor implementation of 29 community- based tourism projects ² .	Implementation of 29 community-based tourism projects was monitored.	None.	None.	N/A.
-	-	3. Township and rural tourism supported through the use of one event in one township and one rural area.	Township and rural tourism was supported through the use of one event in one township and one rural area.	None.	None.	N/A.
Output Indicator 3: Number of work opportunities created through Working for Tourism projects.						
5 328 Work opportunities were created.	5 315 Work opportunities were created.	4 133 Work opportunities created.	4 234 Work opportunities were created.	101 more work opportunities were created.	Additional participants were recruited.	N/A.

² Community-Based Projects: LP Vha Tsonga, LP Matsila Lodge, LP Phiphidi Waterfall, LP Oaks Lodge, LP Ngove, LP Tisane, FS Qwa Guest House, FS Vredefort Dome, FS Monotsha, NW Manyane Lodge, NW Lotlamoeng Dam, NC Platfontein Lodge, NC Kamiesburg, KZN Muzi Pan, EC Maluti Hiking Trail, EC Mthonsi Lodge, EC Qatywa Lodge, EC Nyandeni Chalets, EC Western Thembuland, Anton Lembede Museum eThekwin Municipality (KZN), Ama Hlubi Cultural Heritage (KZN), Sol Plaatjie Museum (NW), Numbi Gate (Nkambeni), Numbi Gate (Mdluli), Nandoni Dam, Tshathogwe Game Farm, Mpate Recreational Social Tourism Facility, Mtiti Game Farm, Royal Khalanga Lodge

Narrative of Highlight

The Destination Development Programme continues to focus simultaneously on long-term, wider-horizon planning and the implementation of various infrastructure and maintenance projects. This work is guided by a broader vision for destination development in South Africa that improves and transforms physical space, places, and infrastructure. In the year under review, the programme achieved 100% of its APP targets.

Linking performance with budgets

Sub- Programme Name	2023/2024			2022/2023		
	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
Destination Development Management	38 410	37 626	784	60 031	59 394	637
Tourism Enhancement	21 068	17 806	3 262	20 931	18 230	2 701
Destination Planning and Investment Coordination	24 354	23 613	741	23 572	22 892	680
Working for Tourism	338 451	280 927	57 524	312 008	311 096	912
Total	422 283	359 972	62 311	416 542	411 612	4 930



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA

HIDDEN
Gems

4.4 Programme 4: Tourism Sector Support Services

Purpose: Enhance transformation of the sector, increase skills levels and support development to ensure that South Africa is a competitive tourism destination.

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

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
Outcome: Increase the tourism sector's contribution to inclusive economic growth.						
Output: To accelerate the transformation of the tourism sector.						
Output Indicator 1: Number of incentive programmes implemented.						
11 adjudication meetings were held and 52 GTIP applications were approved.	Green Tourism Incentive Programme (GTIP) was implemented.	One incentive programme implemented: Implementation of the GTIP.	Green Tourism Incentive Programme (GTIP) was implemented.	None.	None.	N/A.
Output: Programme aimed at stimulating domestic tourism implemented.						
Output Indicator 2: Number of Domestic Tourism Awareness Programmes implemented.						
Domestic Tourism Scheme was implemented as follows: <ul style="list-style-type: none"> Northern Cape: 24-25 November 2021; Gauteng: 3-4 December 2021; and Limpopo on 7-8 March 2022. 	Six Domestic Tourism Awareness Campaigns implemented as follows: <ul style="list-style-type: none"> 4 May 2022 at Africa Travel Indaba ICC, Durban. 27 September 2022 at Overberg District Municipality, Western Cape. 21-23 November 2022 at Mbizana and Silaka Nature Reserve, Eastern Cape. 9-10 February 2023 at Uniondale Game Farm, Free State. 	Four Domestic Tourism Campaigns implemented: <ul style="list-style-type: none"> Easter Campaign World Tourism Day Festive Summer Cultural Event 	Four Domestic Tourism Campaigns were implemented as follows: <ul style="list-style-type: none"> World Tourism Day (27 September) & Tourism Month (September) Campaign implemented in North West. Festive Campaign implemented on 8 December 2023 in North West. Cultural Event implemented on 1 to 2 March 2024 in Gauteng. Easter Campaign implemented on 	None.	None.	N/A.

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
	<ul style="list-style-type: none"> 16-17 February 2023 at Mafikeng Museum, North West. 3-4 March 2023 at Riverstone Lodge, Gauteng. 		14 to 15 March 2024 in Limpopo.			
Output: Implement Incubation Programme.						
Output Indicator 3: Number of initiatives implemented to support tourism SMMEs.						
Six out of seven elements of the incubation programme were implemented to support tourism SMMEs (Business support and development): 1. Manyeleti Incubator 2. Phalaborwa Incubator 3. Mier Incubator 4. Tech Incubator 5. Tour Operator Incubator 6. Food Services Incubator.	Incubation Programme was implemented to support tourism SMMEs through the following Incubators (Business support and development): 1. Tech Incubator 2. Tour Operator Incubator 3. Food Services Incubator 4. One Community-based enterprises incubation programmes.	Two Initiatives implemented:				
		I. Incubation Programme implemented: • Existing business incubators implemented: i. Tourism Technology & Innovation Incubator. ii. Food Service Incubator. iii. Community-based tourism Enterprises Incubator.	Incubation Programme was implemented: • Existing business incubators implemented: i. Tourism Technology & Innovation Incubator. ii. Food Service Incubator. iii. Community-based tourism Enterprises Incubator.	None.	None.	N/A.

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
		New business incubators established: i. Business Advisory Services focusing on Women in Tourism in Limpopo ii. Business Advisory Services focusing on Homestay Pilot Programme	New business incubators were established: i. Business Advisory Services focusing on Women in Tourism in Limpopo ii. Business Advisory Services focusing on Homestay Pilot Programme	None.	None.	N/A.
		Audit of Tourism Incubators across the country.	Audit of Tourism Incubators across the country was undertaken.	None.	None.	N/A.
-	-	2. Implement Resource Efficiency Cleaner Production (RECP) Training and Business Support Programme.	RECP Training and Business Support Programme was implemented.	None.	None.	N/A.

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
Output: Prioritised programmes implemented to enhance visitor service and experiences.						
Output Indicator 4: Number of programmes implemented to enhance visitor service and experiences.						
Service Excellence Programme (SANS 1197) in two provinces to enhance service levels standards of tourism products was implemented:	Service Excellence Standard (SANS: 1197) incorporating the Tourism Norms and Standards was implemented: with focus on:	Three programmes implemented:				
<ul style="list-style-type: none"> Northern Cape Limpopo. 	<ul style="list-style-type: none"> Small Towns and Tourism Product support. 	1. Implement Service Excellence Standard (SANS: 1197) with focus on: <ul style="list-style-type: none"> Small towns and Tourism product support. 	Service Excellence Standard (SANS: 1197) was implemented with focus on: <ul style="list-style-type: none"> Small towns and Tourism product support. 	None.	None.	N/A.
Tourism Monitors Programme was implemented nationally in line with the project plans in the following provinces: GP, WC, NC, EC, FS, KZN, NW, and MP. It was also implemented at SANBI, SANParks and iSimangaliso.	Tourism Monitors Programme was implemented nationally in line with the project plans in the following provinces: GP, WC, NC, EC, FS, KZN, NW, and MP. It was also implemented at SANParks and iSimangaliso.	2. Implementation of the Tourism Monitors in all provinces including South African National Biodiversity Institute (SANBI) and iSimangaliso.	The Tourism Monitors was implemented in all provinces, including South African National Biodiversity Institute (SANBI) and iSimangaliso. The programme was also implemented at Ezemvelo Nature Reserve and airports managed by Airports Company South Africa (ACSA).	Additional implementation at Ezemvelo Nature Reserve and airports managed by Airports Company South Africa (ACSA).	None.	N/A.

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
-	<p>Six tourist safety awareness campaigns sessions were conducted as follows:</p> <ul style="list-style-type: none"> • EC Awareness Campaign (Mthatha - 12 April 2022; Lusikisiki (Mbotyi), Port St Johns and Coffee Bay from 13 to 15 June 2022). • FS Awareness Campaign (Ladybrand, 21-22 July 2022). • KZN Awareness Campaign (Port Edward, 30 November 2022). • North West Awareness Campaign 17-18 November 2022. • North West Awareness Campaign 17-18 November 2022. • Limpopo Awareness Campaign 22 November 2022. • WC Awareness Campaign (Paarl and Wellington, 01 - 02 March 2023). 	3. Joint Tourist Safety Awareness Sessions conducted.	<p>Four Joint Tourist Safety Awareness Sessions were conducted as follows:</p> <ul style="list-style-type: none"> • Mpumalanga - 23 June 2023; • Eastern Cape - 29 August to 01 September 2023; • Gauteng - 14 November 2023; • Limpopo - 14 to 15 March 2024. 	None.	None.	N/A.

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
Output: Enhance skills in the Tourism sector.						
Output Indicator 5: Number of capacity-building programmes implemented.						
-	2 517 unemployed and retrenched youth trained on Norms and Standards for Safe Tourism Operations in all nine provinces.	Five capacity-building programmes implemented:				
		1. 2 500 unemployed youth trained on Norms and Standards for Safe Tourism Operations.	3 908 unemployed youth were trained on Norms and Standards for Safe Tourism Operations.	1 408 more unemployed youth were trained on Norms and Standards for Safe Tourism Operations.	The overachievement of the target was due to the response to the Massification of Skills Development and Job Creation initiative by the Minister of Employment and Labour. The recruitment of Tourism Safety Monitors also contributed to the number of youths exposed to norms and standards training.	N/A.
249 SMMEs were trained on Norms and Standards for Safe Tourism Operations in all nine provinces targeting villages, townships, and small towns.	571 SMMEs were trained on Norms and Standards for Safe Tourism Operations in all nine provinces.	2. 250 SMMEs trained on Norms and Standards for Safe Tourism Operations in all nine provinces.	276 SMMEs were trained on Norms and Standards for Safe Tourism Operations in all nine provinces.	26 more SMMEs were trained on Norms and Standards for Safe Tourism Operations.	Based on the province's need for SMMEs training on Norms and Standards for Safe Tourism Operations, additional SMMEs were trained in Quarter 4 as the build-up for the	N/A.

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
					Marula Festival in Limpopo. A total of 250 SMMEs were targeted for the period under review. However, 276 SMMEs were trained.	
National Tourism Careers Expo (NTCE) 2021 was hosted on 25-27 March 2022 in Expo Centre, Nasrec.	NTCE was hosted on 30 September - 2 October 2022 at the Johannesburg Expo Centre, Nasrec.	3. NTCE 2023 hosted.	NTCE 2023 was hosted on 29 September - 01 October 2023 at the Johannesburg Expo Centre, Nasrec.	None.	None.	N/A.
30 Chefs were supported through Recognition of Prior Learning process for a qualification in line with the project plan.	30 Chefs were enrolled in an RPL process to obtain a professional qualification or designation in line with the project plan. All 30 Chefs were found competent and received their NQF level 5 Chef Occupational Certificate for during the graduation ceremony held on 24 February 2023.	4. 50 Chefs undergo an RPL process.	50 Chefs had undergone an RPL process in KwaZulu-Natal (KZN) and Western Cape (WC) provinces. Graduations took place on 8 February 2024 and 23 February 2024 for WC and KZN respectively.	None.	None.	N/A.

Actual Achievement 2021/2022	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Strategy to overcome areas of under performance
Output: Enhance skills in the Tourism sector.						
Output Indicator 5: Number of capacity-building programmes implemented.						
-	<p>Training and placement of 2 517 retrenched and unemployed youth on various skills development programmes was conducted.</p> <p>The youth were enrolled on the following programmes:</p> <ul style="list-style-type: none"> • Food and Beverage. • Professional Cookery. • Food Safety Quality Assurers • Wine Service Training. • Hospitality Youth Training Programme (Fast Food). 	5. 1 500 unemployed youth trained on identified skills development programmes.	<p>1 905 unemployed youth were trained on identified skills development programmes.</p> <p>The youth were enrolled in the following programmes:</p> <ul style="list-style-type: none"> • Food and Beverage. • Professional Cookery. • Food Safety Quality Assurers • Wine Service Training. • Hospitality Youth Training Programme (Fast Food Service). 	405 more unemployed youth were trained on identified skills development programmes.	The overachievement of target was due to the response to the Massification of Skills Development and Job Creation initiative by the Minister of Employment and Labour. The initiative targeted existing skills programmes as per APP namely, Food and Beverages, Professional Cookery, Food Safety Quality Assurers Programmes.	N/A.

Narrative of Highlights

The number of unemployed youths enrolled in various skills development programmes and the Tourism Safety Monitors Programme contributed to the overachievement of planned targets. In addition, the successful completion of the Recognition of Prior Learning (RPL) for Chefs Trade Qualification at National Qualification Framework (NQF) Level 5 served as a highlight for the successful implementation of the skills programmes by the Department.

Approval was granted for a change of approach in implementing the Resource Efficiency Cleaner Production (RECP) Training and Business Support Programme. For the next 24 months, the programme will be implemented by the National Cleaner Production Centre, an entity under the CSIR.

Linking performance with budgets

Sub- Programme Name	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Sector Support Services Management	4 887	4 177	710	4 755	4 538	217
Tourism Human Resource Development Enterprise	33 994	32 325	1 669	32 479	32 479	-
Development and Transformation	37 621	37 275	346	38 303	38 180	123
Tourism Visitor Services	28 825	26 696	2 129	29 465	28 402	1 063
Tourism Incentive Programme	241 319	241 226	93	240 168	239 925	243
Total	346 646	341 699	4 947	345 170	343 524	1 646

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

The SA 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 SA 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 a 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	Key Outputs of the Public Entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
South African Tourism	<ul style="list-style-type: none"> • 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 meeting destination and provide support for bids. 	R1 289 739 000	R1 006 739 000	<ul style="list-style-type: none"> • Number of international tourist arrivals achieved (April 2023 – March 2024): 8.8 million. • Number of domestic holiday trips achieved (April 2023 – March 2024): 12.6 million. • Total Tourist Foreign Direct Spend (TTFDS): R95,1 billion (April 2023 – March 2024). • Total Domestic Holiday Direct Spend (TDDS): R56.5 billion achieved (April 2023 – March 2024). • Number of business events hosted in South Africa: 98 (April 2023 – March 2024). • Number of accommodation establishments graded (April 2023 – March 2024): 4 668. Number of graded rooms (April 2023 – March 2024): 118 543.

5.2. Transfer payments to all organisations other than public entities

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

The Department complied with Section 38 (1)(j) of the Public Finance Management Act (PFMA). The monitoring thereof is covered in a MoA, business plan, membership agreement, or contract.

The table below reflects the transfer payments made for the period 1 April 2023 to 31 March 2024 to departmental agencies, foreign governments, and non-profit institutions.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
CATHSSETA	Departmental Agency	Administration costs.	Yes	194	194	N/A
Federated Hospitality Association of South Africa (FEDHASA)	Non-Profit Institution	To fund the implementation of Educator Development Programme in nine provinces.	Yes	439	426	To be spent in the next financial year.
NTCE	Departmental Agency	National Tourism Careers Expo.	Yes	4 425	4 425	N/A
South African Tourism	Departmental agency	Tourism Grading Support Programme.	Yes	17 000	3 501	To be spent in the next financial year.
Various beneficiaries	Public corporations and Private enterprises	Market Access Support Programme.	N/A	19 308	19 308	N/A
Small Enterprise Finance Agency (SEFA)	Departmental agency	Tourism Equity Fund	Yes	189 384	-	To be spent in the next financial year.

The table below reflects the transfer payments budgeted for from 1 April 2023 to 31 March 2024, but no transfer payments were made.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Payments were made for all transfer line items budgeted for.

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

There were no conditional grants and earmarked funds paid for the period 1 April 2023 to 31 March 2024.

6.2. Conditional grants and earmarked funds received

There were no conditional grants and earmarked funds received for the period 1 April 2023 to 31 March 2024.

7. DONOR FUNDS

7.1. Donor Funds Received

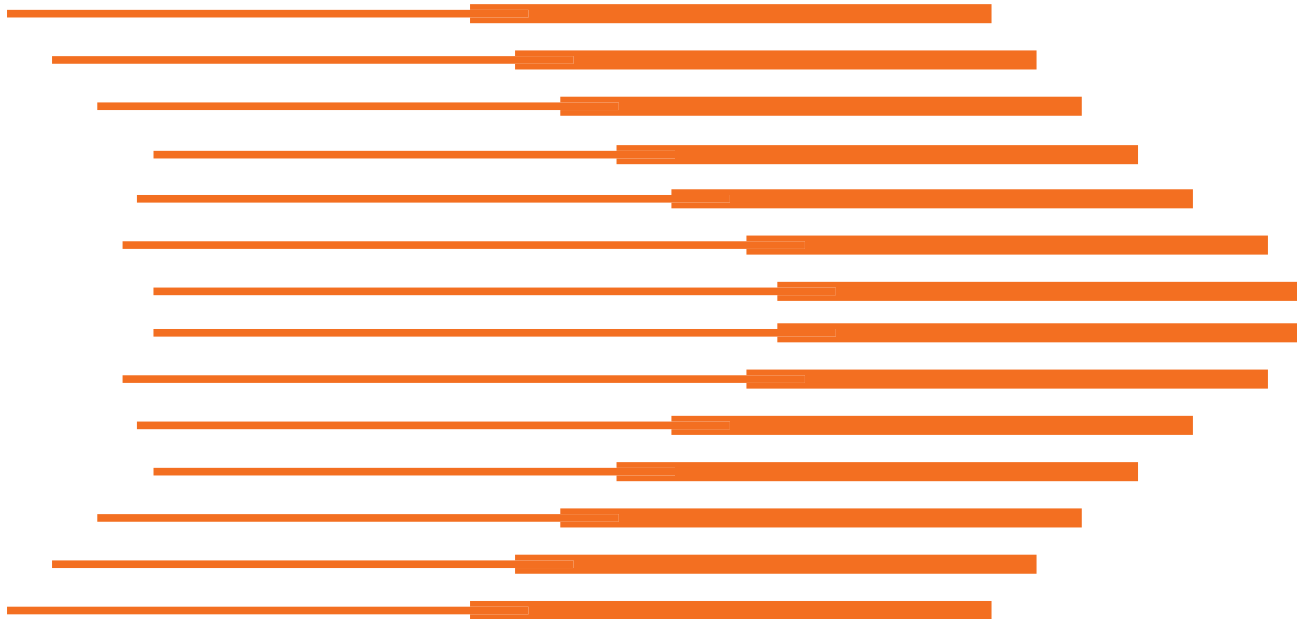
No donor funds received in 2023/24.

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

The table below reflects expenditure on capital infrastructure assets for the period 1 April 2023 to 31 March 2024.

Infrastructure projects	2023/2024			2022/2023		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	-	-	-	-	-	-
Existing infrastructure assets	-	-	-	-	-	-
Upgrades and additions	-	-	-	-	-	-
Rehabilitation, renovations and refurbishments	115 000	115 000	-	139 939	139 940	(1)
Maintenance and repairs	48 447	48 447	-	23 568	23 568	-
Infrastructure transfer	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
Total	163 447	163 447	-	163 507	163 508	(1)



PART C:

GOVERNANCE

1. INTRODUCTION

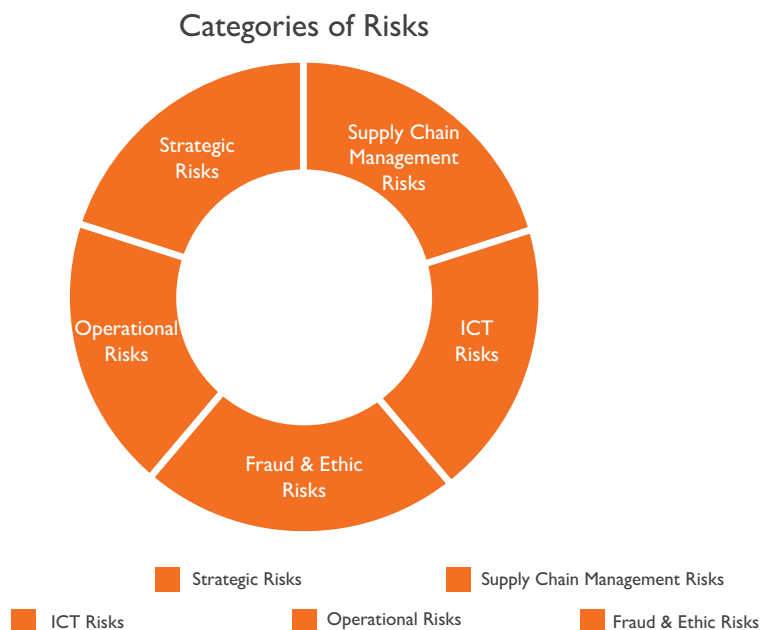
Vulnerabilities that could impact the Department's potential problems are identified before they occur by identifying, assessing, and measuring the risks and also developing mitigation strategies to treat risks, and finally monitoring the risks.

2. RISK MANAGEMENT

The Department has an approved risk management policy and strategy in place that guides it in systematically managing risks that could impact its set objectives, operations, and overall success. The Department has attained a maturity level rating of five.

The Director-General (DG), assisted by the Top Management, held a strategic risk assessment session, where the Department's risk profile was reviewed, and continued to manage and monitor key strategic risks.

The revision of the risk profile is aligned with the Strategy and APP to ensure that efficient management of risks contributes towards the Department's positive performance. The risk profile comprises five categories, namely:



Materialised and emerging risks were continuously identified and assessed from the environment during the year under review or as soon as identified.

The Department has a Risk Management Committee (RMC) in place that is chaired by an external seasoned chairperson, with expertise and knowledge. The Committee held four quarterly meetings where monitoring and implementation of mitigation strategies by branches were discussed. After the sitting of the RMC, an oversight report on the proceedings and resolutions of the meeting are compiled to apprise the accounting officer of the risk management environment. The design of the RMC has enhanced the Department's risk management accountability.

The Audit Committee independently monitored and assured the effectiveness of risk management measures implemented within the Department by reviewing the quarterly risk management progress reports.

The Department sees progress in the management of risks as the RMC holds the Management accountable for risk management processes applied internally at the quarterly meetings.

3. FRAUD AND CORRUPTION

The Department has continued to maintain and implement the Fraud Prevention Policy, Strategy, and the fraud prevention plan to prevent incidents of fraud and corruption. The Department has committed to zero tolerance for fraud and corruption. The Risk and Integrity team embarked on awareness creation by issuing circulars, articles, and conducting workshops in collaboration with the Office of the Public Service Commission to effectively deter incidents of fraud and corruption. The Department continued to create awareness on using the National Anti-Corruption Hotline (0800 701 701) as part of a strategic initiative towards reporting anonymous fraud and corruption activities.

The Department has an approved Whistleblowing policy in place. Allegations of fraud and corruption are also reported anonymously to the Management and the Directorate: Risk and Integrity.

Where the reported allegations of fraud and corruption are supported by concrete evidence, the Risk and Integrity team conducts a preliminary investigation internally. The team then compiles a recommendation to the Accounting Officer

to appoint an internal or external investigator. The Accounting Officer, after considering the findings and recommendations of the investigation reports, will approve the outcome of the investigation.

4. MINIMISING CONFLICT OF INTEREST

During the period under review, there were 62 SMS members and 148 other designated employees who disclosed their financial interests on the e-Disclosure system through the implementation of the financial disclosure framework. Non-compliant employees were handed over to the Employee Relations Unit for implementation of corrective measures.

The Risk and Integrity team processed 14 applications from employees requesting permission to undertake other remunerative work outside employees' employment.

The Department has an approved gift policy to manage the employees' receipt of gifts. All these efforts were implemented to minimise potential conflicts of interest in the Department. Awareness creation through the issuing of circulars on the season for the submission of financial interests was developed and shared with employees through an internal communications platform (CommsT).

5. CODE OF CONDUCT

The Department subscribes to the Public Service Code of Conduct. The Code acts as a guideline to employees as to what is expected of them from an ethical point of view, both in their conduct and in their relationship with others. Compliance with the Code is expected to enhance professionalism, and help to cultivate and strengthen confidence in the public service.

Non-compliance with the Code of Conduct is deemed as an act of misconduct and corrective measures are to be implemented in line with the Disciplinary Code and Procedures of the public service.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Department of Tourism has developed policies to promote the health and wellbeing of employees and ensure safety within the working environment. The

Department has various mechanisms in place that create awareness and advocate for a safe and healthy working environment. During the period under review, where two (2) injury-on-duty were reported; one (1) was attended through first aid management and two work-related illnesses were attended by Occupational Health Nursing Practitioner in the Department. The Department has a Safety, Health, Environment, Risk and Quality Management Committee, and there were two meetings held which served to provide oversight and monitoring of Occupational Health and Safety compliance in the department.

The Department ensured that OHS Inspection was conducted on all 12 floors in the building, and subsequently forwarded reports to Directorate: Facilities Management and Asset Management for intervention. There were seven (7) housekeeping findings attended by EHW officials. Twenty-four (24) workplace incidents were reported to the Risk Investigator, and reports were presented to the Directorate: Risk and Integrity Management. The Directorate further developed articles which were circulated to staff members to sensitise them on the TB Outbreak. Constant awareness is being raised on occupational health and safety in the department.

7. PORTFOLIO COMMITTEES

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

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

7.1 PORTFOLIO COMMITTEE ON TOURISM (NATIONAL ASSEMBLY)

7.1.1 Oversight Visit by the Portfolio Committee to the North West

Province 18-21 April 2023, including visits to Manyane, Letlamoreng.

- 7.1.2 Briefing by the Department on the Annual Performance Plan (APP) for 2023/24- Financial Year and a Briefing by the Minister on Developments on the SA Tourism Board on 2 May 2023.
- 7.1.3 Briefing by the Department on the Policy Review Process (Green Paper) on 30 May 2023
- 7.1.4 Briefing by the Department on the 2022/23 First and Second Quarter Performance Reports on 6 June 2023, and SA Tourism Board Newspaper Adverts and Gazette for the nomination of Board members.
- 7.1.5 Briefing by the Development Bank of South Africa (DBSA) on Tourism Infrastructure, and a Briefing by SA Tourism on 2022/23 First and Second Quarter Performance Reports on 13 June 2023.
- 7.1.7 Briefing by the Department of Tourism on 2022/23 First to Fourth Quarter Performance Reports on 29 August 2023, as well as an update on implementing the recommendations tabled in the 2023 Vote 38 of the Budget Report.
- 7.1.8 Briefing by the National Heritage Monument Project, the Department of Tourism, and SA Tourism implementation of the Budgetary Review and Recommendations Report (BRRR) and Oversight Reports (North West and Limpopo) on 19 September 2023.
- 7.1.9 Briefing by the Office of the Auditor-General of South Africa (AGSA) on the 2022/23 Audit outcomes of the Department of Tourism and SA Tourism, and the Briefing by the Department on the Annual Performance Report for the 2021/2022 financial year, on 10 October 2023.
- 7.1.10 Briefing by the Department on 2023/24 First Quarter Performance Report on 24 October 2023.
- 7.1.11 Briefing by the Department on 2023/24 Second Quarter Performance Report on 21 November 2023.
- 7.1.13 Briefing by the Minister of Tourism on the Forensic Report Commissioned by the Department of Tourism and SA Tourism on financial malfeasance and maladministration issues on 20 February 2024 (partial/closed meeting).
- 7.1.14 Briefing by the Department of Science and Innovation to the Portfolio Committee on Higher Education, Science, and

Innovations on the progress of the SKA and Radio Astronomy: Matters raised during Oversight visit; Astro–Tourism Strategy on 1 March 2024.

- 7.1.15 Briefing by the Department on the 2023/24 Third Quarter Performance Report and the Tourism Infrastructure Report on 12 March 2024.
- 7.1.16 Briefing by South Africa National Parks (SANParks) and DBSA on 27 March 2024 on implementation of infrastructure programmes.

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

- 7.2.1 Department and SA Tourism Briefing on the 2023/24 Annual Performance Plans on 18 April 2023.
- 7.2.2 Briefing by the Department on its 2022/23 Annual Performance Report, the 2023/24 First and Second Quarter Performance Reports, and Infrastructure Projects on 14 November 2023.

8. SCOPA RESOLUTIONS

None.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

No prior modifications were made to audit reports.

10. INTERNAL CONTROL UNIT

Internal Control is a function in the Department established to ensure Compliance with the PFMA, Treasury Regulations, SCM, and Other Legislation.

The function is responsible for Audit Coordination, The Departmental Action Plan, managing Irregular, Fruitless, and Wasteful expenditures, monitoring compliance with Internal Controls, and facilitating Risk Management within the Office of the Chief Financial Officer.

Currently, only one Deputy Director has been assigned to this function and he reports directly to the Chief Financial Officer.

Audit Coordination

A total of 46 (18 for 2022/23 and 28 for 2023/24 financial year) requests for information were received from the AGSA audit, which was coordinated accordingly. The request from AGSA was analysed and directed to the responsible Managers. A total of 18 findings were received from the AGSA, which was coordinated accordingly.

A Comprehensive Audit Action Plan was developed to address findings raised by the Auditor General in the 2022/23 financial year audit report. The findings raised by the AGSA were analysed, and actions that address the root causes of the audit findings were developed. The Audit Action Plan was monitored weekly in conjunction with the Office of the Director-General. POEs for actions deemed to be completed were collated and provided to Internal Audit for quality review and assurance.

The Management of Unauthorised, Irregular, Fruitless, and Wasteful Expenditure

No cases of Unauthorised Expenditure were reported for the financial year.

Only one case of Irregular Expenditure for the financial year was identified. A determination was conducted and consequence management was recommended and implemented by the Accounting Officer.

The Fruitless and Wasteful Expenditure Policy was developed and approved during the year.

Seventy-one (71) cases of alleged fruitless and wasteful expenditure were identified and reported during the financial year.

The Internal Control Manager is appointed Champion for the CFO's Office. Strategic, Operational, and Fraud Risks identified were monitored and reported quarterly. The Risks were evaluated for continued existence and relevance at the end of the financial year and the 2024/25 Risk Register was developed.

Controls around the payment of suppliers within 30 days were monitored every week. The Invoice Tracking Tool was developed and monitored weekly to facilitate compliance with the turn-around payment times as per the Treasury Regulations. Non-compliance was escalated and followed up on.

II. 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 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 2023/24 financial year:

- Pre-determined Objectives;
- ICT Governance;
- Review of Annual Report 2022/23;
- ICT General Controls;
- Assets Management;
- Procurement - Quotations;
- Procurement – Tenders;
- Follow-up on the 2022/23 AGSA Management Report;
- Follow-up: Contract Management;
- Review of Financial Statements;
- Leave Management;
- SA Tourism Oversight;
- Tourism Transformation Fund;
- Project Site Visit: Destination Enhancement Initiatives;
- Research Projects; and
- Investigation - SCM

Progress on implementing 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 with respect to 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
Mr PR Mnisi	LLB; Post Grad Certificate in Compliance Management.	External		August 2015, re-appointed 20 October 2018, re-appointed 20 October 2021 to 30 September 2022. Re-appointed 05 March 2023.		6
Ms MP Ramutsheli	CIA; Certified Ethics Officer; Masters in Internal Auditing.	External		20 October 2018 and re-appointed 20 October 2021 to 30 September 2022. Re-appointed 05 March 2023.		6
Mr Badat Suleman	Chartered Accountant, CA (SA).			05 March 2023.		
Ms Mmathabo Abigail Sukati	CA(SA), CIA, CCSA, MBA	External	-	05 March 2023.		5
Mr Karabo Modipane	Certified Information Systems Auditor (CISA). BSc Honours in Computer Science.	External		05 March 2023		6
Mr Zola Fihlani		External		05 March 2023	Deceased - Nov 2023	3

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2024.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter, and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

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

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

Our review of the Internal Audit findings, which were based on the department's risk assessments, revealed certain weaknesses, which we then raised with the Department.

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

- Pre-determined objectives;

- ICT Governance;
- Review of Annual Report 2022/23;
- ICT General Controls;
- Assets Management;
- Procurement - Quotations;
- Procurement – Tenders;
- Follow-up on the 2022/23 AGSA Management Report;
- Follow-up: Contract Management;
- Review of Financial Statements;
- Leave Management;
- SA Tourism Oversight;
- Tourism Transformation Fund;
- Project Site Visit: Destination Enhancement Initiatives;
- Research Projects; and
- Investigation - SCM

The Audit Committee advised the Department that decisive steps be taken to strengthen the oversight function and their control environment.

In-Year Management and Monthly / Quarterly Report

The Department has reported monthly and quarterly to the National Treasury as the PFMA requires.

Internal Audit

The Internal Audit Unit conducts its affairs according to an approved Internal Audit Charter, which is reviewed annually. The Internal Audit Unit follows a risk-based audit approach, taking into account the Department's Risk Strategy and the Internal Audit Unit's assessment of the risk drivers.

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.

Therefore, the Audit Committee is satisfied that the Internal Audit function (in-house) is operating effectively and has addressed the risks pertinent to the Department in its Audit Plan.

Risk Strategy

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

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the Department.

Auditor-General's Report

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.

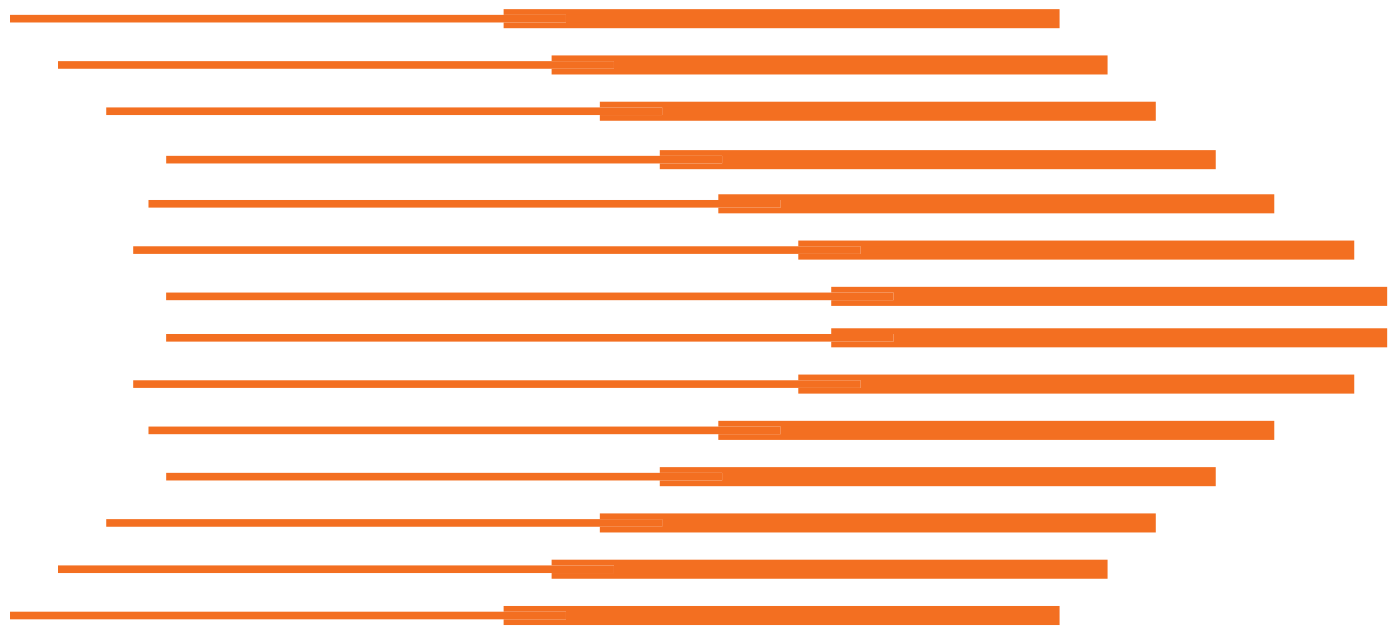


Mr Roy Mnisi
Chairperson of the Audit Committee
Department of Tourism
01 August 2024

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	No	Still work in progress by end of financial year.
Developing and implementing a preferential procurement policy?	Yes	To contribute to the Government's economic transformation agenda, the Procurement Policy of the Department uses B-BBEE as a lever. There is a minimum of a 40% procurement target spend from women-owned businesses. There is also a 40% procurement target set for buying goods and services from SMMEs
Determining qualification criteria for the sale of state-owned enterprises?	No	The criteria are not yet developed. The gazetted Tourism B-BBEE Sector Code is applicable.
Developing criteria for entering into partnerships with the private sector?	No	The gazetted Tourism B-BBEE Sector is applicable.
Determining criteria for the awarding of incentives, grants, and investment schemes in support of Broad-Based Black Economic Empowerment?	Yes	B-BBEE Codes applied across the various departmental incentives under the Tourism Incentive Programme.



PART D:

HUMAN RESOURCE MANAGEMENT

I. INTRODUCTION

The Department is committed to its professionalism, which is critical in building the state's capacity. The Department implements strategic human resource management by applying sound human resource practices. The Departmental MTEF HR Plan supports the requirements of the Public Service Act, 1994 as amended, and the Public Service Amendment Regulations, 2023. Implementing the Departmental Human Resource Plan seeks to ensure that the Department has the correct number of employees with the required skills in the correct positions in line with the approved Organisational Structure. The Department has facilitated the implementation of all functional areas:

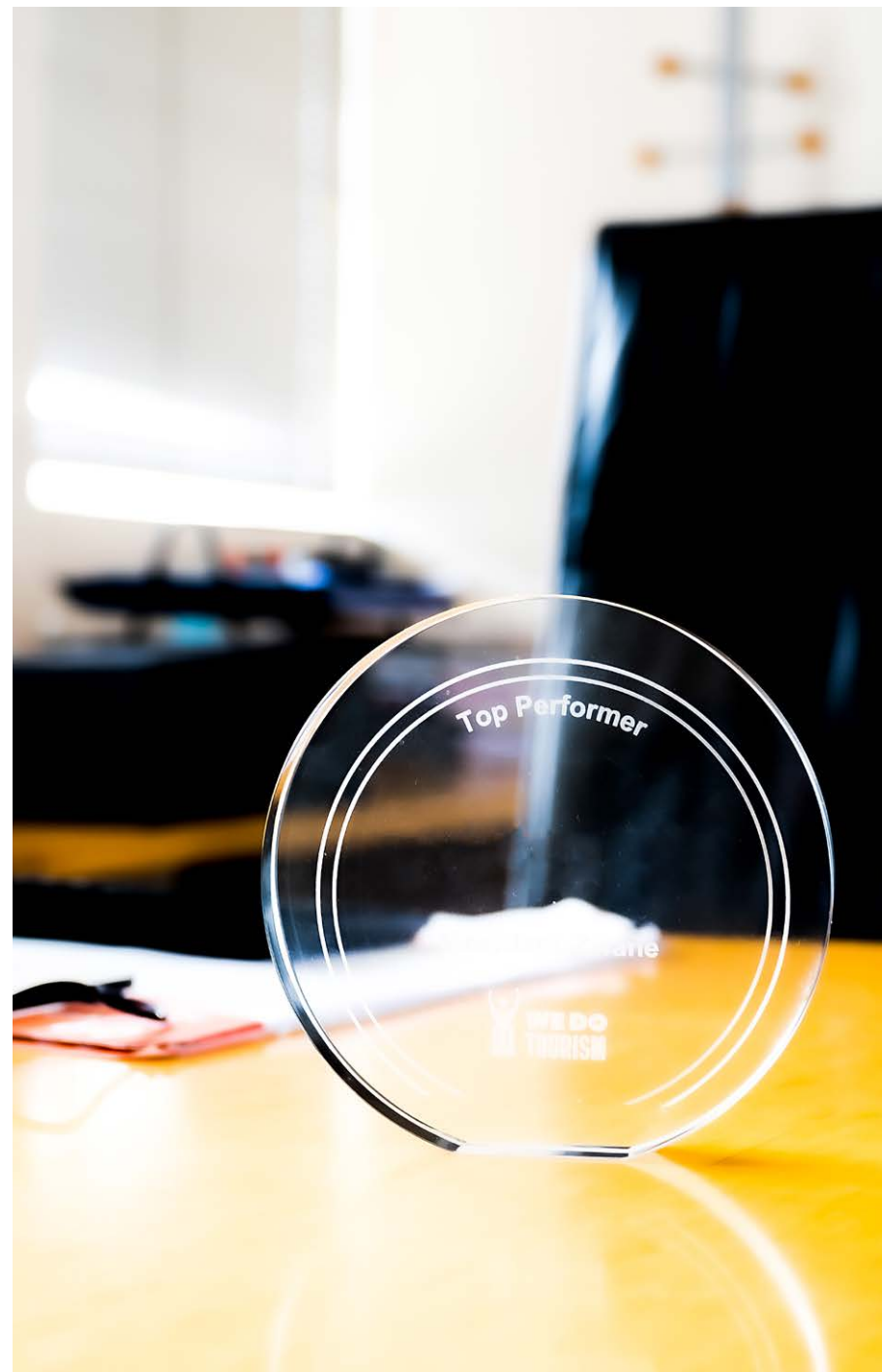
- Organisational Development and Change Management
- Human Resource Practices and Administration
- Human Resource Utilisation and Development
- Human Resource Planning and Information Systems
- Employee Health and Wellness
- Employee and Labour Relations

2. OVERVIEW OF HUMAN RESOURCES

As at 31 March 2024, the Departmental post establishment was at 541 and 482 positions filled; 59 positions were recorded as vacant, which translates to a 10.9% vacancy rate. The vacancy rate of below 10% was not achieved as the Department of Public Service and Administration prescribed. This resulted merely from October 2023 due to the Cost Containment Measures implemented by the National Treasury. The Department implemented a reprioritisation system for positions by seeking concurrence for posts that became vacant after implementing the Cost Containment Measures with effect from 1 October 2023 and also prioritised Recruitment Processes to fill positions advertised before the Cost Containment Measures. The Department has consistently performed above 4% on employment of PWDs, which is 2% above the national target.

In all, 123 employees were appointed to the Department, while 53 employees exited the Department. There were 19 resignations, at 35.80%, 11 transfers out of the Department at 20.80%, three retirements at 5.70%, and one dismissal on account of misconduct at 1.90% and 19 contract expires at 35.80%.

Following the outcome of performance moderation, employees who performed outstandingly were afforded pay progressions following policy guidelines.



3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel-related expenditure

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2023 to 31 March 2024

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)
Programme 1: Administration	303 112	169 481	2 381	4 932	56	675
Programme 2: Tourism Research, Policy and International Relations	1 367 469	53 115	13	3 889	4	843
Programme 3: Destination Development	359 972	58 207	74	430	16	855
Programme 4: Tourism Sector Support Services	341 699	83 607	0	5 009	24	836
Total	2 372 252	364 410	2 468	14 260	15	756

Table 3.1.2 Personnel expenditure by salary band for the period 1 April 2023 to 31 March 2024

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	1 000	1	6	166
Skilled (level 3-5)	11 037	3	38	290
Highly skilled production (levels 6-8)	63 386	17	147	431
Highly skilled supervision (levels 9-12)	196 454	54	228	861
Senior and top management (levels 13-16)	92 533	25	63	1 468
Total	364 410	100	482	756

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2023 to 31 March 2024

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Programme 1: Administration	147 565	87	1 099	1	3 896	2	6 295	4
Programme 2: Tourism Research, Policy and International Relations	46 701	88	0	0	1 446	3	1 530	3
Programme 3: Destination Development	51 229	88	0	0	1 231	2	1 646	3
Programme 4: Tourism Sector Support Services	73 212	88	33	1	1 457	2	2 666	3
Total	318 707	88	1 132	1	8 030	2	12 137	3

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2023 to 31 March 2024

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	983	98	0	0	0	0	0	0
Skilled (level 3-5)	8 495	77	215	2	552	5	810	7
Highly skilled production (levels 6-8)	49 219	78	573	1	2 436	4	5 081	8
Highly skilled supervision (levels 9-12)	177 145	90	344	2	3 750	2	5 676	3
Senior management (level 13-16)	82 865	90	0	0	1 292	1	570	1
Total	318 707	87	1 132	1	8 030	2	12 137	3

3.2 Employment and Vacancies

Table 3.2.1 Employment and Vacancies by Programme as on 31 March 2024

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1: Administration	280	251	10.4	14
Programme 2: Tourism Research, Policy and International Relations	76	63	17.1	4
Programme 3: Destination Development	76	68	10.5	3
Programme 4: Tourism Sector Support Services	109	100	8.3	5
Total	541	482	10.9	26

Table 3.2.2 Employment and Vacancies by Salary Band as on 31 March 2024

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)	7	6	14.3	0
Skilled (3-5)	43	38	11.6	1
Highly skilled production (6-8)	164	147	10.4	24
Highly skilled supervision (9-12)	252	228	9.5	1
Senior management (13-16)	75	63	16	0
Total	541	482	10.9	26

Note: The 10.9% vacancy rate includes employees outside the establishment. However, the 11.5% vacancy rate reported in Programme 1 on page 32 excludes 24 Interns and 2 short-term contracts.

Table 3.2.3 Employment and vacancies by critical occupations as at 31 March 2024

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
None	0	0	0	0
Total	0	0	0	0

3.3 Filling of SMS Posts

Table 3.3.1 SMS Post Information as on 31 March 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	3	3	0	0	0
Salary Level 15	5	4	80	1	20
Salary Level 14	17	12	71	5	29
Salary Level 13	49	43	88	6	12
Total	75	63	84	12	16

Table 3.3.2 SMS Post Information as on 30 September 2023

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	3	3	100	0	0
Salary Level 15	6	6	100	0	0
Salary Level 14	17	12	71	5	29
Salary Level 13	49	44	90	5	10
Total	76	66	87	10	13

Table 3.3.3 Advertising and Filling of SMS posts for the period 1 April 2023 to 31 March 2024

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
Number of vacancies per level not filled in 6 months but filled in 12 months	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	2	0	0
Salary Level 13	4	0	1
Total	6	0	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 2023 to 31 March 2024

Reasons for vacancies not advertised within six months

Director: Programme Planning and Implementation – Affected by cost containment measures

Chief Director: Enterprise Development and Transformation – Affected by cost containment measures

Reasons for vacancies not filled within twelve months

Chief Director: International Relations and Cooperation – Process within 12 months and ongoing

Director: Legal Services - Process within 12 months and ongoing

Director: Tourism Visitor Information Services - Process within 12 months and ongoing

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 2023 to 31 March 2024

Reasons for vacancies not advertised within six months

None

Reasons for vacancies not filled within six months

None

3.4 Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2023 to 31 March 2024

Salary Band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts Downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	6	0	0	0	0	0	0
Skilled (Levels 3-5)	38	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	147	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	228	0	0	0	0	0	0
Senior Management Service Band A	43	0	0	0	0	0	0
Senior Management Service Band B	12	0	0	0	0	0	0
Senior Management Service Band C	4	0	0	0	0	0	0
Senior Management Service Band D	4	0	0	0	0	0	0
Total	482	0	0	0	0	0	0

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2023 to 31 March 2024

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2023 to 31 March 2024

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				0

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2023 to 31 March 2024

Total number of Employees whose salaries exceeded the grades determined by job evaluation	None
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3.5 Employment Changes

Table 3.5.1 Annual Turnover Rates by salary band for the period 1 April 2023 to 31 March 2024

Salary band	Number of employees at beginning of period-1 April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	30	3	1	3
Highly skilled production (Levels 6-8)	133	8	5	4
Highly skilled supervision (Levels 9-12)	222	21	12	5
Senior Management Service Bands A	41	6	4	10
Senior Management Service Bands B	12	4	3	25
Senior Management Service Bands C	4	1	1	25
Senior Management Service Bands D	2	0	0	0
Contracts	33	80	27	82
Total	477	123	53	11

Table 3.5.2 Annual Turnover Rates by Critical Occupation for the period 1 April 2023 to 31 March 2024

Critical occupation	Number of employees at beginning of period-April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
None	0	0	0	0
Total	0	0	0	0

Table 3.5.3 Reasons why staff left the Department for the period 1 April 2023 to 31 March 2024

Termination Type	Number	% of Total Resignations
Death	0	0
Resignation	19	35.80
Expiry of contract	19	35.80
Dismissal – operational changes	0	0
Dismissal – misconduct	1	1.90
Dismissal – inefficiency	0	0

Termination Type	Number	% of Total Resignations
Discharged due to ill-health	0	0
Retirement	3	5.70
Transfer to other Public Service Departments	11	20.80
Other	0	0
Total	53	100.00
Total number of employees who left as a % of total employment	53	8.80

Table 3.5.4 Promotions by Critical Occupation for the period 1 April 2023 to 31 March 2024

Occupation	Employees 1 April 2023	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
None	0	0	0	0	0
TOTAL	0	0	0	0	0

Table 3.5.5 Promotions by Salary Band for the period 1 April 2023 to 31 March 2024

Salary Band	Employees 1 April 2023	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
Lower skilled (Levels 1-2)	5	0	0	3	60%
Skilled (Levels 3-5)	40	0	0	28	70%
Highly skilled production (Levels 6-8)	136	12	8.8	123	93%
Highly skilled supervision (Levels 9-12)	231	6	2.6	201	87%
Senior management (Level 13-16)	65	0	0	43	66%
Total	477	18	3.8	398	83%

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following Occupational Categories as at 31 March 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	27	1	1	3	20	2	4	3	61
Professionals	71	1	3	2	94	7	2	4	184
Technicians and associate professionals	43	0	1	1	43	7	2	4	101
Clerks	24	3	0	1	52	3	1	0	84
Service and sales workers	13	1	0	2	9	0	0	0	25
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	3	0	0	0	0	0	0	0	3
Elementary occupations	13	0	0	0	10	1	0	0	24
Total	194	6	5	9	228	20	9	11	482
Employees with disabilities	10	0	0	1	8	0	1	2	22

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	2	0	0	1	2	0	1	2	8
Senior management	26	1	2	2	18	2	3	1	55
Professionally qualified and experienced specialists and mid-management	96	1	3	4	105	9	5	5	228

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	44	3	0	1	89	7	0	3	147
Semi-skilled and discretionary decision making	23	1	0	1	11	2	0	0	38
Unskilled and defined decision making	3	0	0	0	3	0	0	0	6
Total	194	6	5	9	228	20	9	11	482

Table 3.6.3 Recruitment for the period 1 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	3	0	0	1	1	0		1	6
Senior management	6	0	0	1	4	3	2	1	17
Professionally qualified and experienced specialists and mid-management	20	0	0	0	10	2	0	0	32
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	19	2	0	0	21	1	0	0	43
Semi-skilled and discretionary decision making	4	0	0	0	14	2	0	0	20
Unskilled and defined decision making	3	0	0	0	2	0	0	0	5
Total	55	2	0	2	52	8	2	2	123
Employees with disabilities	0	0	0	0	0	0	1	0	1

Table 3.6.4 Promotions for the period 1 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	2	0	1	0	3	0	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	4	0	0	0	8	0	0	0	12
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	6	0	1	0	11	0	0	0	18
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	2	0	0	0	1	0	0	0	3
Senior management	3	0	0	0	3	1	1	1	9
Professionally qualified and experienced specialists and mid-management	11	0	0	0	7	1	0	0	19
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6	0	0	0	5	0	0	0	11
Semi-skilled and discretionary decision making	2	0	0	0	9	0	0	0	11

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	24	0	0	0	25	2	1	1	53
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary Action for the period 1 April 2023 to 31 March 2024

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissal	1	0	0	0	0	0	0	0	1
Deemed dismissal	1	0	0	0	0	0	0	0	1
Final written Warning	0	0	0	0	1	0	0	0	1

Table 3.6.7 Skills Development for the period 1 April 2023 to 31 March 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	6	0	0	0	3	1	2	1	13
Professionals	61	0	1	1	51	7	0	5	126
Technicians and associate professionals	22	0	0	0	46	9	0	0	77
Clerks	12	0	0	0	8	0	0	0	20
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Non-Employees	41	3	0	0	49	0	0	0	93
Total	142	3	1	1	157	17	2	6	329

3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2023

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	2	2	0	0
Salary Level 15	4	4	4	100%
Salary Level 14	16	13	11	84%
Salary Level 13	49	44	42	95%
Total	72	64	58	95%

Table 3.7.2 Reasons for not having concluded Performance Agreements for all SMS members as on 31 May 2023

Reasons
New appointments with three months grace period.

Reasons
Non-compliance letters were issued out for late and non - submissions of performance management documents.

3.8 Performance Rewards

Table 3.8.1 Performance Rewards by Race, Gender and Disability for the period 1 April 2023 to 31 March 2024

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	0	194	0	0	0
Female	0	228	0	0	0
Asian					
Male	0	5	0	0	0
Female	0	9	0	0	0

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
Coloured					
Male	0	6	0	0	0
Female	0	20	0	0	0
White					
Male	0	9	0	0	0
Female	0	11	0	0	0
Total	0	482	0	0	0

Table 3.8.2 Performance Rewards by Salary Band for personnel below Senior Management Service for the period 1 April 2023 to 31 March 2024

Salary Band	Beneficiary Profile			Total 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)	0	6	0%	0	0	0%
Skilled (level 3-5)	0	38	0%	0	0	0%
Highly skilled production (level 6-8)	0	147	0%	0	0	0%
Highly skilled supervision (level 9-12)	0	228	0%	0	0	0%
Total	0	419	0%	0	0	0%

Table 3.8.3 Performance Rewards by Critical Occupation for the period 1 April 2023 to 31 March 2024

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
None	0	0	0	0	0
Total	0	0	0	0	0

Table 3.8.4 Performance-related Rewards (Cash Bonus), by Salary Band for Senior Management Service for the period 1 April 2023 to 31 March 2024

Salary Band	Beneficiary Profile			Total Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	43	0	0	0	0
Band B	0	12	0	0	0	0
Band C	0	4	0	0	0	0
Band D	0	4	0	0	0	0
Total	0	63	0	0	0	0

3.9 Foreign Workers

Table 3.9.1 Foreign Workers by Salary Band for the period 1 April 2023 to 31 March 2024

Salary Band	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	1	100%	0	0%	1	100%
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
Total	1	100%	0	0%	1	100%

Table 3.9.2 Foreign Workers by Major Occupation for the period 1 April 2023 to 31 March 2024

Major occupation	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Elementary occupations	1	100%	0	0%	1	100%
Total	1	100%	0	0%	1	100%

3.10 Leave Utilisation

Table 3.10.1 Sick Leave for the period 1 January 2023 to 31 December 2023

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	1	0	1	0.30	1	1
Skilled (levels 3-5)	162	73.50	30	7.60	5	168
Highly skilled production (levels 6-8)	1079	72.80	130	33.10	8	1 777
Highly skilled supervision (levels 9 -12)	1573	74.60	185	47.10	9	5 154
Top and senior management (levels 13-16)	331	73.70	47	12.00	8	1 750
Total	3146	73.80	393	100	8	8 850

Table 3.10.2 Disability Leave (temporary and permanent) for the period 1 January 2023 to 31 December 2023

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	164	100	3	0.60	55	58
Highly skilled supervision (Levels 9-12)	94	100	6	1.20	16	310
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	258	100	9	1.80	29	9

Table 3.10.3 Annual Leave for the period 1 January 2023 to 31 December 2023

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	37	6	6
Skilled Levels 3-5)	1 191	51	23
Highly skilled production (Levels 6-8)	6 041	173	35
Highly skilled supervision (Levels 9-12)	9 293	253	37
Senior management (Levels 13-16)	2 057	66	31
Total	18 619	549	34

Table 3.10.4 Capped Leave for the period 1 January 2023 to 31 December 2023

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2024
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	3	0	65
Highly skilled production (Levels 6-8)	0	7	0	13
Highly skilled supervision (Levels 9-12)	0	18	0	20
Senior management (Levels 13-16)	0	12	0	30
Total	0	40	0	25

Table 3.10.5 Leave Pay-outs for the period 1 April 2023 to 31 March 2024

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2023/24 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2023/24	0	0	0
Current leave payout on termination of service for 2023/24	1 331	36	38
Total	1 331	36	38

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of Occupational Exposure

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

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes

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: Acting Director: Human Resource Utilisation and Employee Health and Wellness.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		There are two officials serving in the dedicated Unit: Dr S V Nkosi: Deputy Director-Employee Health and Wellness and Ms M Sibande: Assistant Director –Employee Health and Wellness. These officials are professionally trained as Social Workers and they professionally registered with the South African Social Service Council. The allocated budget for this unit was R500 000-00 for the financial year 2023/2024.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		Introduction of the programme: Yes, the Department has introduced this programme to its entire staff and the Director-General of the Department championed it. Key services/elements: Counselling Services; Health Screening Services in last 4 quarters; Conducted HIV & AIDS Information Session during the World AIDS Day; and Employee Assistance Programme Services. Moreover, this unit operates within the scope of four (4) Employee Health and Wellness (EHW) Pillars which are: HIV&AIDS and TB Management Programmes, Wellness Management Programmes, including Sports and Recreation Programmes, as well as, Bereavement Matters, Health and Productivity Management, and Occupational Health Management Programmes.

Question	Yes	No	Details, if yes
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	Committee: 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, 2016.
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		Yes, the department has reviewed its employment policies and practices including EHW policies. Moreover, the unit is in a process of reviewing its EHW policies and such review will take place during the course of 2024/2025 financial year. The unit has HIV Counselling and Testing (HCT) statistics reports and awareness campaigns on the implementation of the HIV&AIDS and TB Management policy.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures	X		Measures in place: There is a dedicated unit that specialises in Employee Health and wellness, including HIV, AIDS, and TB in the workplace. The EHW unit has measures in place to prevent discrimination against HIV-positive employees at work through an HIV, AIDS, and TB Management Policy. It further provides HIV counselling and wellness interventions throughout all four quarters of the financial year.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		HIV Counselling and Testing (HCT) Services: The department had four interventions during the financial year 2023/2024, where staff members were encouraged to go HIV Test and this was done in collaboration with the Health Screening Program conducted in the department through Government Employee Medical Scheme (GEMS). The average percentage of employees reached was 10% in the first quarter, 4% in the second quarter, 11% in the third quarter and 12% in the fourth quarter based on the total establishment.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Monitoring and evaluation: The unit compiled four (4) reports on EHW quarterly intervention to assess the impact of the health promotion programme per intervention and submit the report to the Department of Public Service and Administration (DPSA). The unit further compiles and submits the EHW annual report, which includes the AIDS and TB annual interventions, and such reports tend to evaluate the level of the AIDS and TB impact within the department.

3.12 Labour Relations

Table 3.12.1 Collective Agreements for the period 1 April 2023 to 31 March 2024

Subject matter	Date
Total number of Collective agreements	None

Table 3.12.2 Misconduct and Disciplinary Hearings Finalised for the period 1 April 2023 to 31 March 2024

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0

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

Table 3.12.3 Types of Misconduct Addressed at Disciplinary Hearings for the period 1 April 2023 to 31 March 2024

Type of Misconduct	Number	% of Total
Causing damage to the departmental vehicle and using departmental vehicle without authorisation.	1	100
Total	1	100

Table 3.12.4 Grievances Logged for the period 1 April 2023 to 31 March 2024

Grievances	Number	% of Total
Number of grievances resolved	6	100
Number of grievances not resolved	0	0
Total number of grievances lodged	6	100

Table 3.12.5 Disputes Logged with Councils for the period 1 April 2023 to 31 March 2024

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

Table 3.12.6 Strike Actions for the period 1 April 2023 to 31 March 2024

Total number of persons working days lost	0
Total costs of 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 2023 to 31 March 2024

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	79
Cost of suspension (R'000)	R117 255.44

3.13 Skills Development

Table 3.13.1 Training needs identified for the period 1 April 2023 to 31 March 2024

Occupational category	Gender	Number of employees as at 1 April 2023	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	30	0	7	1	8
	Male	32	0	6	1	7
Professionals	Female	111	0	63	20	83
	Male	76	0	63	6	69
Technicians and associate professionals	Female	56	0	55	16	71
	Male	51	0	22	8	30
Clerks	Female	47	0	8	1	9
	Male	20	0	12	2	14
Service and sales workers	Female		0	0	0	0
	Male	11	0	0	0	0
Skilled agriculture and fishery workers	Female	15	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	4	0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 2023	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Elementary occupations	Female	11	14	49	12	75
	Male	13	13	44	8	65
Sub Total	Female	0	14	182	50	246
	Male	0	13	147	25	185
Total		477	27	329	75	431

Table 3.13.2 Training provided for the period 1 April 2023 to 31 March 2024

Occupational category	Gender	Number of employees as at 1 April 2023	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	30	0	7	1	8
	Male	32	0	6	1	7
Professionals	Female	111	0	63	19	82
	Male	76	0	63	5	68
Technicians and associate professionals	Female	56	0	55	14	69
	Male	51	0	22	7	29
Clerks	Female	47	0	8	1	9
	Male	20	0	12	2	14
Service and sales workers	Female		0	0	0	0
	Male	11	0	0	0	0
Skilled agriculture and fishery workers	Female	15	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	4	0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 2023	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Elementary occupations	Female	11	14	49	4	67
	Male	13	13	44	4	61
Sub Total	Female	0	14	182	39	235
	Male	0	13	147	19	179
Total		477	27	329	58	414

3.14 Injury on Duty

Table 3.14.1 Injury on duty for the period 1 April 2023 to 31 March 2024

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	1	100

3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2023 to 31 March 2024

Project title	Total number of consultants that worked on project	Duration	Contract value in rand
Business advisory and incubation programme in Limpopo	8	2 years	R 3 876 157,80
Plan and manage the implementation of a business incubation programme for eight community-based tourism projects across the country	5	2 years	R 3 402 119,72
Conduct universal accessibility audit/assessment at selected tourism attractions in nine provinces	4	1 year	R 993 070,00

Total number of projects	Total individual consultants	Total duration	Total contract value in rand
7	8	2 years	R 3 876 157,80
8	5	2 years	R 3 402 119,72
1	4	1 year	R 993 070,00

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 to 31 March 2024

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Business advisory and incubation programme in Limpopo	100%	100%	8
Plan and manage the implementation of a business incubation programme for eight community-based tourism projects across the country	100%	100%	5
Conduct universal accessibility audit/ assessment at selected tourism attractions in nine provinces	100%	100%	4

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2023 to 31 March 2024

Project title	Total Number of consultants that worked on project	Duration (work days)	Donor and contract value in Rand
None	0	0	0

Total number of projects	Total individual consultants	Total duration work days	Total contract value in Rand
None	0	0	0

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 to 31 March 2024

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	0	0	0

3.16 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2023 to 31 March 2024

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

[REDACTED]

PART E:

PFMA COMPLIANCE REPORT

I. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

I.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/24	2022/23
	R'000	R'000
Opening balance	7 592	2 861
Adjustment to opening balance	-	-
Opening balance as restated	7 592	2 861
▶ Add: Irregular expenditure confirmed	773	4 731
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	(4 914)	-
Less: Irregular expenditure recoverable ³	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	3 451	7 592

Irregular expenditure relates to non-compliance with SCM procedures.

Reconciling notes

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	4 731
Irregular expenditure for the current year	773	-
Total	773	4 731

³ Transfer to receivables

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description ⁴	2023/24	2022/23
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	3 451	4 731
Irregular expenditure under investigation	-	-
Total	-	-

c) Details of irregular expenditure condoned

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

d) Details of irregular expenditure removed - (not condoned)

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure NOT condoned and removed	4 914	-
Total	4 914	-

Irregular expenditure removed relates to expenditure that was not condoned by National Treasury. However, all requirements for removal were met and the removal was approved by the Director-General in terms of the PFMA Compliance and Reporting Framework.

e) Details of irregular expenditure recoverable

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	-	-

⁴ Group similar items

f) Details of irregular expenditure written off (irrecoverable)

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
The Irregular Expenditure amounting to R25 117 927.95 was incurred by Development Bank of South Africa (DBSA) undertaking Expanded Public Works Programme (EPWP) infrastructure projects on behalf of the Department. The irregularity relates to contract variations without approval from the Accounting Officer/Accounting Authority
Total: R25 117 927.95

h) Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)⁵

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure for implementing Agent-supplier's tax matters were not declared to be in order at the time of awarding the work	-	774
Total	-	774

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Written warnings were issued to officials causing irregular expenditure.
N/A

⁵ Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

I.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/24	2022/23
	R'000	R'000
Opening balance	194 752	194 751
Adjustment to opening balance	-	-
Opening balance as restated	194 752	194 751
Add: Fruitless and wasteful expenditure confirmed	45	91
Less: Fruitless and wasteful expenditure recoverable ⁶	(13)	(75)
Less: Fruitless and wasteful expenditure not recoverable and written off	(32)	(15)
Closing balance	194 752	194 752

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

Reconciling notes

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	55
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	45	36
Total	45	91

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description ⁷	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure under assessment	103	525
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	103	525

⁶ Transfer to receivables

⁷ Group similar items

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

c) Details of fruitless and wasteful expenditure recoverable

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure recoverable	13	75
Total	13	75

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure written off	32	15
Total	32	15

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

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken

No fruitless and wasteful expenditure was due to criminal conduct.

The 18 cases were presented to the Financial Misconduct Committee for adjudication and subsequently recovered from the liable officials.

No further disciplinary actions were identified for the remaining cases at this juncture.

1.3. Unauthorised expenditure

The Department did not have any Unauthorised expenditure in the reporting period and the prior year.

1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii)⁸

Material losses through criminal conduct	2023/24	2022/23
	R'000	R'000
Theft	-	-
Other material losses	-	-

⁸ Information related to material losses must be disclosed in the annual financial statements.

Material losses through criminal conduct	2023/24	2022/23
	R'000	R'000
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	-	-
<i>The Department did not incur any material losses through criminal conduct.</i>		

b) Details of other material losses

Nature of other material losses	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure related to no shows, cancellations, waiting time, double bookings, after hours costs and amendments with regards to flight, shuttle and accommodation bookings.	45	36
Total	45	36

c) Other material losses recoverable

Nature of losses	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure related to No-shows, Cancellations, Waiting Time, Double Bookings, After Hours costs and Amendments with regard to Flight, Shuttle and Accommodation bookings	8	25
Total	8	25

d) Other material losses not recoverable and written off

Nature of losses	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure related to No-shows, Cancellations, Waiting Time, Double Bookings, After Hours costs and Amendments with regard to Flight, Shuttle and Accommodation bookings	32	13
Total	32	13

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated value
Valid invoices received	15 750	2 113 158
Invoices paid within 30 days or agreed period	15 642	2 112 182
Invoices paid after 30 days or agreed period	103	956
Invoices older than 30 days or agreed period (unpaid and without dispute)	3	10
Invoices older than 30 days or agreed period (unpaid and in dispute)	2	10

Required approved travel documents, including order, are not submitted on time by travellers which causes invoices not to be processed within 30 days. The invoices that are in dispute relate to invoices that are incomplete with respect to certain mandatory details and in some cases the amounts invoiced are in dispute.

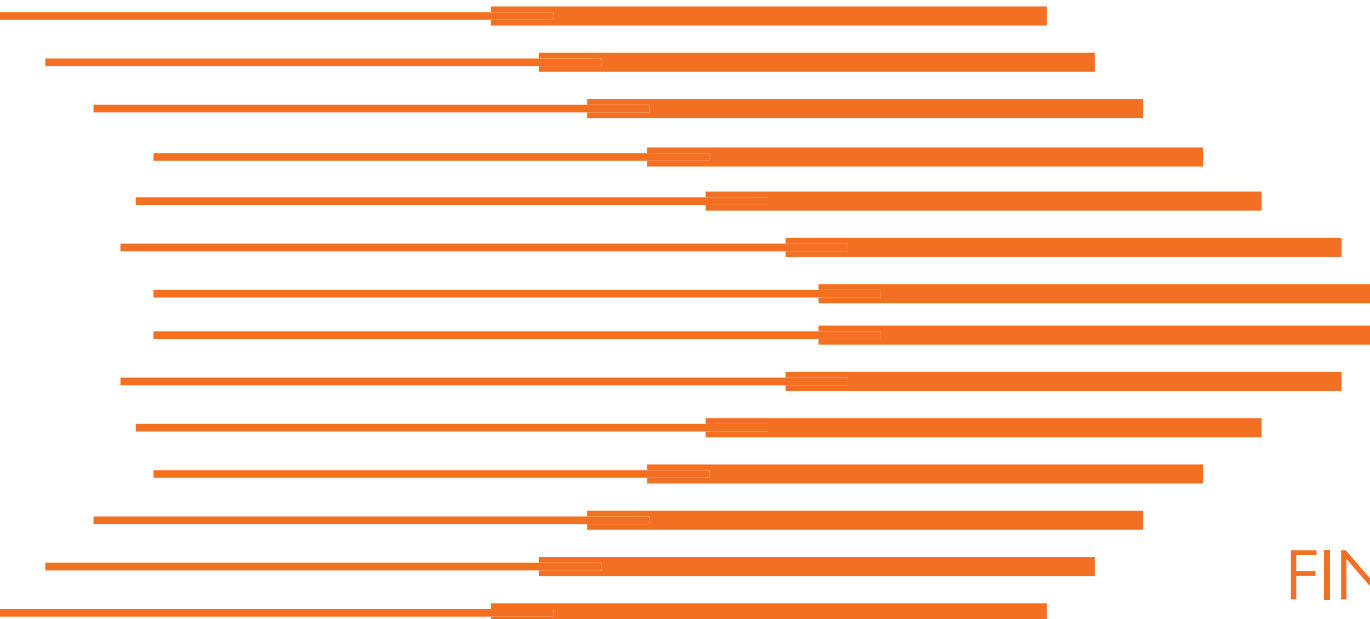
3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Appointment of a service provider to repair X-Ray Detections Scanner	XSCANN Technologies	A sole supplier to render a service	OR-011132	59
Appointment of a service provider to provide a cleaning Service for 6 months	Masana Hygiene Service	The service provider appointed through participation in National School of Governance (NSG) contract	OR-011111	406
Participation in SA Tourism existing contract concluded with organisers of tourism exhibitions/ roadshows	South African Tourism	A service provider is appointed through the participation on contract with South African Tourism	OR-011192	1 287
Appointment of a service provider to render an exhibition of a floor space for meeting Africa 2024	Synergy Business Events	A service provider is appointed through the participation on contract with South African Tourism	OR-011201	1 423
Total				3 175

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Appointment of a service provider to render physical security services for the Department	Idlangamandla Security Protection and Projects	Expansion	OR-010841	736	N/A	263
Total						263



PART F:

FINANCIAL INFORMATION

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the National Department of Tourism set out on pages 109 to 158, which comprise the appropriation statement, statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Department of Tourism as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for opinion

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

Emphasis of matter

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

Breach of information and communication technology systems

7. I draw attention to note 26 to the annual financial statements, which deals with non-adjusting events after reporting date, specifically the breach of the department's information and communication technology systems. My opinion is not modified in respect of this matter.

Other matter

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

Unaudited supplementary information

9. The supplementary information set out on pages 159 to 166 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and Dora; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion.

13. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 107, forms part of my auditor's report.

Report on the annual performance report

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

I selected the following material performance indicators related to Destination Development and Tourism Sector Support Services presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

- Number of destination planning and investment coordination initiatives undertaken
- Number of destination enhancement initiatives supported
- Number of work opportunities created through Working for Tourism projects
- Number of incentive programmes implemented
- Number of domestic tourism awareness programmes implemented
- Number of initiatives implemented to support tourism SMMEs
- Number of programmes implemented to enhance visitor service and experiences
- Number of capacity-building programmes implemented

16. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.
17. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time- bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or under-achievement of targets.
18. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
19. I did not identify any material findings on the reported performance information for the selected indicators.

Other matter

20. I draw attention to the matter below.

Achievement of planned targets

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

Report on compliance with legislation

22. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.

23. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

24. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

25. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

26. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

27. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express

an audit opinion or any form of assurance conclusion on it.

28. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and those selected material indicators in the scoped-in programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

29. I have nothing to report in this regard.

Internal control deficiencies

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

31. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria

31 July 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty

or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); Section 38(1)(h)(iii); 38(1)(j); 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(1); 43(4); Section 44(1); 44(2); 45(b);
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); Regulation 5.2.3(d); 5.3.1; 6.3.1(a); 6.3.1(b); Regulation 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1 Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; Regulation 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; Regulation 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; Regulation 16A3.2(a); 16A6.1; 16A6.2(a); Regulation 16A6.2(b); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5;

DEPARTMENT OF TOURISM • VOTE 38
REPORT OF THE AUDITOR GENERAL
for the year ended 31 March 2024

Legislation	Sections or regulations
	Regulation 16A6.6; 16A7.1; 16A7.3; 16A7.6; Regulation 16A7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; Regulation 16A9.2(a)(ii); 16A9.2(a)(iii); 17.1.1; 18.2 Regulation 19.8.4
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Division of Revenue Act 5 of 2023	Section 16(1)
Second amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Health Act 61 of 2003	Section 13
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury Instruction No. 7 of 2017/18	Paragraph 4.3
PFMA National Treasury SCM Instruction No. 3 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4(a); 4.17; 7.2; Paragraph 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1(b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2

Legislation	Sections or regulations
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
State Information Technology Agency Act 88 of 1998	Section 7(3)

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DEPARTMENT OF TOURISM • VOTE 38
APPROPRIATION STATEMENT
for the year ended 31 March 2024

Appropriation Statement

Appropriation per programme

Voted funds and Direct charges	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	330 111	-	(17 284)	312 827	303 112	9 715	96,9%	335 735	323 490
2. Tourism Research, Policy And International Relations	1 378 213	-	576	1 378 789	1 367 469	11 320	99,2%	1 404 910	1 395 094
3. Destination Development	396 533	-	25 750	422 283	359 972	62 311	85,2%	416 542	411 612
4. Tourism Sector Support Services	355 688	-	(9 042)	346 646	341 699	4 947	98,6%	345 170	343 524
TOTAL	2 460 545	-	-	2 460 545	2 372 252	88 293	96,4%	2 502 357	2 473 720
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				66 599				66 334	
NRF Receipts				-				-	
Aid assistance				-				-	
Actual amounts per Statement of Financial Performance (Total revenue)									
(Revenue)				2 527 144				2 568 691	
Add:									
Aid assistance									
Prior year unauthorised expenditure approved without funding					-				-
					-				-
Actual amounts per Statement of Financial Performance (Total expenditure)									
					2 372 252				2 473 720

DEPARTMENT OF TOURISM • VOTE 38
APPROPRIATION STATEMENT
for the year ended 31 March 2024

Appropriation per economic classification

	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	924 931	(114 619)	-	810 312	722 297	88 015	89,1%	788 192	759 828
Compensation of employees	395 463	-	-	395 463	364 410	31 053	92,1%	381 543	353 294
Goods and services	529 468	(114 621)	-	414 847	357 885	56 962	86,3%	406 649	406 534
Interest and rent on land	-	2	-	2	2	-	100,0%	-	-
Transfers and subsidies	1 528 918	(1 674)	-	1 527 244	1 526 994	250	100,0%	1 565 003	1 564 730
Departmental agencies and accounts	1 294 358	206 990	-	1 501 348	1 501 348	-	100,0%	1 424 112	1 424 105
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	2 982	-	-	2 982	2 733	249	91,6%	2 502	2 238
Public corporations and private enterprises	225 692	(206 990)	-	18 702	18 702	-	100,0%	134 742	134 742
Non-profit institutions	439	-	-	439	439	-	100,0%	443	443
Households	5 447	(1 674)	-	3 773	3 772	1	100,0%	3 204	3 202
Payments for capital assets	6 483	116 200	-	122 683	122 657	26	100,0%	148 272	148 273
Buildings and other fixed structures	-	115 000	-	115 000	115 000	-	100,0%	139 939	139 940
Machinery and equipment	6 483	1 174	-	7 657	7 657	-	100,0%	7 836	7 836
Software and other intangible assets	-	26	-	26	-	26	-	497	497
Payment for financial assets	213	93	-	306	304	2	99,3%	890	889
TOTAL	2 460 545	-	-	2 460 545	2 372 252	88 293	96,4%	2 502 357	2 473 720

DEPARTMENT OF TOURISM • VOTE 38
APPROPRIATION STATEMENT
for the year ended 31 March 2024

Programme I: ADMINISTRATION

	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 Ministry	38 970	2 588	-	41 558	38 012	3 546	91,5%	56 719	53 007
2 Management	3 486	1 074	-	4 560	4 561	(1)	100,0%	4 140	4 140
3 Corporate Management	183 995	(4 794)	(9 067)	170 134	163 966	6 168	96,4%	168 390	160 235
4 Financial Management	64 853	1 132	(187)	65 798	65 797	1	100,0%	76 911	76 532
5 Office Accommodation	38 807	-	(8 030)	30 777	30 776	1	100,0%	29 575	29 576
TOTAL	330 111	-	(17 284)	312 827	303 112	9 715	96,9%	335 735	323 490
Economic classification									
Current payments	324 011	(2 171)	(17 338)	304 502	294 815	9 687	96,8%	327 478	315 241
Compensation of employee	178 631	-	-	178 631	169 481	9 150	94,9%	179 163	166 924
Goods and services	145 380	(2 173)	(17 338)	125 869	125 332	537	99,6%	148 315	148 317
Interest and rent on land	-	2	-	2	2	-	100,0%	-	-
Transfers and subsidies	1 587	939	-	2 526	2 525	1	100,0%	1 965	1 956
Departmental agencies and accounts	194	-	-	194	194	-	100,0%	188	181
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 393	939	-	2 332	2 331	1	100,0%	1 777	1 775
Payments for capital assets	4 309	1 200	54	5 563	5 537	26	99,5%	6 136	6 138
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 309	1 174	54	5 537	5 537	-	100,0%	5 639	5 641
Software and other intangible assets	-	26	-	26	-	26	-	497	497
Payment for financial assets	204	32	-	236	235	1	99,6%	156	155
TOTAL	330 111	-	(17 284)	312 827	303 112	9 715	96,9%	335 735	323 490

DEPARTMENT OF TOURISM • VOTE 38
APPROPRIATION STATEMENT
for the year ended 31 March 2024

Programme 2: TOURISM RESEARCH, POLICY AND INTERNATIONAL RELATIONS

	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Tourism Research, Policy And International Relations Management	9 612	(420)	(88)	9 104	6 933	2 171	76,2%	7 636	4 992
2. Research And Knowledge Management	35 082	(1 025)	5	34 062	31 190	2 872	91,6%	30 172	28 182
3. Policy Planning And Strategy	15 265	(862)	-	14 403	12 359	2 044	85,8%	14 102	12 102
4. South African Tourism	1 289 739	-	-	1 289 739	1 289 739	-	100,0%	1 329 206	1 329 206
5. International Relations And Cooperation	28 515	2 307	659	31 481	27 248	4 233	86,6%	23 794	20 612
TOTAL	1 378 213	-	576	1 378 789	1 367 469	11 320	99,2%	1 404 910	1 395 094
Economic Classification									
Current payments	80 829	3 004	659	84 492	73 421	11 071	86,9%	71 001	61 451
Compensation of employees	64 187	-	-	64 187	53 115	11 072	82,8%	58 861	49 358
Goods and services	16 642	3 004	659	20 305	20 306	(1)	100,0%	12 140	12 093
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 296 727	(3 007)	-	1 293 720	1 293 471	249	100,0%	1 332 985	1 332 721
Departmental agencies and accounts	1 289 739	-	-	1 289 739	1 289 739	-	100,0%	1 329 206	1 329 206
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	2 982	-	-	2 982	2 733	249	91,6%	2 502	2 238
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 006	(3 007)	-	999	999	-	100,0%	1 277	1 277
Payments for capital assets	655	-	(83)	572	572	-	100,0%	909	907
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	655	-	(83)	572	572	-	100,0%	909	907
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	2	3	-	5	5	-	100,0%	15	15
TOTAL	1 378 213	-	576	1 378 789	1 367 469	11 320	99,2%	1 404 910	1 395 094

DEPARTMENT OF TOURISM • VOTE 38
APPROPRIATION STATEMENT
for the year ended 31 March 2024

Programme 3: DESTINATION DEVELOPMENT

	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Destination Development Management	9 896	2 835	25 679	38 410	37 626	784	98,0%	60 031	59 394
2. Tourism Enhancement	21 951	(883)	-	21 068	17 806	3 262	84,5%	20 931	18 230
3. Destination Planning And Investment Coordination	28 633	(4 279)	-	24 354	23 613	741	97,0%	23 572	22 892
4. Working For Tourism	336 053	2 327	71	338 451	280 927	57 524	83,0%	312 008	311 096
TOTAL	396 533	-	25 750	422 283	359 972	62 311	85,2%	416 542	411 612
Economic Classification									
Current payments	396 002	(115 156)	25 679	306 525	244 214	62 311	79,7%	275 812	270 882
Compensation of employees	64 566	-	-	64 566	58 207	6 359	90,2%	61 661	56 777
Goods and services	331 436	(115 156)	25 679	241 959	186 007	55 952	76,9%	214 151	214 105
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	10	156	-	166	166	-	100,0%	147	147
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	10	156	-	166	166	-	100,0%	147	147
Payments for capital assets	519	115 000	71	115 590	115 590	-	100,0%	140 525	140 525
Buildings and other fixed structures	-	115 000	-	115 000	115 000	-	100,0%	139 939	139 940
Machinery and equipment	519	-	71	590	590	-	100,0%	586	585
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	2	-	-	2	2	-	100,0%	58	58
TOTAL	396 533	-	25 750	422 283	359 972	62 311	85,2%	416 542	411 612

DEPARTMENT OF TOURISM • VOTE 38
APPROPRIATION STATEMENT
for the year ended 31 March 2024

Programme 4: TOURISM SECTOR SUPPORT SERVICES

	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Tourism Sector Support Services Management	8 390	(2 682)	(821)	4 887	4 177	710	85,5%	4 755	4 538
2. Tourism Human Resource Development	31 368	2 626	-	33 994	32 325	1 669	95,1%	32 479	32 479
3. Enterprise Development And Transformation	45 550	(1 182)	(6 747)	37 621	37 275	346	99,1%	38 303	38 180
4. Tourism Visitor Services	27 678	1 147	-	28 825	26 696	2 129	92,6%	29 465	28 402
5. Tourism Incentive Programme	242 702	91	(1 474)	241 319	241 226	93	100,0%	240 168	239 925
TOTAL	355 688	-	(9 042)	346 646	341 699	4 947	98,6%	345 170	343 524
Economic Classification									
Current payments	124 089	(296)	(9 000)	114 793	109 847	4 946	95,7%	113 901	112 254
Compensation of employees	88 079	-	-	88 079	83 607	4 472	94,9%	81 858	80 235
Goods and services	36 010	(296)	(9 000)	26 714	26 240	474	98,2%	32 043	32 019
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	230 594	238	-	230 832	230 832	-	100,0%	229 906	229 906
Departmental agencies and accounts	4 425	206 990	-	211 415	211 415	-	100,0%	94 718	94 718
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	225 692	(206 990)	-	18 702	18 702	-	100,0%	134 742	134 742
Non-profit institutions	439	-	-	439	439	-	100,0%	443	443
Households	38	238	-	276	276	-	100,0%	3	3
Payments for capital assets	1 000	-	(42)	958	958	-	100,0%	702	703
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 000	-	(42)	958	958	-	100,0%	702	703
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	5	58	-	63	62	1	98,4%	661	661
TOTAL	355 688	-	(9 042)	346 646	341 699	4 947	98,6%	345 170	343 524

DEPARTMENT OF TOURISM • VOTE 38
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2024

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” and Annexure I (A-E) to the annual financial statements.

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

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

3. Details on payments for financial assets

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

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

4.1 Per Programme	Final budget	Actual expenditure	Variance	Variance as a % of final budget
	R'000	R'000	R'000	%
Administration				
Compensation of employees	178 631	169 481	9 150	5%
Good and services	125 869	125 332	537	0%
Interest and rent on land	2	2	-	0%
Transfers and subsidies	2 526	2 525	1	0%
Payment for capital assets	5 563	5 537	26	0%
Payment for financial assets	236	235	1	0%
TOTAL	312 827	303 112	9 715	3%

Explanation of variance

The majority of this underspending is attributed to Compensation of Employees, primarily due to delays in filling positions exacerbated by the freeze on vacant posts. The slight saving under Goods and Services is attributed to the implementation of cost containment measures in accordance with National Treasury directives.

DEPARTMENT OF TOURISM • VOTE 38
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2024

	Final budget	Actual expenditure	Variance	Variance as a % of final budget
	R'000	R'000	R'000	%
Tourism Research, Policy and International Relations				
Compensation of employees	64 187	53 115	11 072	17%
Good and services	20 305	20 306	(1)	0%
Interest and rent on land	-	-	-	0%
Transfers and subsidies	1 293 720	1 293 471	249	0%
Payment for capital assets	572	572	-	0%
Payment for financial assets	5	5	-	0%
TOTAL	1 378 789	1 367 469	11 320	1%

Explanation of variance

The major portion of the underspending is within Compensation of Employees due to delays in filling positions exacerbated by the freeze on vacant posts. The savings under transfers and subsidies for the United Nations Tourism (UN Tourism) contributions is attributed to fluctuations in foreign currency exchange rates.

	Final budget	Actual expenditure	Variance	Variance as a % of final budget
	R'000	R'000	R'000	%
Destination Development				
Compensation of employees	64 566	58 207	6 359	10%
Good and services	241 959	186 007	55 952	23%
Interest and rent on land	-	-	-	0%
Transfers and subsidies	166	166	-	0%
Payment for capital assets	115 590	115 590	-	0%
Payment for financial assets	2	2	-	0%
TOTAL	422 283	359 972	62 311	15%

Explanation of variance

The underspending within Compensation of Employees is due to delays in filling positions compounded by the freeze on vacancies. The underspending under Goods and Services is attributed to the Department not receiving approval to utilize the entire Expanded Public Works Programme (EPWP) Incentive budget, as the Department did not meet the job creation/Full Time Equivalents (FTE) job targets set by the Department of Public Works and Infrastructure (DPWI).

DEPARTMENT OF TOURISM • VOTE 38
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2024

	Final budget	Actual expenditure	Variance	Variance as a % of final budget
	R'000	R'000	R'000	%
Tourism Sector Support Services				
Compensation of employees	88 079	83 607	4 472	5%
Good and services	26 714	26 240	474	2%
Interest and rent on land	-	-	-	0%
Transfers and subsidies	230 832	230 832	-	0%
Payment for capital assets	958	958	-	0%
Payment for financial assets	63	62	1	2%
TOTAL	346 646	341 699	4 947	1%

Explanation of variance

The majority of the underspending lies within Compensation of Employees due to delays in filling positions exacerbated by the freeze on vacant posts. The slight saving under Goods and Services is due to the implementation of cost containment measures as per National Treasury directives.

DEPARTMENT OF TOURISM • VOTE 38
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2024

	Final budget	Actual expenditure	Variance	Variance as a % of final budget
4.2 Per economic classification	R'000	R'000	R'000	%
Current expenditure	810 312	722 297	88 015	11%
Compensation of employees	395 463	364 410	31 053	8%
Goods and services	414 847	357 885	56 962	14%
Interest and rent on land	2	2	-	0%
Transfers and subsidies	1 527 244	1 526 994	250	0%
Departmental agencies and accounts	1 501 348	1 501 348	-	0%
Public corporations and private enterprises	18 702	18 702	-	0%
Foreign governments and international organisations	2 982	2 733	249	8%
Non-profit institutions	439	439	-	0%
Households	3 773	3 772	1	0%
Payments for capital assets	122 683	122 657	26	0%
Buildings and other fixed structures	115 000	115 000	-	0%
Machinery and equipment	7 657	7 657	-	0%
Software and other intangible assets	26	-	26	100%
Payment for financial assets	306	304	2	1%
TOTAL	2 460 545	2 372 252	88 293	4%

DEPARTMENT OF TOURISM • VOTE 38
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
REVENUE			
Annual appropriation	1	2 460 545	2 502 357
Departmental revenue	2	66 599	66 334
TOTAL REVENUE		2 527 144	2 568 691
EXPENDITURE			
Current expenditure			
Compensation of employees	3	364 410	353 294
Goods and services	4	357 885	406 534
Interest and rent on land	5	2	-
Total current expenditure		722 297	759 828
Transfers and subsidies			
Transfers and subsidies	7	1 526 994	1 564 730
Aid Assistance	3	-	-
Total transfers and subsidies		1 526 994	1 564 730
Expenditure for capital assets			
Tangible assets	8	122 657	147 776
Intangible assets	8	-	497
Total expenditure for capital assets		122 657	148 273
Payment for financial assets	6	304	889
TOTAL EXPENDITURE		2 372 252	2 473 720
SURPLUS/(DEFICIT) FOR THE YEAR		154 892	94 971

DEPARTMENT OF TOURISM • VOTE 38
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
Reconciliation of net surplus/(deficit) for the year			
Voted funds		88 293	28 637
Annual appropriation		88 293	28 637
Departmental revenue	2	66 599	66 334
Aid assistance	3	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		154 892	94 971

DEPARTMENT OF TOURISM • VOTE 38
STATEMENT OF FINANCIAL POSITION
as at 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
ASSETS			-
Current assets		88 530	64 998
Cash and cash equivalents	9	86 211	61 950
Prepayments and advances	10	-	1 114
Receivables	11	2 319	1 934
Non-current assets		420	488
Receivables	11	420	488
TOTAL ASSETS		88 950	65 486
LIABILITIES			
Current liabilities		88 490	65 051
Voted funds to be surrendered to the revenue fund	12	88 293	28 637
Departmental revenue to be surrendered to the revenue fund	13	81	35 105
Payables	14	116	1 309
TOTAL LIABILITIES		88 490	65 051
NETT ASSETS		460	435
Represented by:			
Recoverable revenue		460	435
TOTAL		460	435

DEPARTMENT OF TOURISM • VOTE 38
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2024

	Note	2023/24	2022/23
		R'000	R'000
NETT ASSETS			
Recoverable revenue			
Opening balance		435	332
Transfers:		25	103
Debts recovered (included in departmental receipts)		(130)	(117)
Debts raised		155	220
Closing balance		460	435
TOTAL		460	435

CASH FLOW STATEMENT

for the year ended 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts		2 526 392	2 568 621
Annual appropriated funds received	1	2 460 545	2 502 357
Departmental revenue received	2	1 117	1 107
Interest received	2	64 730	65 157
Aid assistance received	3	-	-
Net (increase)/decrease in working capital		(464)	693
Surrendered to revenue fund		(130 260)	(46 542)
Surrendered to RDP fund/Donor		-	-
Current payments		(722 295)	(759 828)
Interest and rent on land		(2)	-
Payments for financial assets		(304)	(889)
Transfers and subsidies paid		(1 526 994)	(1 564 730)
Net cash flow available from operating activities	15	146 073	197 325
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(122 657)	(148 273)
Proceeds from sale of capital assets	2	752	70
(Increase)/decrease in non-current receivables	11	68	(102)
Net cash flow from investing activities		(121 837)	(148 305)
CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		25	103
Net cash flow from financing activities		25	103
Net increase/(decrease) in cash and cash equivalents		24 261	49 123
Cash and cash equivalents at beginning of period		61 950	12 827
Cash and cash equivalents at end of period	16	86 211	61 950

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

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

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

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

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

DEPARTMENT OF TOURISM • VOTE 38
NOTES TO THE ANNUAL FINANCIAL STATEMENT
for the year ended 31 March 2024

7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Departmental revenue is measured at the cash amount received.</p> <p>In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • 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. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and/penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy.</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>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.</p>
8.2	<p>Other expenditure</p> <p>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.</p> <p>Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.</p>
8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.</p>
8.4	Leases
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>Operating lease payments received are recognised as departmental revenue.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • 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.

DEPARTMENT OF TOURISM • VOTE 38
NOTES TO THE ANNUAL FINANCIAL STATEMENT
for the year ended 31 March 2024

9	Aid Assistance
9.1	<p>Aid assistance received</p> <p>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.</p> <p>CARA Funds are recognised when receivable and measured at the amounts receivable</p> <p>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.</p>
9.2	<p>Aid assistance paid</p> <p>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.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>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.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p>Prepayments and advances are expensed when there is a contractual obligation between the department and the service providers. Details for such prepayments and advances are recorded in the notes to the financial statements.</p>
12	<p>Loans and receivables</p> <p>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.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	Financial assets
14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>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.</p>
14.2	<p>Impairment of financial assets</p> <p>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.</p>
15	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost</p>
16	Capital Assets
16.1	<p>Immovable capital assets</p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>

DEPARTMENT OF TOURISM • VOTE 38
NOTES TO THE ANNUAL FINANCIAL STATEMENT
for the year ended 31 March 2024

16.2	<p>Movable capital assets</p> <p>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.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.3	<p>Intangible assets</p> <p>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.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p>Project Costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17	Provisions and Contingents
17.1	<p>Provisions</p> <p>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.</p>
17.2	<p>Contingent liabilities</p> <p>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.</p>
17.3	<p>Contingent assets</p> <p>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.</p>
17.4	<p>Capital Commitments</p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p> <p>Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or

DEPARTMENT OF TOURISM • VOTE 38
NOTES TO THE ANNUAL FINANCIAL STATEMENT
for the year ended 31 March 2024

18 continue	<ul style="list-style-type: none"> • 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. <p>Unauthorised expenditure recorded in the notes to the financial statements comprise of:</p> <ul style="list-style-type: none"> • unauthorised expenditure that was under assessment in the previous financial year; • unauthorised expenditure relating to previous financial year and identified in the current year; and • Unauthorised expenditure incurred in the current year
19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of:</p> <ul style="list-style-type: none"> • fruitless and wasteful expenditure that was under assessment in the previous financial year; • fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and • fruitless and wasteful expenditure incurred in the current year.
20	<p>Irregular expenditure</p> <p>Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.</p> <p>Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:</p> <ul style="list-style-type: none"> • irregular expenditure that was under assessment in the previous financial year; • irregular expenditure relating to previous financial year and identified in the current year; and • irregular expenditure incurred in the current year.
21	<p>Changes in accounting policies, estimates and errors</p> <p>Changes in accounting policies are applied in accordance with Modified Cash Standards (MCS) requirements.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>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.</p>
22	<p>Events after the reporting date</p> <p>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.</p>
23	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement for Tourism Incentive Programme projects. In terms of the arrangement the department is the principal and is responsible for the appointment of an Implementing Agent.</p> <p>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.</p>
24	<p>Departures from the MCS requirements</p> <p>Management has concluded that the financial statements present fairly the department's primary and secondary information and the department complied with the standard.</p>
25	<p>Capitalisation reserve</p> <p>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.</p>

DEPARTMENT OF TOURISM • VOTE 38
NOTES TO THE ANNUAL FINANCIAL STATEMENT
for the year ended 31 March 2024

26	Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
27	Related party transactions Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.
28	Inventories At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.
29	Public-Private Partnerships Public Private Partnerships (PPP) are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
30	Key management personnel Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The Special Advisor to the Executing Authority is not part of the key management personnel as he/she should refrain from interfering in the administration and management of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.
31	Employee benefits The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
32	Transfers of functions Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer. Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.
33	Mergers Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger. Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger

DEPARTMENT OF TOURISM • VOTE 38
NOTES TO THE ANNUAL FINANCIAL STATEMENT
for the year ended 31 March 2024

PART B: EXPLANATORY NOTES

1. Annual appropriation

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

	2023/24			2022/23		
	Final Budget	Actual Funds Received	Funds not requested/ not received	Final budget	Appropriation received	Funds not requested/ not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	312 827	312 827	-	335 735	335 735	-
Tourism Research, Policy and International Relations	1 378 789	1 378 789	-	1 404 910	1 404 910	-
Destination Development	422 283	422 283	-	416 542	416 542	-
Tourism Sector Support Services	346 646	346 646	-	345 170	345 170	-
TOTAL	2 460 545	2 460 545	-	2 502 357	2 502 357	-

2. Departmental revenue

	Note	2023/24	2022/23
		R'000	R'000
Sales of goods and services other than capital assets	2.1	178	188
Interest, dividends and rent on land	2.2	64 730	65 157
Sales of capital assets	2.3	752	70
Transactions in financial assets and liabilities	2.4	939	919
TOTAL DEPARTMENTAL REVENUE COLLECTED		66 599	66 334

DEPARTMENT OF TOURISM • VOTE 38
NOTES TO THE ANNUAL FINANCIAL STATEMENT
for the year ended 31 March 2024

2.1 Sales of goods and services other than capital assets

	Note	2023/24	2022/23
	2	R'000	R'000
Sales of goods and services produced by the Department		178	186
Sales by market establishment		71	73
Other sales (Commissions and Sale of Assets<R5000)		107	113
Sales of scrap, waste and other used current goods		-	2
TOTAL		178	188

2.2 Interest, dividends and rent on land

	Note	2023/24	2022/23
	2	R'000	R'000
Interest		64 730	65 157
TOTAL		64 730	65 157

Note:

The high interest revenue is attributable to interest refunds by public entities in respect of advances made for projects undertaken on behalf of the Department.

2.3 Sale of capital assets

	Note	2023/24	2022/23
	2	R'000	R'000
Tangible assets		752	70
Machinery and equipment		752	70
TOTAL		752	70

2.4 Transactions in financial assets and liabilities

	Note	2023/24	2022/23
	2	R'000	R'000
Other receipts, including recoverable revenue (including project refunds)		939	919
TOTAL		939	919

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NOTES TO THE ANNUAL FINANCIAL STATEMENT
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2.5 Gifts, donations and sponsorships received in-kind (not included in the main note or sub note)

	Note	2023/24	2022/23
	2	R'000	R'000
Sponsorship from Seeza Tourism Growth Network for three officials to attend the International Federation for IT and Travel & Tourism (IFITT) ENTER 23 Conference		-	38
TOTAL		-	38

2.6 Cash received not recognised (not included in main note) 2023/24

	Note	Amount received	Amount paid to Revenue Fund	Balance
Name of entity	2	R'000	R'000	R'000
ABSA Bank		1	-	1
TOTAL		1	-	1

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

	Note	Amount received	Amount paid to Revenue Fund	Balance
Name of entity	2	R'000	R'000	R'000
Absa Bank		4	-	4
Development Bank of South Africa		36 351	-	36 351
Ms V Van Wyk		1	-	1
TOTAL		36 356	-	36 356

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3. Compensation of employees

3.1 Salaries and wages

	Note	2023/24	2022/23
		R'000	R'000
Basic salary		255 369	239 169
Performance award		-	68
Service-based		182	284
Compensative/circumstantial		3 340	4 793
Periodic payments		181	1 814
Other non-pensionable allowances		59 635	65 368
TOTAL		318 707	311 496

3.2 Social contributions

	Note	2023/24	2022/23
		R'000	R'000
Employer contributions			
Pension		33 500	30 103
Medical		12 137	11 613
Bargaining council		56	54
Insurance		10	28
TOTAL		45 703	41 798
TOTAL COMPENSATION OF EMPLOYEES		364 410	353 294
Average number of employees		484	484

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4. Goods and services

	Note	2023/24 R'000	2022/23 R'000
Administrative fees		124	223
Advertising		4 674	6 345
Minor assets	4.1	671	1 370
Bursaries (employees)		1 192	1 145
Catering		3 390	2 581
Communication		22 312	34 503
Computer services	4.2	17 253	19 530
Consultants: Business and advisory services		14 260	22 084
Legal services		3 713	945
Contractors		3 597	14 729
Agency and support/outsourced services		71 492	110 190
Entertainment		1	12
Audit cost – external	4.3	9 169	8 665
Fleet services		2 021	2 336
Consumables	4.4	11 117	6 883
Operating leases		29 772	29 573
Rental and hiring		59	655
Property payments	4.5	50 152	23 852
Travel and subsistence	4.6	48 788	61 662
Venues and facilities		8 687	6 597
Training and development		52 200	51 125
Other operating expenditure	4.7	3 241	1 529
TOTAL		357 885	406 534

Note:

- *Advertising* costs decreased by 26% (R1,67 million). This is due mainly to a decrease in spending on Promotional advertising costs due to National Treasury cost containment measures.
- *Catering* costs increased by 31% (R809 thousand). There were more face-to-face engagements post COVID-19 that required catering in the early part of the year before National Treasury cost containment was introduced.
- *Communication* costs decreased by 35% (R12,1 million). Spending on Cell Phone and Data costs decreased as contracts expired or were renegotiated.
- *Legal Services* costs increased by 292% (R2,8million). There were increased litigation costs incurred in pursuing Fruitless & Wasteful and labour-related cases.

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Note: (continued)

- Contractors costs decreased by 75% (R11,1million). Spending on Expanded Public Works Programme (EPWP) project security costs decreased as the EPWP projects sites were handed over to contractors.
- Agency and support/outsourced services costs decreased by 35% (R38,7million). Payments of stipends on EPWP projects decreased.
- Minor Assets costs decreased by 51% (R699 thousand). This is attributable to a decrease in spending on Furniture and Equipment and National Treasury cost containment measures.
- Consumables costs increased by 62% (R4,2million). There was an increase in Uniform and Protective clothing costs as well as Stationery and Printing.
- Property payments costs increased by 110% (R26,3 million). Expenditure on EPWP maintenance projects increased.
- Travel and subsistence costs decreased by 21% (R12,9 million). This was due to National Treasury cost containment measures restricting travel

4.1 Minor assets

Note	2023/24	2022/23
	R'000	R'000
Tangible assets	671	1 370
Machinery and equipment	671	1 370
TOTAL	671	1 370

4.2 Computer services

Note	2023/24	2022/23
	R'000	R'000
State Information Technology Agency (SITA) computer services	12 391	14 091
External computer service providers	4 862	5 439
TOTAL	17 253	19 530

4.3 Audit cost – external

Note	2023/24	2022/23
	R'000	R'000
Regularity audits	8 449	7 035
Investigations	720	1 630
TOTAL	9 169	8 665

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4.4 Consumables

	Note	2023/24	2022/23
		R'000	R'000
Consumable supplies		7 251	3 730
Uniform and clothing		4 558	1 617
Household supplies		859	1 522
Building material and supplies		214	24
Communication accessories		42	36
IT consumables		396	211
Other consumables		1 182	320
Stationery, printing and office supplies		3 866	3 153
TOTAL		11 117	6 883

4.5 Property payments

	Note	2023/24	2022/23
		R'000	R'000
Municipal services		1 195	52
Property management fees		-	-
Property maintenance and repairs		48 447	23 568
Other		510	232
TOTAL		50 152	23 852

4.6 Travel and subsistence

	Note	2023/24	2022/23
		R'000	R'000
Local		40 555	51 974
Foreign		8 233	9 688
TOTAL		48 788	61 662

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4.7 Other operating expenditure

	Note	2023/24	2022/23
		R'000	R'000
Professional bodies, membership and subscription fees		1 269	464
Resettlement costs		78	-
Other		1 894	1 065
TOTAL		3 241	1 529

5. Interest and rent on land

	Note	2023/24	2022/23
		R'000	R'000
Interest paid		2	-
TOTAL		2	-

6. Payments for financial assets

	Note	2023/24	2022/23
		R'000	R'000
Other material losses written off	6.1	196	339
Debts written off	6.2	108	550
TOTAL		304	889

6.1 Other material losses written off

	Note	2023/24	2022/23
		R'000	R'000
Nature of losses			
Losses (damage to vehicles due to accidents)		196	339
TOTAL		196	339

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NOTES TO THE ANNUAL FINANCIAL STATEMENT
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6.2 Debts written off

	Note	2023/24	2022/23
	6	R'000	R'000
Nature of debts written off			
Other debt written off (Departmental Debt)		108	550
TOTAL		108	550

7. Transfers and subsidies

	Note	2023/24	2022/23
		R'000	R'000
Departmental agencies and accounts	Annex 1A	1 501 348	1 424 105
Public corporations and private enterprises	Annex 1B	18 702	134 742
Foreign governments and international organisations	Annex 1C	2 733	2 238
Non-profit institutions	Annex 1D	439	443
Households	Annex 1E	3 772	3 202
TOTAL		1 526 994	1 564 730

7.1 Gifts, Donations and sponsorships made in kind (not included in the main note)

	Note	2023/24	2022/23
		R'000	R'000
	Annex 1G		
Gifts		14	12
Donations		1 130	477
Sponsorships		-	-
TOTAL		1 144	489

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8. Expenditure for capital assets

	Note	2023/24 R'000	2022/23 R'000
Tangible assets		122 657	147 776
Building and other fixed structures	29	115 000	139 940
Machinery and equipment	27	7 657	7 836
Intangible assets		-	497
Software	28	-	497
TOTAL		122 657	148 273

Note:

Expenditure of R115 million under Buildings and other fixed structures is for the Expanded Public Works Programme projects.

8.1 Analysis of voted funds utilised to acquire capital assets

	2023/24 R'000	2022/23 R'000
Tangible assets	122 657	147 776
Building and other fixed structures	115 000	139 940
Machinery and equipment	7 657	7 836
Intangible assets	-	497
Software	-	497
TOTAL	122 657	148 273

8.2 Finance lease expenditure included in expenditure for capital assets

	2023/24 R'000	2022/23 R'000
Tangible assets		
Machinery and equipment	1 792	954
TOTAL	1 792	954

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9. Cash and cash equivalents

	2023/24	2022/23
	R'000	R'000
Consolidated Paymaster general account	86 467	64 875
Cash receipts	-	-
Disbursements	(331)	(3 000)
Cash on hand	75	75
TOTAL	86 211	61 950

Note:

All cash and cash equivalents held by the department are available for use.

An amount of R1 thousand was deposited into the departmental bank account (ABSA) and the interface with the Department's Paymaster General account took place in April 2024. 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	2023/24	2022/23
		R'000	R'000
Travel and subsistence		-	112
Advances paid (Not expensed)	10.1	-	1 002
TOTAL		-	1 114

Analysis of total prepayments and advances

Current prepayments and advances	-	1 114
Non-current prepayments and advances	-	-
TOTAL	-	1 114

10.1 Advances paid (Not expensed)-2023/24

	Note	Amount as at 1 April 2023	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advance payments	Amount as at 31 March 2024
		R'000	R'000	R'000	R'000	R'000
National departments	10	1 002	(126)	(876)	-	-
TOTAL		1 002	(126)	(876)	-	-

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Advances paid (Not expensed)-2022/23

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

Note:

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

10.2 Prepayments (Expensed) - 2023/24

	Amount as at 1 April 2023	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-	-
Capital assets	-	-	-	-	-
TOTAL	-	-	-	-	-

Prepayments (Expensed) - 2022/23

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

10.3 Advances paid (Expensed) - 2023/24

	Amount as at 1 April 2023	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Public entities	620 910	(381 981)	-	185 142	424 071
TOTAL	620 910	(381 981)	-	185 142	424 071

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Advances paid (Expensed) - 2022/23

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

Note:

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

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

	Amount as at 1 April 2023	Less: Received in the current year	Add: Current year advances	Amount as at 31 March 2024
Entity / Project Name	R'000	R'000	R'000	R'000
Ezemvelo KZN Wildlife – KZN-Wildlife Roofing of five resorts	5 607	(1 544)	-	4 063
Ezemvelo KZN Wildlife – KZN Ezemvelo Midmar Resort upgrade project	7 765	(2 207)	-	5 558
Trade and Investment KwaZulu-Natal (TIKZN)	14 772	(22 658)	10 766	2 880
South African National Biodiversity Institute (SANBI)	22 194	-	-	22 194
Eastern Cape Parks & Tourism Agency (ECPTA)	11 922	(974)	-	10 948
Constitutional Hill (CONHILL)	5 524	-	-	5 524
South African National Parks (SANParks)-Addo Elephant Park	20 778	(12 359)	-	8 419
CapeNature- Goukamma Nature Reserve	15 245	(247)	-	14 998
Ezemvelo KZN Wildlife-Upgrade and expansion of Giant Castle	4 432	(320)	-	4 112
Maropeng a'Afrika	878	-	-	878
Tourism KwaZulu-Natal (TKZN)-Mandela Capture Site	8 463	(1)	-	8 462
SANPARKS - Pilot Infrastructure Maintenance	1 406	-	-	1 406
WC-Agulhas Lighthouse Project	-	(7 253)	21 610	14 357
Mpumalanga Tourism and Parks Agency- Universal Access Project	7 729	(1)	-	7 728
Eastern Cape Parks and Tourism Agency- Universal Access Project	506	(293)	-	213
Ezemvelo KZN Wildlife - Universal Access Project	988	-	-	988
SANPARKS- Tourism Monitors Phase 3	-	(3 859)	29 581	25 722
SANPARKS - Business Incubation of Emerging Maintenance Contractors	878	-	-	878
DBSA- Infrastructure and Maintenance Projects	489 087	(330 265)	123 185	282 007
DBSA- Security Project	2 736	-	-	2 736
TOTAL	620 910	(381 981)	185 142	424 071

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II. Receivables

	Note	2023/24			2022/23		
		Current	Non- Current	Total	Current	Non- Current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1						
	Annex 3	-	-	-	-	-	-
Recoverable expenditure	11.2	1 805	-	1 805	1 528	-	1 528
Staff debt	11.3	431	289	720	306	338	644
Other receivables	11.4	83	131	214	100	150	250
TOTAL		2 319	420	2 739	1 934	488	2 422

II.1 Claims recoverable

	Note	2023/24	2022/23
	11	R'000	R'000
National departments		-	-
TOTAL		-	-

II.2 Recoverable expenditure (disallowance accounts)

	Note	2023/24	2022/23
	11	R'000	R'000
Departmental suspense accounts (Damage Vehicles & Disallowance account)		1 803	1 528
Sal Tax Debt		2	-
TOTAL		1 805	1 528

II.3 Staff debt

	Note	2023/24	2022/23
	11	R'000	R'000
Departmental debt account		720	644
TOTAL		720	644

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11.4 Other receivables

	Note	2023/24	2022/23
	11	R'000	R'000
Fruitless and wasteful expenditure		178	157
Tourist Guide Relief Fund Debts		8	93
Non-employees-Losses and damages		28	-
TOTAL		214	250

12. Voted funds to be surrendered to the revenue fund

	Note	2023/24	2022/23
	11	R'000	R'000
Opening balance		28 637	157
Prior period error		-	-
As restated		28 637	7 562
Transfer from statement of financial performance (as restated)		88 293	28 637
Paid during the year		(28 637)	(7 562)
CLOSING BALANCE		88 293	28 637

13. Departmental revenue to be surrendered to the revenue fund

	Note	2023/24	2022/23
	11	R'000	R'000
Opening balance		35 105	7 751
Prior period error		-	-
As restated		35 105	7 751
Transfer from statement of financial performance		66 599	66 334
Paid during the year		(101 623)	(38 980)
CLOSING BALANCE		81	35 105

14. Payables – current

	Note	2023/24	2022/23
		R'000	R'000
Amounts owing to other entities		-	1 199
Clearing accounts	14.1	56	-
Other payables	14.2	60	110
TOTAL		116	1 309

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14.1 Clearing Accounts

	Note	2023/24	2022/23
	14	R'000	R'000
Salary Income Tax		53	-
Salary Pension Fund		3	-
TOTAL		56	-

14.2 Other payables

	Note	2023/24	2022/23
	14	R'000	R'000
Salary-related payables		60	110
TOTAL		60	110

15. Net cash flow available from operating activities

	Note	2023/24	2022/23
	11	R'000	R'000
Net surplus/(deficit) as per statement of financial performance		154 892	94 971
Add back non-cash/cash movements not deemed operating activities		(8 819)	102 354
(Increase)/decrease in receivables – current		(385)	545
(Increase)/decrease in prepayments and advances		(1 114)	(1 031)
Increase/(decrease) in payables – current		(1 193)	1 179
Proceeds from sale of capital assets		(752)	(70)
Expenditure on capital assets		122 657	148 273
Surrendered to revenue fund		(130 260)	(46 542)
Surrenders to RDP Fund/Donor		-	-
Net cash flow generated by operating activities		146 073	197 325

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

	2023/24	2022/23
	R'000	R'000
Consolidated Paymaster general account	86 467	64 875
Cash receipts	-	-
Disbursements	(331)	(3 000)
Cash on hand	75	75
TOTAL	86 211	61 950

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17. Contingent liabilities and contingent assets

17.1 Contingent liabilities

			2023/24	2022/23
			R'000	R'000
Liable to	Nature			
Housing loan guarantees	Employees	Annex 2A	26	26
Claims against the Department		Annex 2B	7 207	7 248
Intergovernmental payables (unconfirmed balances)		Annex 4	-	-
TOTAL			7 233	7 274

17.2 Contingent assets

			2023/24	2022/23
			R'000	R'000
Nature of contingent asset				
MBB Consulting-Claim for damages - Breach of contract			12 215	12 215
Bonwelong Skills Development CC, Mr. Inama and Nedbank (Pty) Ltd – refund of money advanced for training projects.			9 930	9 930
Second Generation Consulting CC - Claim for damages - Breach of contract			68	68
Amathemaba Skills (Pty) Ltd-Refund of money advanced for project			3 193	3 193
Wayne Smith & Associates-Claim for damages			9	9
Umbuso Training Services (Pty)Ltd - Refund of money owed to the Department			169	169
TOTAL			25 584	25 584

18. Capital Commitments

			2023/24	2022/23
			R'000	R'000
Machinery and Equipment			480	1 765
Buildings and other fixed structures			454 873	548 481
Intangible Assets			-	-
TOTAL			455 353	550 246

Note:

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

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19. Accruals and payables not recognised

19.1 Accruals

	2023/24		2022/23	
	R'000		R'000	
Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	9 679	1 490	11 169	8 733
Transfers and subsidies	2 052	1 299	3 351	229
Capital assets	488	10	498	508
Other (assets and liabilities)	196	-	196	-
TOTAL	12 415	2 799	15 214	9 470

	2023/24	2022/23
	R'000	R'000
Listed by programme level		
Administration	8 625	4 527
Tourism Research, Policy and International Relations	207	3 127
Destination Development	1 709	588
Tourism Sector Support Services	4 477	1 228
Other (assets and liabilities)	196	-
TOTAL	15 214	9 470

19.2 Payables not recognised

	2023/24		2022/23	
	R'000		R'000	
Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	14 620	25	14 645	3 063
Capital	136	-	136	276
Other	-	-	-	-
TOTAL	14 756	25	14 781	3 339

	2023/24	2022/23
	R'000	R'000
Listed by programme level		
Administration	4 202	1 959
Tourism Research, Policy and International Relations	186	657
Destination Development	9 780	360
Tourism Sector Support Services	613	363
TOTAL	14 781	3 339

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Annex 4

	2023/24	2022/23
	R'000	R'000
Confirmed balances with other departments	-	-
TOTAL	-	-

Material accruals and payables not recognised (above R1 million) relate to the following:

External Audit Cost-R1,2 million, Venues and Facilities-R1,6 million, T&S Accommodation-R1,0 million, T&S Air Transport-R1,5 million, Operating Lease-Buildings-R2,8 million, Software Licenses: Security Software-R2,8million, Training and Development: Non-Employees-R1,6 million, Tourism Incentive Programme-R3,4 million and A&S/O/S EPWP Workers Stipends- R7,3 million.

20. Employee benefits

	2023/24	2022/23
	R'000	R'000
Leave entitlement	18 660	19 399
Service bonus	8 884	8 709
Performance awards	-	-
Capped leave commitments	2 476	2 532
Provision for long service awards	294	160
TOTAL	30 314	30 800

Note:

At this stage the department is not able to reliably measure the long-term portion of the long service awards.

Due to the utilisation of leave within the first quarter of the leave cycle (leave taken without any leave credits available) there is a negative leave entitlement amounting to R193 thousand.

21. Finance lease expenditure

2023/24	Machinery and equipment	Total
Not later than 1 year	920	920
Later than 1 year but not later than 5 years	683	683
Total lease commitments	1 603	1 603

2022/23	Machinery and equipment	Total
Not later than 1 year	933	933
Later than 1 year but not later than 5 years	755	755
Total lease commitments	1 688	1 688

General description of the material leasing arrangements:

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

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

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22. Unauthorised, Irregular and Fruitless and Wasteful expenditure

Note	2023/24	2022/23
	R'000	R'000
Unauthorised expenditure	-	-
Irregular expenditure	773	4 731
Fruitless and wasteful expenditure	45	91
TOTAL	818	4 822

Note:

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

Irregular expenditure relates to non-compliance with Supply Chain Management procedures.

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

23. Related-party transactions

Note	2023/24	2022/23
	R'000	R'000
Payments made to South African Tourism		
Transfers and subsidies	17 198	2 154
Goods and Services	423	-
TOTAL	17 621	2 154

Note:

South African Tourism (SAT) is a Public Entity of the Department under the Minister's portfolio. Programme 2: Tourism Research, Policy and International Relations; sub programme South African Tourism. Transfer payments to South African Tourism has been included in Annexure 1A and 1B to the financial statements.

24. Key management personnel

	2023/24	2022/23
	R'000	R'000
Political office-bearers	4 707	4 391
Officials:		
Level 15 to 16	10 503	9 251
Level 14	23 334	19 845
TOTAL	38 544	33 487

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25. Provisions

	2023/24	2022/23
	R'000	R'000
Expanded Public Works Programme – Final completion report not submitted or signed off. Retention fees outstanding.	7 132	6 483
TOTAL	7 132	6 483

25.1 Reconciliation of movement in provisions

	2023/24	2022/23
	R'000	R'000
Opening balance	6 483	6 468
Increase in provision	649	15
Unused amounts reversed	-	-
TOTAL	7 132	6 483

Notes:

The provisions relate to Expanded Public Works Programme projects retention fees outstanding. The payments of the retention fees are made after the final completion report is submitted and the timing of these payments are unknown. The estimate of the retention fees is based on a percentage of the service providers fees.

26. Non-adjusting events after reporting date

	2023/24
	R'000
At 22h26 on Monday 22 July 2024 the Department of Tourism detected a potential breach of its Information and Communication Technology systems. Through preliminary analysis it appeared that the VMWare environment was potentially compromised. This immediately prompted the Department to invoke its disaster recovery protocol. The Department is taking the necessary precautionary measures and thoroughly investigating this breach in partnership with security partners to determine the origin and extent of the breach. The findings of the investigation will inform further action. The Department cannot at this stage estimate the financial effect of the event.	-
TOTAL	-

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27. Movable tangible capital assets

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	72 962	-	6 069	(4 746)	74 285
Transport assets	13 611	-	8	(1 998)	11 621
Computer equipment	38 029	-	5 265	(2 618)	40 676
Furniture and office equipment	13 293	-	252	(112)	13 433
Other machinery and equipment	8 029	-	544	(18)	8 555
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	72 962	-	6 069	(4 746)	74 285

Movable Tangible Capital Assets under investigation

Number

Value

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:

Machinery and equipment	107	1206
-------------------------	-----	------

Notes:

Movable Tangible Capital Assets under investigation are those assets for which the reconciliations of exceptions, after the Physical Assets Verification, have not been finalised by the time the AFS was finalized as well as four (4) items not found subsequently during the regulatory audit.

27.1 Movement for 2022/23

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

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

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27.2 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance	Disposals	Closing balance
	R'000	R'000	R'000
Opening balance	-	13 204	13 204
Additions	-	400	400
Disposals	-	(565)	(565)
TOTAL MINOR ASSETS	-	13 039	13 039

	Intangible assets	Machinery and equipment	Total
Number of RI minor assets	-	506	506
Number of minor assets at cost	-	6 308	6 308
TOTAL NUMBER MINOR ASSETS	-	6 814	6 814

Minor Capital Assets under investigation	Number	Value
--	--------	-------

Included in the above total of the minor capital assets per the asset register are assets that are under investigation:

Machinery and equipment	386	687
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Notes:

Minor Capital Assets under investigation are those assets for which the reconciliations of exceptions, after the Physical Assets Verification, have not been finalised by the time the AFS was finalised.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	-	11 783	11 783
Prior period error	-	-	-
Additions	-	1 635	1 635
Disposals	-	(214)	(214)
TOTAL MINOR ASSETS	-	13 204	13 204

	Intangible assets	Machinery and equipment	Total
Number of RI minor assets	-	513	513
Number of minor assets at cost	-	6 509	6 509
TOTAL NUMBER MINOR ASSETS	-	7 022	7 022

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28. Intangible capital assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	497	-	-	497
TOTAL INTANGIBLE CAPITAL ASSETS	497	-	-	497

28.1 Movement for 2022/23

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance	Prior-period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	-	-	497	-	497
TOTAL INTANGIBLE CAPITAL ASSETS	-	-	497	-	497

29. Immovable tangible capital assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Other fixed structures	17 955	19 890	(19 890)	17 955
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	17 955	19 890	(19 890)	17 955

Expanded Public Works Programme infrastructure projects completed (Additions).

	2023/24
	R'000
Trade and Investment Kwazulu-Natal-Banga Nek	19 890
TOTAL	19 890

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

	2023/24
	R'000
Trade and Investment Kwazulu-Natal-Banga Nek	19 890
TOTAL	19 890

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

	2023/24
	R'000
GP - Alexandra Mandela Yard Project	6 158
LP – Ngove Cultural Centre & Theatre	9 434
NW - Lehurutshe Bird & Supingstad Trophy Hunting	2 363
TOTAL	17 955

29.1 Movement for 2022/23

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

	Opening balance	Prior-period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Other fixed structures	32 847	-	-	(14 892)	17 955
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	32 847	-	-	(14 892)	17 955

29.2 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2024

	Opening balance 1 April 2023	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance
Note	R'000	R'000	R'000	R'000
Annexure 5				
Buildings and other fixed structures	441 124	350 566	(19 890)	771 800
TOTAL	441 124	350 566	(19 890)	771 800

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2023

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

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29.3 Immovable assets written-off

IMMOVABLE ASSETS WRITTEN-OFF FOR THE YEAR ENDED 31 MARCH 2024

	Buildings and other fixed structures	Total
	R'000	R'000
Immovable assets written-off	-	-
TOTAL IMMOVABLE ASSETS WRITTEN-OFF	-	-

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

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

30. Principal-agent arrangements

30.1 Department acting as the principal for Tourism Incentive Programme Projects

List of the entities acting as agents for the department and the fee paid as compensation to the agent

PROJECTS	AGENT	Fee Paid	
		2023/24	2022/23
		R'000	R'000
Tourism Equity Fund (TEF)	Small Enterprise Finance Agency (SEFA)	-	-
Tourism Transformation Fund (TTF)	National Empowerment Fund (NEF)	-	-
Green Tourism Incentive Programme (GTIP)	Industrial Development Corporation (IDC)	-	-
	Total	-	-

Notes:

The relationship with the three entities listed is regulated by contracts/MOAs between the Department and the entities. In terms of the contracts, the entities(agents) act on behalf of the Department to manage incentive programmes/funds that benefit third parties. The agents receive a fee for managing the programme on behalf of the Department. The agents account for money transferred into the fund, which is held in dedicated bank accounts. Should the fund cease to exist, all unused funds are payable back to the Department. The Department is involved in directing the activities of the agents/funds through the Project Steering Committees that are in place which provide policy direction and management oversight over the projects/funds. The Agents are expected to provide reports to the Department at least quarterly on the progress with the projects.

There were no changes to the terms of the agreements with the agents during the reporting period.

The significant risks associated with the Principal-Agent arrangement are:

- The Agent reneges on the contractual obligations that may result in a new agent being appointed at significant cost to the Department.
- Non-performance by agent.

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Notes: (continue)

These risks are mitigated through standard contractual provisions for breach of contract Furthermore there is continuous reporting and monitoring through the Project Steering Committee.
 The primary benefit of using the agents to implement the TIP programmes is that we leverage their institutional capacity and expertise, which the Department does not have, to implement these programmes.

31. Natural disaster or relief expenditure

	2023/24	2022/23
Note	R'000	R'000
Annexure 7		
Goods and services	-	2
TOTAL	-	2

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ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	TRANSFER ALLOCATION				TRANSFER		2022/23	
	Adjusted budget	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final budget	Actual Transfer
DEPARTMENT/AGENCY/ACCOUNT	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
South African Tourism	1 289 739	-	-	1 289 739	1 289 739	100,0%	1 329 206	1 329 206
National Tourism Careers Expo	4 425	-	-	4 425	4 425	100,0%	4 288	4 288
Culture Art Tourism Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	194	-	-	194	194	100,0%	188	181
Tourism Incentive Programme	-	-	206 990	206 990	206 990	100,0%	90 430	90 430
TOTAL	1 294 358	-	206 990	1 501 348	1 501 348	100,0%	1 424 112	1 424 105

ANNEXURE 1B

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

	TRANSFER ALLOCATION				EXPENDITURE				2022/23	
	Adjusted budget	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Capital	Current	Final budget	Actual Transfer
NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Private enterprises										
Transfers										
Tourism Incentive Programme	225 692	-	(206 990)	18 702	18 702	100,0%	-	18 702	134 742	134 742
Subtotal: Private enterprises	225 692	-	(206 990)	18 702	18 702	100,0%	-	18 702	134 742	134 742
TOTAL	225 692	-	(206 990)	18 702	18 702	100,0%	-	18 702	134 742	134 742

ANNEXURE 1C

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS

	TRANSFER ALLOCATION				EXPENDITURE		2022/23	
	Adjusted budget	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final budget	Actual Transfer
FOREIGN GOVERNMENT/INTERNATIONAL ORGANISATION	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
United Nations Tourism (UN Tourism)	2 982	-	-	2 982	2 733	91,6%	2 502	2 238
TOTAL	2 982	-	-	2 982	2 733	91,6%	2 502	2 238

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ANNEXURE ID

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2022/23	
	Adjusted budget	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final budget	Actual Transfer
NON-PROFIT INSTITUTIONS	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Federated Hospitality Association of Southern Africa (Fedhasa)	439	-	-	439	439	100,0%	443	443
TOTAL	439	-	-	439	439	100,0%	443	443

ANNEXURE IE

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2022/23	
	Adjusted budget	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Final budget	Actual Transfer
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Bursaries (Non-Employee)	4 163	-	(2 344)	1 819	1 819	100,0%	1 750	1 750
Employee Social Benefits	1 167	-	670	1 837	1 837	100,0%	1 414	1 412
Donations (Gifts)	99	-	-	99	99	100,0%	40	40
Claim against the state (Cash)	8	-	-	8	7	87,5%	-	-
Payment as an Act of Grace	10	-	-	10	10	100,0%	-	-
TOTAL	5 447	-	(1 674)	3 773	3 772	100,0%	3 204	3 202

ANNEXURE IF

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2023/24	2022/23
		R'000	R'000
Received in kind			
Sponsorships			
Seeza Tourism Growth Network	Sponsorship for 3 officials to attend the International Federation for IT and Travel & Tourism (IFITT) ENTER 23 conference	-	38
Total Sponsorships		-	38
Subtotal-Received in kind		-	38
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED		-	38

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ANNEXURE 1G

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

	2023/24	2022/23
	R'000	R'000
NATURE OF GIFT, DONATION OR SPONSORSHIP		
Made in kind		
Gifts		
Gift to the Saudi Arabia UN Tourism Executive Council as a token of Goodwill.	-	2
Corporate Gifts as a token of goodwill for high-level Dignitaries-Philippines	-	8
Corporate Gifts as a token of goodwill for high-level Dignitaries-Local Chiefs in the vicinity of Numbi Gate (MP)	-	2
Corporate Gifts as a token of goodwill for high-level Dignitaries – China Outreach	4	-
Corporate Gifts as a token of goodwill for high-level Dignitaries – G20	4	-
Corporate Gifts as a token of goodwill for high-level Dignitaries - BRICS	6	-
Total Gifts	14	12
Donations		
Donation of Laptop, Tablet, Computer Monitor, and Printers to Mr A Mafanele upon retirement	-	70
Donation of Laptop, DeskTop Computer and Printer to Ms D Matsemela upon retirement	-	44
Donations of Machinery and Equipment to Glorious Old Age Home (NPO)	-	147
Donations of Machinery and Equipment to Moses Mabida Foundation (NPO)	80	19
Donations of Machinery and Equipment to Nicholas Bhengu Foundation (NPO)	38	69
Donations of Machinery and Equipment to Saulbent Project (NPO)	-	128
Donation of iPad, Printer and Computer Monitor to Ms Adrie Barkhuizen as part of her retirement	35	-
Donation of Computer Equipment to Minister Sisulu	163	-
Donation to M S Mothepane (Computer Equipment)	59	-
Donation to M Tefu (Computer Equipment)	35	-
Donations of Machinery and Equipment to Umnotho (NPO)	80	-
Donations of Machinery and Equipment to Patch-up South Africa (NPO)	319	-
Donations of Machinery and Equipment to Aredireng Care Givers (NPO)	214	-
Donations of Machinery and Equipment to Bashika Mmogo (NPO)	107	-
Total Donations	1 130	477
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS MADE IN KIND	1 144	489

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ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2024 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2023	Guarantees draw-downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations due to foreign currency movements	Closing balance 31 March 2024	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2024
		R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
	Housing								
Nedbank Limited		130	26	-	-	-	26	-	-
TOTAL		130	26	-	-	-	26	-	-

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2024

Nature of liability	Opening Balance 1 April 2023	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (provide details hereunder)	Closing balance 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Claims against the Department					
Jean-Pierrie Klein t/a SA Online and Entertainment – Claim against the department for damages suffered as a result of breach of contract.	41	-	41	-	-
Umbuso Training Services (Pty)Ltd - Claim against the department for payment of retention fees and administration costs due.	1 072	-	-	-	1 072
G Neviri-Claim due to unfair dismissal	6 000	-	-	-	6 000
K Morritti- Claim against the Department for accident damages	135	-	-	-	135
TOTAL	7 248	-	41	-	7 207

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ANNEXURE 3

CLAIMS RECOVERABLE

	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year-end 2023/24	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Receipt date up to six (6) working days after year-end	Amount
GOVERNMENT ENTITY	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Department	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-

ANNEXURE 4

INTERGOVERNMENTAL PAYABLES

	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year-end 2023/24	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Receipt date up to six (6) working days after year-end	Amount
GOVERNMENT ENTITY	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Department								
Current	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-
Non-current	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-

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ANNEXURE 5

Movement of Capital Work-in-Progress

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance	Current Year Capital WIP	Ready for use (Asset register)/ Contract Terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Other fixed structures	441 124	350 566	(19 890)	771 800
TOTAL	441 124	350 566	(19 890)	771 800

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance	Current Year Capital WIP	Ready for use (Asset register)/ Contract Terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Other fixed structures	250 644	190 480	-	441 124
TOTAL	250 644	190 480	-	441 124

ANNEXURE 6A

INTER-ENTITY ADVANCES PAID (note 10)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of International Relations and Cooperation	-	1 002	-	-	-	1 002
TOTAL	-	1 002	-	-	-	1 002

ANNEXURE 7

NATURAL DISASTER OR RELIEF EXPENDITURE

Expenditure per economic classification	2023/24				2022/23	
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and Services						
Consumable Supplies	-	-	-	-	-	2
TOTAL	-	-	-	-	-	2

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ANNEXURE 8

ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTE 10)

Name of Entity	Sector of the entity	Description of the item paid for	Classification category	Total Contract Value	Balance outstanding as at 31 March 2023	Total amount prepaid / advanced in the current year	Less: goods, services or capital assets received in the current year	Add/Less: Other	Balance outstanding as at 31 March 2024
				R'000	R'000	R'000	R'000	R'000	R'000
Prepayments									
Total prepayments					-	-	-	-	-
Advances									
Ezemvelo KZN Wildlife	Biodiversity conservation	Upgrading of facilities	Public entities	33 100	5 607	-	(1 544)	-	4 063
Ezemvelo KZN Wildlife	Biodiversity conservation	Upgrading of facilities	Public entities	36 018	7 765	-	(2 207)	-	5 558
Trade and Investment KwaZulu	Trade and Investment	Completion of works	Public entities	37 000	14 772	10 766	(22 658)	-	2 880
South African National Biodiversity Institute	Biodiversity conservation	Completion of works, repairs and construction of new ablution facilities	Public entities	37 620	22 194	-	-	-	22 194
Eastern Cape Parks and Tourism Agency	Provincial Parks	Completion of works, repairs and construction of new ablution facilities	Public entities	21 000	11 922	-	(974)	-	10 948
Constitutional Hill Development Company	Human Rights Precinct	Construction of People's Park	Public entities	14 000	5 524	-	-	-	5 524
SANParks - ADDO	National Park	Construction of ADDO main rest camps	Public entities	30 000	20 778	-	(12 359)	-	8 419
Western Cape Nature Conservation Board-Goukamma Nature Reserve	Nature Reserve	Upgrading and repair of existing facilities	Public entities	18 000	15 245	-	(247)	-	14 998

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Name of Entity	Sector of the entity	Description of the item paid for	Classification category	Total Contract Value	Balance outstanding as at 31 March 2023	Total amount prepaid / advanced in the current year	Less: goods, services or capital assets received in the current year	Add/Less: Other	Balance outstanding as at 31 March 2024
				R'000	R'000	R'000	R'000	R'000	R'000
KwaZulu-Natal Tourism Authority	Tourism	Construction of access road	Public entities	12 450	8 463	-	(1)	-	8 462
Ezemvelo KZN Wildlife	Biodiversity conservation	Upgrading of facilities	Public entities	10 090	4 432	-	(320)	-	4 112
DBSA	Development	Completion of works, repairs and construction of new ablution facilities	Public entities	1 002 492	489 087	123 185	(330 265)	-	282 007
DBSA	Development	Security	Public entities	14 421	2 736	-	-	-	2 736
SANParks -Business Incubation	National Park	Business Incubation	Public entities	-	878	-	-	-	878
Ezemvelo KZN Wildlife	Biodiversity conservation	Universal Access Park	Public entities	-	988	-	-	-	988
Mpumalanga Tourism Parks and Agency	Provincial Parks	Universal Access Park	Public entities	-	7 729	-	(1)	-	7 728
SANParks	National Park	Maintenance	Public entities	-	1 406	-	-	-	1 406
Maropeng A Afrika	Attraction	Upgrading	Public entities	-	878	-	-	-	878
SANPARKS WC-Agulhas Lighthouse Tourism Project	National Park	Construction of new facilities	Public entities	54 990	-	21 610	(7 253)	-	14 357
Eastern Cape Parks and Tourism Agency	Provincial Parks	Universal Access Park	Public entities	-	506	-	(293)	-	213
SANPARKS Tourism Monitors Project Phase 3	National Park	Skills Development	Public entities	32 867	-	29 581	(3 859)	-	25 722
Total Advances					620 910	185 142	(381 981)	-	424 071



Broad-Based Black Economic Empowerment Verification Certificate

DEPARTMENT OF TOURISM

Certificate Number: 01/B-BBEE/2023/00732/GEN

Registration Number: N/A
VAT Number: N/A
Head Office Location: 17 Trevenna Street
Sunnyside
0001

Verification Standard Applied: DTi COGP for Specialised Enterprises
Issue of the Rating Standard Applied: Section 9 of the B-BBEE Amendment Act 46 of 2013
Scorecard Applied: Large Enterprise (>R50 million)

B-BBEE Level: A level FOUR contributor to B-BBEE
B-BBEE Procurement Recognition Level: 100%
Black Ownership: 0.00%
Black Women Ownership: 0.00%
Y.E.S Initiative Applied: No Y.E.S. Initiative
Financial Year Rated: 2023/03/31

Element	Element weighting	Score
Management Control	20	19.53
Skills Development	25	18.23
Enterprise and Supplier Development	50	40.95
Socio-Economic Development	5	1.91
Y.E.S Initiative Bonus Points		0.00
Overall Score	100	80.62

Empowering Supplier	Yes	Black Designated Group Percentage	0.00%
Designated Group Supplier	No	Black Youth Percentage	0.00%
Modified Flow Through Applied	No	Black Disabled Percentage	0.00%
Exclusion Principle Applied	No	Black Unemployed Percentage	0.00%
Discounting Principle Applied	No	Black People Living in Rural Areas Percentage	0.00%
Black New Entrant Percentage	0.00%	Black Military Veterans Percentage	0.00%

This verification certificate and verification report is based on information provided to Amax BEE Verifications (Pty) Ltd and represent an independent opinion based on the verification and analysis completed by Amax BEE Verifications (Pty) Ltd.

The calculation of the scores has been determined in accordance with the DTi COGP for Specialised Enterprises as Gazetted. Gazettes 38076, 38766, 41866 and Gazette

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