

DEPARTMENT OF TOURISM
VOTE NO. 38
**ANNUAL
REPORT**
2021/2022



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PART **A**

GENERAL
INFORMATION



1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AENE	Adjusted Estimates of National Expenditure
AGSA	Auditor-General South Africa
APP	Annual Performance Plan
AU	African Union
BAC	Bid Adjudication Committee
BASA	Banking Association of South Africa
B-BBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
BRICS	Brazil, Russia, India, China and South Africa
BSC	Bid Specification Committee
CATHSSETA	Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority
CBT	Community Based Tourism Project
CoE	Compensation of Employees
DBSA	Development Bank of South Africa
DDM	District Development Model
DEL	Department of Employment and Labour
DIRCO	Department of International Relations and Cooperation
DPSA	Department of Public Service and Administration
EC	Eastern Cape
EPWP	Expanded Public Works Programme
ERRP	Economic Reconstruction and Recovery Plan
FEDHASA	Federated Hospitality Association of Southern Africa
FDI	Foreign Direct Investment
FET	Further Education and Training
FS	Free State
FTE	Full Time Equivalent
GP	Gauteng Province
GTIP	Green Tourism Incentive Programme
HYP	Hospitality Youth Programme

ICT	Information Communications Technology
IMC	Inter-Ministerial Committee
IORA	Indian Ocean Rim Association
KZN	KwaZulu-Natal
LP	Limpopo Province
MASP	Market Access Support Programme
MICE	Meetings, Incentives, Conferences and Exhibitions
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MP	Mpumalanga Province
MTSF	Medium-Term Strategic Framework
NC	Northern Cape
NDP	National Development Plan
NT	National Treasury
NPA	National Prosecuting Authority
NTCE	National Tourism Careers Expo
NTIMS	National Tourism Information and Monitoring System
NTSS	National Tourism Sector Strategy
NW	North West
OAG	Office of the Accountant-General
PFMA	Public Finance Management Act
RMC	Risk Management Committee
RPL	Recognition of Prior Learning
SADC	Southern African Development Community
SANBI	South African National Biodiversity Institute
SANParks	South African National Parks
SA Tourism	South African Tourism
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SITA	State Information Technology Agency
SMME	Small, Medium and Micro Enterprises

SMS	Senior Management Service / Short Message Service
SoEs	State-owned Enterprises
STR	State of Tourism Report
TBCSA	Tourism Business Council of South Africa
TEF	Tourism Equity Fund
TERS	Temporary Employee Relief Scheme
TGRF	Tourist Guide Relief Fund
TGSP	Tourism Grading Support Programme
TIA	Technology Innovation Agency
TIP	Tourism Incentive Programme
ToR	Terms of Reference
TRF	Tourism Relief Fund
TSRP	Tourism Sector Recovery Plan
TTCSA	Tourism Transformation Council of South Africa
TTF	Tourism Transformation Fund
TTGIIP	Tourism Technology Grassroots Innovation Incubation Programme
UNWTO	United Nations World Tourism Organization
VTSD	Villages, Townships and Small Towns/Dorpias
WC	Western Cape
WHS	World Heritage Site
WiT	Women-in-Tourism
WSP	Workplace Skills Plan

3. FOREWORD BY THE MINISTER



Travel and Tourism are important drivers for job creation across the world as globally, 1 in 10 jobs are created in the industry. Over the past financial year and subsequent months we have been reminded of the value of tourism in the South African economy.

The tourism industry has been through the most difficult period of its time and many in the greater tourism and hospitality sector are still recovering from the effects of the COVID-19 pandemic and the resultant restrictions occasioned by COVID-19 and the impact of global travel

bans. These travel bans and ‘red lists’ have done a considerable amount of damage to the economy, costing jobs and livelihoods.

In 2020, the sector saw massive declines in foreign arrivals and revenue which in turn led to losses in key tourism products and services, affecting gains made over the years to diversify South Africa’s tourism offering, with particularly painful losses to the SMME sector that negatively impact on our struggle for broad based economic transformation in this sector.

We have acted decisively to restore confidence in the greater tourism and hospitality sector to overcome the global challenges resulting from the COVID-19 pandemic and the South African tourism industry is already seeing improved traveller confidence. Key interventions to get the sector moving again and re-ignite demand include:

- Championing the removal of “red listing” of South Africa through diplomatic efforts. Furthermore, through structured engagement with the Sector, tourism has been able to make a case for its readiness to operate safely and this has yielded good results;
- South Africa secured a seat at the UNWTO Executive Council which is the highest decision-making body between the United Nations General Assembly and successfully lobbied the UNWTO to back African States and call on the world to reopen their borders;

- Sponsored a framework for the establishment of the Africa Tourism Unit for the African Union Commission in an effort to strengthen regional integration that was closely followed by a regional collaboration and synchronization of policy including the MoU signed with Kenya, during the Kenyan President’s visit to South Africa;
- Bilateral engagements held with key Investors in the UAE and Gulf Cooperation Council Region who have shown interest to invest in tourism-mega projects;
- Supportive interventions led by the Ministry and SA Tourism to reconnect Destination South Africa through air service development working through multi-stakeholder public and private sector structures; and
- Growing interest in investment in tourism as demonstrated by investors from the Gulf Region during our engagements at the Dubai Expo in December 2021.

The election of South Africa to the UNWTO Executive Council in November 2021 has positioned the country in the global system of tourism governance to enhance international response to the needs of South Africa and the developing countries. It will also intensify South Africa’s cooperation with the global tourism sector to position tourism as a *key* driver for economic recovery from COVID-19 pandemic, job creation, poverty eradication and sustainable development. South Africa will continue to support the implementation of the UNWTO’s Programme of Work and drive South Africa’s involvement in the UNWTO Women in Tourism Initiative.

Tourism has been identified as one of the priority areas of intervention in the Economic Reconstruction and Recovery Plan (ERRP). The 2021/2022 Annual Report reflects implementation of plans aligned to the ERRP and the Tourism Sector Recovery Plan (TSRP), which was formally adopted by national government and the tourism sector.

The Department aims to increase the tourism sector’s contribution to inclusive economic growth and to enhance regional and continental tourism cooperation through some of its programmes, and by signing the Memorandum of Understanding (MoU) with the African countries in strengthening regional integration. In advancing our national priorities, the Department continues to sign MoUs with the countries that are prioritised as the potential markets for increasing the tourist arrivals to South Africa.

The Department has held four successful Outreach Programmes targeting our Diplomatic representatives in the Americas and Europe, Asia and Australasia, Middle East and the Southern African Development Community. The purpose of the Outreach Programme to the Diplomatic Community was to empower South African Ambassadors and Diplomats with key information, which they used, to keep South Africa off the “Red List.”

The global brand campaign film “Live Again” was launched on 28 February 2022 at Meetings Africa 2022. The campaign is currently being implemented through an extensive media roll-out plan across media platforms globally.

The Global Advocacy Programme was launched to ramp up advocacy efforts in key source markets around the world. This advocacy programme forms part of the Tourism Sector Recovery Plan. The Global Advocacy Programme was initiated by our Department, SA Tourism and the Tourism Business Council of South Africa (TBCSA), following protracted damaging narratives and misinformation reported globally about South Africa.

Furthermore, SA Tourism in collaboration with TBCSA hosted the Global Advocacy Programme Stakeholder Forum, with the focus on providing actionable solutions to implement the TSRP. The session focused on four key action working groups to drive the following areas that are critical to achieving the recovery of the tourism sector: Creating demand in all key source markets; travel value chain in travelling to South Africa, visitor experience and MoU action plan session with provinces.

Domestic travel contributed positively to demand in the COVID-19 period, driven by campaigns and pricing targeted for our domestic market and through this exposure propelled the market to diversify its offerings.

The Department has worked hard to support efforts to restore the tourism sector to its pre-COVID-19 times and promoting South Africa as a destination of choice for business and leisure travellers within the region and abroad.

The Safe Travels Campaign during the 2021 festive period encouraged travellers to #Jab4Tourism and featured tourism products from across the country which supported safe travels.

In its efforts to instill the culture of travel, the Department implemented the Domestic Tourism Scheme in 2021/2022 in the Northern Cape, Gauteng and Limpopo highlighting the role and responsibility of tour operators to help contribute in making travel accessible, enabling the participation of people with modest income and previously marginalised groups in the society.

The Department is supporting the development of Heritage Tourism and there are 39 projects in various stages of development across all nine provinces, aimed at benefitting communities. Out of these projects, some are key heritage related developments, for example, the Baviaanskloof Interpretative Centre - Baviaanskloof a key UNESCO Proclaimed World Heritage Site in the Eastern Cape, and Leopard Trail and the Dinosaur Interpretative Centre at the Golden Gate Highlands National Park.

The Department has in the previous years completed several destination planning projects in support of and in collaboration with provinces and local municipalities. These include the World Coast masterplan and three masterplans in the Northern Cape. These regions were selected as some of the most economically depressed in the country, as well as least serviced and least visited. The Department has also completed several precinct planning exercises in support of local municipalities, including Kleinsee, Khayelitsha, Carnavon, Mdantsane, Galeshewe and Port St Johns.

The term of the former Board of South African Tourism has ended and I would like to thank the Board Members for their magnanimous support throughout this turbulent time.

All the gains we have made during the year under review would not have been possible without our private sector partners and their invaluable support. I would like to express our profound gratitude to all those in the tourism and greater hospitality sector who kept their doors open and to ordinary South Africans who came out to support local tourism.



Ms L N Sisulu, MP
Minister of Tourism

4. DEPUTY MINISTER STATEMENT



This reporting period provided a glimmer of hope to the sector, following unprecedented declines in global tourism performance as reported in the 2020/2021 Annual Report.

The intense COVID-19 vaccination campaigns worldwide gave impetus to the easing of travel restrictions which enabled some recovery in the tourism sector. Although we are not yet at pre-COVID levels, some profound regains in arrivals and tourism earnings have been made. The Department will continue to execute programmes

contributing to the recovery of the sector.

At the onset of the 2021/2022 financial year, tremendous efforts were made to ensure that the sector recovers and that the reconstruction addresses the fundamental inequalities and exclusions that continue to characterize the tourism industry. As such transformation became the central point of all activities.

The benefits of tourism growth are spread beyond the well-trodden paths to ensure that communities benefit directly from the tourism value chain that is supported through the implementation of 30 community tourism projects that were at various stages of development across all nine provinces. These are in areas close to major attractions with rich tourism potential. Some of these projects are near major entrances to the Kruger National Park, to benefit assets of communities living outside of the parks, and those who might have disposed of their land to create the park.

We implemented the Maintenance Programme to protect the supply of tourism products, which was initiated in response to the Jobs Summit process in 2018 with the primary objective to improve and ensure proper maintenance of National Park Assets for destination enhancement, job creation and SMMEs. Firstly, wildlife and safari remain a key pillar of our offering as a destination making the National Parks a crucial tourism asset. The programme was implemented in the following national parks across various provinces: EC Addo National Park, EC Camdeboo, EC Mountain Zebra, WC Garden Route (Knysna, Wilderness), EC Tsitsikamma, NC Karoo, FS Golden Gate, NW Marakele, LP

Mapungubwe, NC Kgalagadi, NC Augrabies, NC Namakwa, NC Richtersveld, WC Agulhas, WC Bontebok, WC Table Mountain, WC West Coast, WC Tankwa-Karoo and MP Kruger.

The total cumulative employment created by the programme is broken down as follows: 60 contractors, 225 159-person days, 979 full-time equivalent jobs, 506 youth and 321 women and 24 people with disabilities. In Cape Agulhas, all participants were women. Work is undertaken and skills developed included building and civils, road and paving repairs, fencing, thatching (repairs and new), electricals, welding and carpentry (repairs and new).

In the spirit of transformation and enterprise development, the contractors overseeing the work have progressed through at least one level in their grading, allowing them to bid for bigger contracts going forward, with some having progressed through more than one level. Given the nature of the parks, the programme was predominantly rural, benefitting communities and participants in proximity to the parks, many of whom have hitherto felt that they do not benefit from the parks.

As part of the protection of the supply of tourism products and our commitment to ensure that Destination South Africa maintains a reputation of providing quality and value, the Department provided financial support through the Tourism Grading Support Programme (TGSP) to encourage wider participation in the grading system of the Tourism Grading Council of South Africa (TGCSA). The objective of the programme is to ensure uniform and consistent quality standards in facilities and services; to reduce the cost burden on small and medium enterprises; and enhance the overall visitor experience and improve destination competitiveness.

The Programme enables establishments to receive feedback on areas that require attention prior to full grading application, thereby minimising the numbers of those that do not make it, or increasing the uptake, especially for emerging small enterprises. The Programme, implemented in collaboration with the TGCSA, offered discounts of up to 90% on grading assessment fees for new and renewal grading applications. This cushions the already financially strained establishments, providing an exemption period for up to 12 months of the grading assessments and fees followed by a payment holiday of 100% grading discount to aid the recovery of the sector.

It remains important that the sector has appropriate skills to service the visitors' needs. The Department has Youth Skills Development Programmes that have the benefit of providing employment opportunities for youth within the tourism sector. The various training programmes being offered focus on interventions to improve the visitor experience and are based on industry demand for these skills. We continued to enjoy the support of the private sector as our partners in the implementation of these programmes.

The programmes contribute towards poverty alleviation through payments of stipends as well as to work experience through placement of learners in Tourism and Hospitality establishments. At the conclusion of these programmes, learners are provided with an accredited or recognised certificate and are well positioned to further their studies at FET Colleges. In the 2021/2022 financial year, the Department implemented:

- The Food Safety Quality Assurer Programme with training on norms and standards for safe tourism operations, including COVID-19 Protocols in the Western Cape and Gauteng provinces in line with project plans, targeting 300 unemployed and retrenched youth;
- The Chef/Professional Cookery with training on norms and standards for safe tourism operations, including COVID-19 Protocols in the Free State and Northern Cape provinces in line with project plans, targeting 300 unemployed and retrenched youth;
- The Hospitality Youth Programme (Food and Beverage) in KwaZulu-Natal, Western Cape, North West, Gauteng and Mpumalanga provinces, where 340 youth were being trained or active in the Eastern Cape (100), Western Cape (140) and Northern Cape (100); and
- Wine Service Training Programme (Sommelier) with training on norms and standards for safe tourism operations, including COVID-19 Protocols was implemented in KwaZulu-Natal, Western Cape and Northern Cape provinces targeting 252 unemployed and retrenched youth.

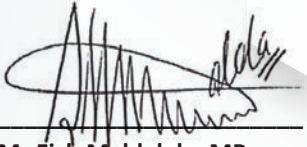
The National Tourism Careers Expo (NTCE) 2021 was hosted with over 3 000 learners and students participating. The NTCE positions tourism as a career of choice for learners and students. In 2021/2022 a total number of 1 178 educators participated in the Educator Development Programme with the objective to ensure that tourism and hospitality educators are capacitated on the latest tourism issues and exposed to the sector. About 30 Chefs were taken through a Recognition of Prior Learning (RPL) process for a qualification or designation. The project is aimed at recognising the experience of Chefs who do not have formal qualifications. The Chefs underwent the RPL process and about 80% were awarded an NQF Level 5 Artisan Chef qualification or designation by SA Chefs Association.

The focus on regional and global partnerships provided South Africa with the opportunity to learn and share experiences in key tourism areas. To ensure that South Africa's contribution and influence on tourism interests were advanced at regional, continental and global levels we worked with the United Nations World Tourism Organisation (UNWTO) Programme of Work, particularly the UNWTO Agenda for Africa, the G20 Tourism Agenda supporting economic recovery and sustainable development, the institutionalisation of tourism in BRICS, the implementation of the SADC Tourism Programme, the Implementation of the Indian Ocean Rim Association Tourism Work Plan as well as the implementation of the African Union Plan of Action on Tourism.

The comments of the Auditor-General of South Africa following the 2021/2022 audit are encouraging, for noting improvements in the Annual Report, Supply Chain Management environment and maturity of the Information Technology environment. The efforts by the officials under the leadership of the Director-General to achieve such results and protect the public resources that they are custodians of are highly appreciated. While this is celebrated there is a need to heed the AG's caution on areas that require strengthening in the 2022/2023 financial year.

Let me thank the Portfolio Committee on Tourism and the Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism, Employment and Labour for their thorough engagement and counselling throughout our work.

Moreover, let me applaud Minister Lindiwe Sisulu for her sterling work in her guidance of the Department to continue with the exceptional performance and resilience of the South Africans throughout the pandemic period as it ravaged our tourism sector. This is the courage that is needed to rebuild the tourism sector and, in that process, we leave no one behind.

A handwritten signature in black ink, appearing to read 'Fish Mahlalela', written over a horizontal line.

Mr Fish Mahlalela, MP
Deputy Minister of Tourism

5. REPORT OF THE ACCOUNTING OFFICER



5.1 Overview of the operations of the Department

The travel and hospitality sector is dominated by Small, Medium and Micro-Enterprises (SMMEs) who are highly susceptible to economic disruptions. The sector was the hardest hit economic sector by the COVID-19 pandemic over the past two years. The Department has always sought to provide various support packages to these SMMEs, and to drive transformation and ensure the development of a pipeline of emerging operators.

We have already provided non-financial business support for up to 150 SMMEs operating in three strategic tourism destinations through the Incubation Programmes. We have implemented Manyeleti (Mpumalanga Province), Mier (Northern Cape Province) and Phalaborwa (Limpopo Province), to improve SMMEs sustainability and growth in the tourism sector. These have since been closed and the new ones being supported are the Technology Incubator, Tour Operator Incubator, Food Services Incubator and Community-based enterprises Incubator.

The Department has continued to implement the Enterprise Development and Transformation Programme to transform the tourism sector and provide developmental support to tourism enterprises. This Programme forms part of the key strategy of introducing new players in the tourism economy and achieving the transformation objectives. It focuses on various sub-sectors in the tourism value chain and has been implemented over a few years. It supports the growth of tourism enterprises in a manner that promotes inclusive participation and job creation that contributes to the competitiveness of tourism destinations.

Tourism Incentive Programme (TIP) is one of those programmes that we implement for the sustainability of existing tourism businesses, which are part of our support initiative. As part of TIP and supporting sector transformation, we had placed greater emphasis on the introduction and implementation of the Tourism Equity Fund (TEF) pilot programme. The project was meant to offer grant-funding support on capital investments in new and expansion projects in the sector by Black Industrialists. It included a grant start-up fund for opportunities for direct tourism and value chain-based enterprises, and the piloting of a tourism technology innovation entrepreneurship programme. This project has, however, been halted due to a court interdict.

With the inception of the District Development Model (DDM), we have seamlessly incorporated prioritised initiatives from the tourism spatial masterplans into *One Plan* for the following districts: OR Tambo District, eThekweni Metro, Pixley ka Seme District and Namakwa District. We have assisted with coordination and provided support to DDM planning. Assistance and support provided include mapped spatial databases of tourism and data for tourism nodes in Pixley ka Seme and Namakwa Districts, mapped data for tourism concepts under development within two Northern Cape master planned areas. The Department does not implement all aspects of plans. It assists in developing but undertakes certain shared design work that can be used in various areas that have had planning work done (including precincts), as well as undertaking investment promotion where such plans include proposals that require FDI/Investment. The Plans, including their progressive implementation, remain those of the various tiers of government.

5.2 Overview of the financial results of the Department

Programme Expenditure

Programme Name	2021/2022			2020/2021		
	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
Programme 1: Administration	288 496	288 496	-	289 822	289 819	3
Programme 2: Tourism Research, Policy and International Relations	1 362 571	1 358 557	4 014	482 145	479 529	2 616
Programme 3: Destination Development	530 524	527 185	3 339	442 709	427 495	15 214
Programme 4: Tourism Sector Support Services	363 747	363 538	209	212 184	195 406	16 778
Total	2 545 338	2 537 776	7 562	1 426 860	1 392 249	34 611

The Department has spent a total of 99.7% of its 2021/2022 allocation, realising a total underspending of R7.6 million. The bulk of this underspending is explained as follows:

- *Tourism Research, Policy and International Relations (R4 million):* The bulk of this underspending lies within Compensation of Employees due to strict policies adhered to by the Department to reduce expenditure on Salaries and Wages. Savings under Goods and Services were mainly attributable to the effects of COVID-19 restrictions resulting in unspent funds linked to Travel and Subsistence. A further underspending was realised under Transfers and Subsidies for the United Nations World Tourism Organisation (UNWTO) contributions due to exchange rate fluctuation and the National Tourism Research Framework.
- *Destination Development (R3.3 million):* The bulk of this underspending lies within Goods and Services of the Expanded Public Works Programme (EPWP) as contracts could not be concluded before year-end. Savings under Compensation of Employees (CoE) was due to strict policies adhered to by the Department to reduce Expenditure on Salaries and Wages.

- *Tourism Sector Support Services (R209 thousand):* The minor underspending within the Programme is due to unspent funds linked to the National Tourism Careers Expo (NTCE). The costs of the event claimed by the event partner was less than the budgeted cost resulting in a slight saving under Transfers and Subsidies.

5.2.1 Virements

In accordance with Section 43 of the Public Finance Management Act (PFMA), Act No. 1 of 1999, the Accounting Officer of the Department may utilise a Saving in the amount appropriated under a Main Division within a Vote towards the defrayment of excess expenditure under another Main Division on condition that it does not exceed 8% of the amount appropriated under that Main Division.

The Department received Parliamentary approval through the 2021 Adjusted Estimates of National Expenditure (AENE) to shift an amount of R52 million from Transfers and Subsidies: Public Corporations and Private Enterprise in Programme 4: Tourism Sector Support Services to Goods and Services in Programme 3: Destination Development.

5.2.2 Rollovers

No request for Rollovers will be submitted to National Treasury.

5.2.3 Unauthorised Expenditure

The Department has no Unauthorised Expenditure.

5.2.4 Fruitless and Wasteful Expenditure

The opening balance for Fruitless and Wasteful Expenditure for the 2021/2022 financial year is R194.751 million. An investigation into the Fruitless and Wasteful Expenditure has been undertaken. Investigation cases were opened and are currently in process to recover Fruitless and Wasteful Expenditure. Disciplinary action was also instituted against Departmental officials responsible for Fruitless and Wasteful Expenditure.

5.3 Future plans of the Department

Tourism is the pillar of our economy and it immensely contributes towards economic growth, job creation and poverty alleviation. Since 2018, the Department has been implementing the National Tourism Safety Strategy (NTSS). The objective with implementation of this Strategy is to foster public-private sector partnership in addressing the issue of tourism safety in a more coordinated manner. The objective is also to provide enhanced visitor experience and in the long-term, change perceptions about South Africa as an unsafe destination. In this regard, the following will be done to promote the safety of our local and international tourists:

- Working together with the National Prosecuting Authority (NPA) to ensure that the cases involving the tourists are managed within a reasonable period of time and not overlap the VISA duration;
- Continued implementation of the Tourism Safety Monitors Programme to ensure that our tourists are safe in various attractions;
- Continue working together with the South African Police Service (SAPS) to realise the establishment of the Tourist Police and the implementation of the Memorandum of Understanding (MoU) signed;

- Continued engagement with the tourism sector through the National Tourism Safety Forum with a view to create fresh ideas on how to curb tourist threats; and
- Continued implementation of joint tourism awareness campaigns to promote tourist safety in our country and by implication, promote economic growth, job creation and poverty alleviation.

The **TIP** serves as a tool that aims to inform a paradigm shift in the tourism sector and bring about greater destination competitiveness, transformation and accelerated, tourism and enterprise growth. It is anticipated that this in turn will contribute to the achievement of our Department's objectives of stimulating enterprise growth, job creation, revenue growth and enhanced visitor experience. In terms of the TIP, the Department has planned to:

- Continue to implement the **Green Tourism Incentive Programme (GTIP)**. This project is meant to provide financial support to encourage and assist privately-owned tourism enterprises to adopt responsible tourism practices, through installing solutions for sustainable management and usage of electricity and water resources. The project is also meant to reduce reliance and pressure on the national electricity grid and scarce water resources. The GTIP was revised in 2021/2022 to simplify eligibility criteria, streamline the application process and improve the benefits offered to encourage more small tourism enterprises to adopt responsible tourism practices. The GTIP application window was open from 1 October 2021 to 31 March 2022 and it yielded a high number of new applications. Improved and streamlined processing of applications under the revised GTIP is anticipated to result in an increase in the number of approvals.
- Re-introduce again in the 2022/2023 financial year, if conditions allow the **Market Access Support Programme (MASP)**. The tourism sector can contribute to economic growth through increased export earnings and job creation by increasing the number of international tourist arrivals. In this regard, access to tourism buyers (outbound operators and agents) is critical to unlock market potential, grow the customer base and drive sales. The MASP offers partial financial support (contribution towards the cost of exhibition space, return airfare and hotel accommodation) to qualifying small tourism enterprises to participate and exhibit at selected tourism marketing platforms. The MASP was unfortunately suspended temporarily due to the impact of the COVID-19 pandemic and associated lockdown conditions which resulted in most international tourism trade platforms being cancelled.

- Proceed to capitalise the **TEF** under advice of the National Treasury and the State Law Advisors, while the court challenge is being resolved. The aim is to ensure that when the interdict is lifted, the processes to assess and award applications is expedited. The number of applications received after the fund was launched indicated that the facility has very high demand. -
- Implement **Tourism Grading Support Programme (TGSP)** in collaboration with the Tourism Grading Council of South Africa, offering discounts of up to 90% on grading assessment fees for new and renewal grading applications.

Implementation of **Enterprise Development and Transformation Programme** will be continued. The programme was implemented to provide developmental support to tourism enterprises and develop a pipeline of emerging operators in the sector. In this regard, the Department will implement the four incubators:

- The **Tour Operator Business Incubation Programme** which will provide non-financial and technical business support to enhance the growth and sustainability of new operators in the subsector, reduce business failure amongst existing small operators and create jobs as well as increase access to markets for emerging operators.
- The **Community-based Tourism Business Incubation Programme** which will identify viable rural tourism enterprises under the ownership of community institutions and build capacity amongst the local stakeholders to manage and operate hospitality and tourism establishments.
- The **Food Service Incubation Programme** which will build capacity to establish, manage and operate businesses amongst youth trained in various hospitality and food services programmes by the Department. It will have a national footprint which will further contribute to the TSRP. Its contribution will be through rejuvenating and protecting supply and enabling capacity for entrepreneurs to offer competitive and heightened involvement of youth and women entrepreneurs, including empowerment of community-based rural tourism projects through the Community-based Tourism Incubator.

- The **Tourism Technology Innovation Business Incubator** which is implemented in partnership with Technology Innovation Agency (TIA), an agency of the Department of Science and Innovation, and is designed to support up to 20 young people in the ideation of ideas for technological solutions within the tourism sector.

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

The Department remains committed to the implementation of the apex priorities on **Mainstreaming Gender, Empowerment of Youth and People with Disabilities**. The Department is a top performing institution on the employment of employees with disabilities. While the national target for employing people with disabilities is set at 2%, the Department has achieved a 4.6 % representation. Women representation at Senior Management Service (SMS) is at 50% - for Levels 14 and 15. The focus in 2022/2023 will be ring-fencing Directors positions to achieve 50% women representation at Level 13. The Departmental Human Resources Plan 2022/2023 is geared towards advancing youth empowerment through various capacity development interventions (that is, internships, bursary allocations).

We will use the Department's Procurement Strategy to contribute to economic transformation broadly, target 40% procurement from women-owned businesses and 30% from SMMEs.

We are already implementing **Multi-year Spatial Planning and Infrastructure Projects** that support rural and township economies including **Infrastructure Maintenance** in SANParks properties. These also provide support for community-based tourism projects, as well as support for community museums. It is anticipated that the Programme will continue to contribute to tourism development in Villages and Small Towns to ensure that tourism benefits accrue to these communities, especially those around key attractions and sites, for example villages surrounding National Parks.

The primary objective with the **Maintenance Programme** is to improve and ensure proper maintenance of National Park Assets for destination enhancement, job creation and SMMEs. This Programme will be extended to include maintenance and beautification programme for five Provincial State-owned Attractions as part of the Presidential Employment Stimulus.

The Department will begin construction of elements of the technical design work completed for **precincts** in Mdantsane, Galeshewe and Vilakazi Street in Soweto. Two further concepts will be developed, namely, for Ntambalala 'Resort' outside of Port St. Johns, and an Astro-Tourism concept in the Karoo, which would include stargazing, astronomy and Khoi story-telling events.

We aim to finalise and sign **MoUs** with countries such as the United Arab Emirates, Qatar in the Middle East region, Uganda in East Africa, Botswana, Mauritius and Namibia in Southern Africa region. We will also continue to engage the Diplomatic community in sharing information and empowering them on the TSRP. We have planned to implement the **Best Practices Workshop** to advance the implementation of the MoUs that we have signed in partnership with Provincial and Local Government spheres and Private Sector.

To strengthen evidence-based planning, interventions and decision-making within the Department and in the tourism sector, we will prioritise research in the following areas:

- Domestic tourism with the assertion that this segment is viewed as being crucial to offset drops in international tourism arrivals during crisis and off-peak periods;
- Transformation and tourism value chain noting the need to stimulate and revitalise the sector and position the tourism value chain on a trajectory that focuses specifically on an inclusive, robust and sustainable recovery of the sector; and

- Tourism sector demand and supply to enable the Department and the sector to develop strategic interventions which are targeted to the requirements of markets and informed by an understanding of the changing supply-demand situation.

We will continue to monitor sector performance and Departmental Programmes through production of the State of Tourism Report, implementing the National Tourism Analytics Systems Framework, and monitoring the implementation of the TSRP. The TSRP seeks to facilitate amongst others, protection and creation of jobs, greater diversification of the supply side of tourism, increased quantum and focus on infrastructure investments in the tourism sector, greater confidence in South Africa as a safe destination and an improved South African Brand, increased international arrivals and most importantly, turning domestic tourism into the anchor of the tourism sector.

5.4 Public-Private Partnerships

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

5.5 Discontinued activities

The Department successfully established, managed and exited the following three incubation programmes: Manyeleti in Mpumalanga Province, Phalaborwa in Limpopo Province and Mier in Northern Cape Province. Tourism businesses around these areas were supported. In all of the incubation 150 business were supported.

5.6 New or proposed activities

There is currently a challenge in Monitoring the performance of the tourism sector at provincial level. This has led to challenges in developing standard methodology to measure the contribution of Tourism to the economy at sub-national level. A National Tourism Analytics Framework was developed to guide the collection and distribution of tourism statistics in the country. The Framework outlined the key data needs by all stakeholders, as well as the need to take stock and understand the availability of tourism statistics to further inform the development of a National Tourism Analytics System. A plan to gather information that could be used to identify gaps and inform programmes that may assist in improving the state and availability of tourism statistics at a sub-national level needs to be in place. It is anticipated that the planned **development of**

a report on state and availability of key tourism statistics and resources at Provincial level, will inform this plan. This report will assist in identifying the challenges and make proposals and recommendations on how to improve tourism statistics at provincial level. This could ensure that provinces have their own data for planning purposes and the data could be used together with the key national tourism statistics readily available.

Another proposed project is the implementation of **Tourism Data Analytics System: Sentiments Analysis prioritised**. This is meant to provide an Integrated Tourism Data Analytics Platform which is vital for strategic planning and informed decision making. The Tourism Sentiments Analysis sub-system will form the first phase of this platform and will provide critical data intelligence regarding industry's and tourists' sentiments on tourism in South Africa. The project will enable evidence-based strategic planning and policy formulation through accurate historic, real-time and predictive data analytics. The system will retrieve information from several data sources including search engines, social media and booking engines, to provide insights on tourists' sentiments about tourism in South Africa, using technologies such as machine learning and data science. The analysis will improve, amongst others, service excellence initiatives, tourism products and services as well as tourism recovery plans.

A **Programme to establish a centralised database of Tourist Guides** is planned for implementation. This will ensure that there is an accurate and credible central database of registered Guides in the country. Having such an accurate and credible database of registered Tourist Guides is important for consumers who would like to utilise the services of Tourist Guides. The database will also be important for the tourism trade/potential employers of Guides. Furthermore, it will serve as an important research instrument when monitoring trends in the sector and identifying appropriate interventions for the growth and development of the Guiding Sector

5.7 Supply Chain Management

The Department received no unsolicited bids in the 2021/2022 financial year. In order to avoid Irregular Expenditure related to Supply Chain Management (SCM), the Department has established a Bid Specification Committee (BSC), a Bid Evaluation Committee (BEC), and a Bid Adjudication Committee (BAC), to manage and conclude the administration of bids. The said Committees have been capacitated to deal with the functions assigned to them.

5.8 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 2021/2022.

5.9 Exemptions and deviations received from the National Treasury

The Department received approval in terms of Treasury Regulation 6.3.1 (a) on 6 May 2021 from National Treasury to shift an amount of R300 000.00 from Goods and Services to Transfer Payments to cover the exchange rate fluctuation for the payment to the UNWTO.

Through the 2021 AENE, the Department received approval to shift an amount of R52 million from Transfers and Subsidies: Public Corporations and Private Enterprise in Programme 4: Tourism Sector Support Services to Goods and Services in Programme 3: Destination Development.

5.10 Events after the reporting date

The Department has been granted approval to increase its Compensation Budget by nearly R30 million from 2022/2023 taking the compensation ceiling from R340.8 million in 2021/2022 to R370.8 million in 2022/2023. This will allow the Department to resume filling critical vacancies in the Department that could not be filled previously due to budget constraints.

5.11 Other

None.

5.12 Acknowledgements and Appreciation

All our stakeholders play an important role in the implementation of our plans. Our constant stakeholder engagement provide us with crucial feedback that helps us to perform better.

The role that our Portfolio Committee on Tourism play in its oversight function on our Department is greatly appreciated. It is through our engagement with the Portfolio Committee, and the Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism, Employment and Labour, that we are able get further guidance on that which needs to be done by our Department in the name of service delivery.

The leadership we have received from Minister Sisulu and Deputy Minister Mahlalela, is greatly appreciated. It has kept us firm on our understanding of the need to plan and implement projects that provide solutions to the challenges faced by our country.

The officials of our Department play an important role in the implementation of our plans. They are an important asset towards achieving the mandate of the Tourism Portfolio. Without their commitment and dedication, we would not be able to achieve more with less.

5.13 Conclusion

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

5.14 Approval and Sign-off



Mr Nkhumeleni Victor Tharage

Accounting Officer

Department of Tourism

Date: 31 May 2022

6. 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 on the Annual Report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the Modified Cash Standard and the relevant frameworks and guidelines issued by the National Treasury.

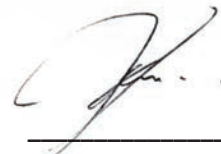
The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

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

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

In my opinion, the Annual Report fairly reflects the Operations, the Performance Information, the Human Resources Information and the Financial Affairs of the Department for the financial year ended 31 March 2022.

Yours faithfully



Mr Nkhumeleni Victor Tharage

Accounting Officer

Department of Tourism

Date: 31 May 2022

7. STRATEGIC OVERVIEW

7.1. Vision

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

7.2. 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.

7.3. Values

7.3.1 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.

7.3.2 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.

8. LEGISLATIVE AND OTHER MANDATES

8.1 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.

8.2 Legislative Mandate

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

8.3 Policy Mandate

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

9. ORGANISATIONAL STRUCTURE



10. ENTITY REPORTING TO THE MINISTER

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

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
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. <ul style="list-style-type: none"> • 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"> ○ Coordinating bidding for international conventions; ○ Liaising with other organs of state and suitable bodies to promote South Africa as a destination for business events; and ○ 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.
Tourism Transformation Council of South Africa (TTCSA).	In accordance with the Amended Guidelines for Developing and Gazetting Sector Codes, issued under Section 9 of the B-BBEE Act No. 53 of 2003, as amended by B-BBEE Act No. 46 of 2013, the Minister has the responsibility to appoint members of the Sector Charter Council to monitor transformation in the sector.	It is required that the TTCSA should be jointly funded by the private sector and Line Ministry. The Council is currently funded 100% by the Department, as it is in a stage of transition to its autonomy.	<p>The TTCSA is mandated to:</p> <ul style="list-style-type: none"> • Provide guidance on sector specific matters effecting B-BBEE; • Compile reports on the status of B-BBEE within the sector, and • Share information with sector members, approved accreditation agencies, B-BBEE Commission, B-BBEE Presidential Advisory Council, the Minister of Tourism, the Minister of Trade, Industry and Competition and Parliament and the general public.

PART B

PERFORMANCE INFORMATION



1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the Performance Information to provide reasonable assurance in the form of an Audit Conclusion. The Audit Conclusion on the Performance Information 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 98 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

We measure our progress by our performance.

Tourism was a mighty economic giant which enjoyed growth before the COVID-19 pandemic started. The pandemic caused a devastating impact on the tourism sector and introduced an unprecedented crisis to the global economy. Tourism was one of the first economic sectors to be deeply impacted by the pandemic. A variety of measures to contain the spread of the virus were implemented across the globe. These included restrictions on the movement of people. In South Africa, operations were halted under various adjusted alert levels of the lockdown period, and tourism revenues were severely diminished. The tourism sector faced profound and simultaneous demand and supply shocks.

Historically, the tourism sector has demonstrated resilience through global financial meltdowns and health pandemics. However, the scale and depth of the disruption caused by the COVID-19 health and economic crisis suggest that the road to tourism recovery will be long and highly uncertain. The UNWTO expects the sector to return to pre-crisis levels only in 2023. Until then, the sector will largely be in survival mode. Many tourism jobs remain at risk, while some businesses within the sector face the possibility of permanent closure.

Globally, international arrivals increased by 4.6% for the period January to December 2021 compared to the same period in 2020. This was an increase from a total of about 403 million international arrivals recorded during January to December 2020 to 415 million during the same period in 2021. The performance of international tourist arrivals for 2021 was better than 2020 as arrivals went down by 72.6% during this year compared to 2019¹.

Tourism has long been hailed as the new gold and the lead industry to advance economic reform. However, that gold is of no value unless the industry works together to mine it from the earth. It takes time, effort and investment to turn this raw mineral into a gleaming treasure. Through the process of exploration, mining and processing, can its full value be extracted and enjoyed.

Tourism plays a critical role in the broader South African economy. As a tertiary sector with strong linkages to transportation, consumer retail, financial services and other network industries, tourism's indirect economic contribution is substantial. International tourist arrivals are an important element, and one of the necessary conditions for tourism growth and contribution to the economy.

In South Africa, total tourist arrivals went down by 19.5% for the period January to December 2021 compared to the same period in 2020. This was a decline from a total of 2 802 320 tourist arrivals recorded during January to December 2020 to 2 255 699 (-546 621) during the same period in 2021. Total tourist arrivals from the overseas market decreased by 42.8% (-283 226) while Africa region decreased by 12.3% (-263 915). Although tourist arrivals declined in 2021, the performance was better than 2020 as arrivals went down by 72.6% during 2021 compared to 2019.

During the period January to December 2021, the total income (current prices) from accommodation (excluding restaurants, bar sales and other income) went up by 8.1% during the same period under review. All categories of accommodation recorded a growth in income levels with guest houses and guest farms recording the highest increase of 99.5% followed by caravan parks and camping sites (41.3%), other accommodation (9.5%) and hotels (1.9%). This was an improvement from a decline of 62.1% recorded in 2020 compared to 2019.

¹ UNWTO 2022. Barometer. Vol. 20, 2 March 2022

Total income of the food and beverages (current prices) industry in January to December 2021 was about R56 356.7 million, which was an increase of 30.3% when compared to R43 236.8 million in January to December 2020. Take-away and fast-food outlets, and restaurants and coffee shops showed a growth in income of 54.2% and 28.7% respectively. Catering services was the only one that recorded a 2.7% decline in the food and beverages industry. This was an improvement from a decline of 43.8% recorded in 2019.

The election of South Africa to the **UNWTO Executive Council** for the period 2021 - 2025 has positioned South Africa in the global system of tourism governance to enhance international response to the needs of South Africa and the developing countries. It will also intensify South Africa's cooperation with the global tourism sector to position tourism as a key driver for economic recovery from the COVID-19 pandemic, job creation, poverty eradication and sustainable development. As South Africa attaches great importance to promoting multilateralism, the Executive Council seat provides an opportunity for South Africa to contribute to the implementation of the UNWTO's Programme of Work as a response to the needs of the developing world. South Africa's approach to the UNWTO and other organisations is to promote unity and ensure that they focus on the primary mandate of promoting tourism and peace.

The Department aims to increase the tourism sector's contribution to inclusive economic growth and to enhance regional and continental tourism cooperation through some of its programmes and by signing the MoU with the African countries in strengthening regional integration. In advancing our national priorities, the Department continues to sign MoUs with the countries that are prioritised as the potential markets for increasing the tourist arrivals to South Africa.

Overall, the MoUs signed with counterparts are meant to strengthen regional cooperation in the field of tourism and advance South Africa's national priorities. When MoUs are implemented effectively, they indirectly contribute to job creation, and empower women and youth in the tourism industry. Through the partnerships established in implementing the MoUs, there are internship programmes where young South Africans are placed within the tourism and hospitality industry in foreign countries where some of them end up being absorbed in that country's employment system permanently such as in Seychelles where Chefs were on a placement programme.

South Africa is one of the giant economies in the African continent when compared to the other states in Africa such as Nigeria. Most of the countries on the continent rely on and seek support from South Africa, such as on capacity building and skills development in a range of areas in the tourism field. Many of our MoUs are implemented through collaboration with the private sector and the provincial and local government spheres.

To date, the Department has signed 18 MoUs with various countries in **Africa and the Middle East**. The latest to be signed being the MoU signed in November 2021 with the Republic of Kenya on cooperation in the field of tourism. The overall objective of the MoU is to establish a structural mechanism that will monitor and guide the conduct of bilateral relations between the Republic of South Africa and the Republic of Kenya. Cooperation within this framework is to strengthen relationships in the field of tourism between the two countries. Broad areas of cooperation between these countries on tourism matters include exchange of Scholarship and Fellowships, Education and Training, Private Sector Cooperation and Joint Committee, and Coordination and Cooperation.

South Africa's development is linked with that of the **SADC** region. South Africa has been actively involved in the development of a SADC Tourism Programme 2020 - 2030. This serves as a roadmap to guide and coordinate the development of a sustainable tourism industry in the region and to facilitate the removal of barriers to tourism development and growth. South Africa will continue to support the implementation of the SADC Tourism Programme.

The Department and its entity, SA Tourism, have led a campaign, which led to the review or removal of travel restrictions against South Africa in key markets in North America and Western Europe, including the United Kingdom. Four Outreach Programmes were successfully held targeting our Diplomatic representatives in the Americas and Europe, Asia and Australasia, Middle East, and the Southern African Development Community. The sole purpose was to empower South African Ambassadors and Diplomats with key information to be used to keep South Africa off the **Red List**.

The Department's entity, SA Tourism, has launched the **Global Advocacy Programme**, with the purpose to ramp up advocacy efforts in key source markets around the world. This advocacy programme forms part of the TSRP, which was adopted by government and the tourism sector and approved by the Cabinet for implementation.

Recovery is critical to map out a growth path is the only way forward. The TSRP is a response by the tourism sector in South Africa, and its constituent partners to the multiple challenges brought on by the pandemic. This Plan acknowledges the need for targeted, coordinated action to mitigate the impacts of the crisis and sets the sector on the most optimal path to recovery, transformation and long-term sustainability. The Plan outlines a set of interventions to ignite the recovery anchored in three strategic themes namely: Protecting and Rejuvenating Supply, Re-igniting Demand and Strengthening Enabling Capability for long term sustainability. The Plan is aligned to the ERRP, the country's plan for overall economic recovery published in late 2020. The ERRP re-affirms tourism's position as a major contributor to the South African economy and its envisaged role in the broader economic reconstruction and recovery effort.

Since we are moving into the new era of mobile apps and post-pandemic life, our reliance on software continues to increase. This is not bad at all, software application has the power to make our lives even better. To succeed in such a technological world, organisations need to invest in software development. Knowledge management is not just about a mobile application or a website, but much more. With the right support, knowledge management can achieve even more in improving and achieving the Department's objectives.

2.2 Service Delivery Improvement Plan

The DPSA Circular 1 of 2020/2021 granted Departments a year gap in developing Service Delivery Improvement Plan (SDIP). The Department is therefore not submitting a report on SDIP.

The DPSA focus for the 2020/2021 financial year was on the following:

- Consultation with various stakeholders to review the SDIP directive (2008);
- Alignment of the SDIP directive with the Service Delivery Improvement Value Chain outlined in Chapter 3, Part 3 of the Public Service Regulations 2016; and
- Establishment of a gap year 2021 – 2022 for consultation right through the Public Service Sector to finalise the new SDIP directive and related toolkit.

2.3 Organisational Environment

Our budget is the fuel that enables us to effectively drive our programmes and projects. One of the biggest challenges has been the ceiling on Compensation of Employees (CoE) budget which affect both the entire Public Service and the Department in particular. The National Treasury had reduced the Departmental baseline on CoEs ceiling, affecting the number of posts to be filled, which resulted in the suspension of several positions where recruitment had commenced in prior years. Several SMS positions were thereafter prioritised for filling following a process of reprioritisation. Interim measures to manage the impact of the vacant positions included appointment in acting capacity and the direction to perform other functions by existing personnel. Successes include the filling of the vacant position of Deputy Director-General level as well as three Chief Director level posts. The vacancy rate in the Department as at 31 March 2022 was at 10%.

The Department remains one of the best achievers on representation of employees with disabilities in the Public service. While the national targets is set at 2%, the Department had, by March 2022, achieved a 4.6 % and the highlight for 2021/2022 was the appointment of an SMS member with disability at Chief Director level. The Department continued with the implementation of reasonable accommodation for employees with disabilities which has been an excellent retention strategy.

Inability to achieve the 50% women representation at SMS level is directly linked to reduction of the baseline on CoE budget, resulting in prolonged inability to fill vacancies. The challenge is exacerbated by exits because of natural attrition and inability to retain employees at SMS level. While three women were appointed at SMS level, one SMS member exited within the 2021/2022 financial year. The Department will, in the next financial year, identify and designate some SMS positions as equity positions and ring-fence them to ensure that 50% women representation is achieved. While 50% representation has been achieved at Top Management and Chief Director level, efforts will be directed at Director level where a huge disparity exists.

The Department has developed an Audit Action Plan to address the findings/audit outcomes from the 2020/2021 financial year. While 80% of the Audit Actions have been fully implemented and a further 20% are in progress, a comprehensive review of system of internal controls was conducted with special focus on the environment including preventative controls while strengthening corrective and detective controls.

Notably, reviews on the Irregular Expenditure have been concluded by the Internal Audit Unit and Terms of Reference approved for the appointment of external service providers to conduct further independent investigations.

Recovery of Erroneous Payments made for the Tourism Guide Relief Fund (TGRF) beneficiaries has commenced for the categories of people employed by the State and those who benefitted from both the UIF and the TGRF. Debts have been raised and Letters of Demand have been issued to more than 180 individuals that unduly benefitted. The ToRs have also been approved for appointment of a service provider to undertake an independent investigation into the TGRF process.

Mechanisms have been implemented to partially mitigate against awards made to suppliers in service of the State. In this regard, the PERSAL system and the DPSA systems are being used to identify service providers that may be employed by the National or Provincial Departments before appointment is made.

2.4 Key policy developments and legislative changes

The White Paper on the Development and Promotion of Tourism (1996) is the overarching policy framework that guides the tourism sector. It has been in existence for 24 years without a reflection. In this regard, the Department has undertaken the **Review of the Tourism Policy: White Paper on the Development and Promotion of Tourism in South Africa**. The review was meant for alignment with the current government policy frameworks, and the latest global policy developments and trends. This was in order to create an enabling legislative and regulatory environment for tourism development and growth.

3. STRATEGIC OUTCOME ORIENTED GOALS

In support of the Government's Medium-Term Strategic Outcomes as outlined in the Medium-Term Strategic Framework (MTSF) 2019 - 2024, the Department pursues the following strategic outcomes:

1. **Achieve good corporate and cooperative governance.**
2. **Increase the tourism sector's contribution to inclusive economic growth.**

The plans of the Department support all seven priorities of Government in general but, specifically the following: Priority 1: Capable, Ethical and Developmental State; Priority 2: Economic Transformation and Job Creation; and Priority 7: A Better Africa and World.

Priority 1: Capable, Ethical and Developmental State

Good governance and accountability remain top priorities of the Department to ensure that the 6th Administration objectives in relation to a Capable, Ethical and Developmental State are met. In this regard, the Department has implemented:

- A comprehensive Risk Management Strategy and the Combined Assurance Model for both Financial and Performance information.
- An Audit Action Plan to address the audit outcomes from the 2020/2021 financial year. This will be followed by a comprehensive review in 2022/2023 to strengthen the Systems of Internal Controls focusing on preventative and corrective controls.

These are integral to the Department's aim of conducting its business in a manner that continues to create public confidence in the State. These actions, provide for excellent systems for the management of public resources, which are useful for ridding the system of any inefficiency and enabling oversight by institutions of the state in the interest of the public.

Priority 2: Economic Transformation and Job Creation

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 earner of foreign currency. In the South African context, this growth should be underpinned by the principle of inclusivity to drive tourism-sector transformation.

The impact of COVID-19 was immediate and devastating.

Globally, international arrivals increased by 3.8% for the period January - December 2021 compared to the period January - December 2020. This was an increase from a total of 400 million international arrivals recorded during January-December 2020 to 415 million during the period January - December in 2021. The performance of international tourist arrivals for 2021 was better than 2020 as arrivals went down by 72.7% during this year compared to 2019.

Globally, international arrivals increased by 4.6 % for the period January - December 2021 compared to the period January - December 2020. This was an increase from a total of 403 million international arrivals recorded during January - December 2020 to 421 million during the period January - December in 2021.

In South Africa, total tourist arrivals went down by 19.5% for the period January - December 2021 compared to the period January - December 2020. This was a decline from a total of 2 802 320 tourist arrivals recorded during January - December 2020 to 2 255 699 (-546 621) during the period January - December in 2021. Total tourist arrivals from the overseas market decreased by 42.8% (-283 226) while Africa region decreased by 12.3% (-263 915).

The Department continues to implement the TSRP. This Plan acknowledges the need for targeted, coordinated action to mitigate the impacts of the crisis and sets the sector on the most optimal path to recovery, transformation and long-term sustainability. The Plan is aligned to the ERRP, the country's plan for overall economic recovery published in late 2020. The ERRP re-affirms tourism's position as a major contributor to the South African economy and its envisaged role in the broader economic reconstruction and recovery effort.

The Department implements the Enterprise Development and Transformation Programme to transform the tourism sector and provide developmental support to tourism enterprises. The Programme forms part of the key strategy aimed at introducing new players in the tourism economy and achieving the transformation objectives. It focuses on various subsectors in the tourism value chain and has been implemented over a few years. It supports the growth of tourism enterprises in a manner that promotes inclusive participation and job creation that contributes to the competitiveness of tourism destinations.

Priority 7: A better Africa and World

Under this Priority, the Department monitors the Brand Strength, international tourist spend and growth in international tourist arrivals.

According to SA Tourism quarterly report attached, foreign direct spend went down by 75.2% compared to 2019 figures for the same period. This was a decline from R19.4 billion to R4.8 billion. These figures should be verified with SA Tourism².

For the period under review, the total international arrivals to South Africa closed at 2.3 million at the end of 2021. This was a 19.5% decline from 2020 and a 78.0% decline from 2019. Source market travel restrictions, international government policies to control the pandemic such as border control, travel advisories which included quarantine (isolation), and local movement regulations have impacted the confidence and readiness of travellers to travel beyond their domestic or regional borders. The discovery of the Omicron COVID-19 variant strain in South Africa has burdened travellers with additional restrictions and requirements to and from the destination.

² SA Tourism, 2021. Third Quarter Report.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Corporate Management

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 2019/2020	Actual Achievement 2020/2021	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	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 and non-financial performance was achieved.	Unqualified audit on Financial Statements and Performance Information was achieved.	Unqualified audit on Financial Statements and Performance Information.	Unqualified audit on Financial Statements and Performance Information was achieved.	None.	None.	N/A
Output: To attract and retain a capable and ethical workforce in a caring environment.						
Output Indicator 2: Vacancy rate.						
Vacancy rate as at 31 March 2020 was at 9.2%.	Vacancy rate as at 31 March 2021 was at 11.2%.	Vacancy rate not to exceed 10% of the funded establishment.	Vacancy rate was maintained at 10% of the funded establishment as at 31 March 2022.	None.	None.	N/A
Output Indicator 3: Percentage compliance with equity targets in terms of Departmental Employment Equity Plan.						
Women representation at SMS level was at 46.5% as at 31 March 2020.	Women representation at SMS level was at 43.9% as at 31 March 2021.	Maintain minimum of 50% Women representation at SMS level through designation of SMS posts at recruitment.	Women representation at SMS level through designation of SMS posts at recruitment was maintained at 46.9%.	Off target by 3.1%.	Natural attrition at SMS level and the impact of the National Treasury (NT) baseline reduction on Compensation of Employees.	<ul style="list-style-type: none"> Equity positions at SMS level will be identified and ring-fenced. Attraction and retention of women at SMS level will be facilitated.
People with disabilities' representation was at 4.3% as at 31 March 2020.	People with disabilities' representation was at 4.3% as at 31 March 2021.	Maintain minimum of 3% People with Disabilities representation.	People with disabilities' representation was 4.6% as at 31 March 2022.	None.	None.	N/A
Black representation was at 95.9% as at 31 March 2020.	Black representation was at 96.1% as at 31 March 2021.	Maintain minimum of 91.5% black representation.	Black representation was 96.3% as at 31 March 2022.	None.	None.	N/A

Actual Achievement 2019/2020	Actual Achievement 2020/2021	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	Strategy to overcome areas of under performance
Output: Capacity development interventions to address identified skills gaps.						
Output Indicator 4: Percentage implementation of Work Place Skills Plan (WSP) with defined targeted training interventions.						
95% development and implementation of WSP.	Development and 100% implementation of WSP for all employees was achieved.	Development and 100% implementation of branch-targeted WSP.	Branch-targeted WSP was developed. 100% of the WSP was implemented.	None.	None.	N/A
Output: Audit reports with recommendations as per the approved Internal Audit Plan.						
Output Indicator 5: 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: Implementation of Departmental Communication Strategy and Awareness Campaign Plan						
Output Indicator 6: Departmental Communication Strategy and Awareness Campaign implemented.						
2019/2020 Communication Strategy targets as indicated in the Implementation Plan were implemented.	Communication Strategy for 2020/2021 was implemented.	2021/2022 Communication Strategy targets implemented as per Implementation Plan.	2021/2022 Communication Strategy targets were implemented as per Implementation Plan.	None.	None.	N/A
	Communication Strategy for 2021/2022 was reviewed.	2022/2023 Departmental Communication Strategy and Awareness Campaign Plan reviewed.	2022/2023 Departmental Communication Strategy and Awareness Campaign Plan was reviewed.	None.	None.	N/A
Output: Departmental expenditure to contribute to the Government's economic transformation agenda.						
Output Indicator 7: Percentage procurement of goods and services from Broad-Based Black Economic Empowerment (B-BBEE) compliant businesses and SMMEs.						
100% of expenditure on procurement from enterprises on B-BBEE contributor status Levels 1 to 5 was achieved.	100% of expenditure achieved on procurement from enterprises on B-BBEE contributor status Levels 1 to 5 was achieved.	100% of expenditure achieved on procurement from B-BBEE compliant enterprises.	100% of expenditure was achieved on procurement from enterprises on B-BBEE contributor status Levels 1 to 5.	None.	None.	N/A
-	61.79% expenditure on procurement of goods and services from SMMEs was achieved.	Minimum 30% expenditure achieved on procurement of goods and services from SMMEs.	61.08% expenditure on procurement of goods and services from SMMEs was achieved.	None.	None.	N/A

Actual Achievement 2019/2020	Actual Achievement 2020/2021	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	Strategy to overcome areas of under performance
Output Indicator 8: Number of initiatives implemented to support Tourism Sector Recovery Plan.						
-	-	Targeted procurement of commercial venues for Departmental conferences and meetings to support tourism sector recovery.	Targeted procurement of commercial venues for Departmental conferences and meetings in line with the Framework was implemented.	None.	None.	N/A
Output Indicator 9: Percentage invoices paid within prescribed timeframes.						
-	Payment was made of all compliant invoices within 30 days, including SoEs and municipalities.	Payment of all compliant invoices within 30 days including State-owned Enterprises (SoEs) and municipalities.	95.5% Payments of all compliant invoices within 30 days including State-owned Enterprises (SoEs) and municipalities were made.	Off target by 4.5%.	Late submission of invoices by end-users to Finance for payment.	Corporate Management is working with programmes on strengthening Internal Controls.
Output: Promotion of reasonable access and gender equity.						
Output Indicator 10: Number of initiatives implemented to promote reasonable access.						
-	Eight initiatives to promote reasonable access were implemented.	Seven initiatives implemented to promote reasonable access.	Seven initiatives to promote reasonable access were implemented.	None.	None.	N/A
Output Indicator 11: Number of initiatives implemented to promote gender equity.						
-	Eight initiatives to promote gender equity were implemented.	Eight initiatives implemented to promote gender equity.	Eight initiatives to promote gender equity were implemented.	None.	None.	N/A
Output: Achieve good corporate governance.						
Output Indicator 12: Number on initiatives implemented to promote integrity and ethical conduct.						
-	11 initiatives to promote integrity and ethical conduct were implemented.	11 initiatives implemented to promote integrity and ethical conduct.	11 initiatives to promote integrity and ethical conduct were implemented.	None.	None.	N/A

Narrative of Highlights

2021/2022 was the first year of the implementation of the National Treasury reduction of baseline which included budget cuts within Compensation of Employees, resulting in several previously funded positions declared unfunded. While the target on 10% vacancy rate was achieved, the target on 50% female representation at Senior Management Services was impacted.

The Department implemented various initiatives to promote reasonable access and gender equity in the workplace. Gender Forum and Disability Management Forum were utilised as platforms to discuss and advocate for gender and diversity mainstreaming in the Department. The Department has also institutionalised the implementation of the sexual harassment policy including the designation of the Sexual Harassment Advisor while creating awareness on the policy and procedure processes.

COVID-19 and the various adjusted alert levels continued to present challenges in the implementation of the Communication Strategy and its Implementation Plan, resulting in the adoption of creative ways of communication. The implementation of targeted procurement contributed to both the government's economic transformation agenda and TSRP.

Changes to planned targets

None.

Sub-Programme Expenditure

Sub-Programme Name	2021/2022			2020/2021		
	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	37 659	37 659	-	29 718	29 717	1
Management	2 497	2 497	-	2 545	2 545	-
Corporate Management	156 204	156 204	-	173 138	173 138	-
Financial Management	63 841	63 841	-	50 867	50 866	1
Office Accommodation	28 295	28 295	-	33 554	33 553	1
Total	288 496	288 496	-	289 822	289 819	3

4.2 Programme 2: Tourism Policy, Research 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 2019/2020	Actual Achievement 2020/2021	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	Strategy to overcome areas of under performance
Outcome: Increase the tourism sector's contribution to inclusive economic growth.						
Output: Monitoring and Evaluation Reports produced.						
Output Indicator 1: Number of Monitoring and Evaluation Reports produced.						
<ul style="list-style-type: none"> 2017/2018 STR was published. Draft 2018/2019 STR was developed, which cover the performance of key tourism industries on an annual basis. 	<ul style="list-style-type: none"> 2018/2019 STR was finalised and published. Draft 2019/2020 STR was developed. 	Eight Monitoring and Evaluation Reports produced:				
		1. 2019/2020 State of Tourism (STR) finalised and published.	2019/2020 STR was finalised and published.	None.	None.	N/A
	Four Tourism Quarterly Performance Reports were produced.	2. Four Quarterly Tourism Performance Reports developed.	Four Quarterly Tourism Performance Reports were developed.	None.	None.	N/A
One Impact evaluation report on Departmental capacity-building programme was developed, which provides key outcomes of the evaluation of various human capacity development programmes implemented by the Department in the past five years.	Two Reports on the Impact Evaluation of COVID-19 on the tourism sector were produced.	3. Monitoring of the implementation of the Norms and Standards for Safe Operations in the sector.	Implementation of the Norms and Standards for Safe Operations in the sector was monitored.	None.	None.	N/A
		4. Two Reports on the impact Evaluation of COVID-19 on the tourism sector in South Africa developed.	Two Reports on the impact evaluation of COVID-19 on the tourism sector in South Africa were developed.	None.	None.	N/A
-	Monitoring of the implementation of the Tourism Relief Fund on tourism enterprises was conducted and preliminary impact evaluation of the impact was developed.	5. Three TSRP Implementation Reports developed.	Three TSRP Implementation Reports were developed.	None.	None.	N/A
2018/2019 NTSS Implementation Report was developed. The implementation mechanisms by the 3 spheres of government in partnership with the industry were aligned to the five pillars of the NTSS.	2019/2020 NTSS Implementation Report was developed.	6. 2020/2021 NTSS Implementation Report developed.	2020/2021 NTSS Implementation Report was developed.	None.	None.	N/A

Actual Achievement 2019/2020	Actual Achievement 2020/2021	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	Strategy to overcome areas of under performance
Output: Regulatory initiatives for tourism growth and development.						
Output Indicator 2: Number of initiatives implemented to create an enabling policy and regulatory environment for tourism growth and development.						
The National Tourism Information and Monitoring System was developed.	<ul style="list-style-type: none"> Policy Review on Quality Assurance Framework was conducted. Report on the regulations in respect of the National Tourism Information and Monitoring System (NTIMS Regulations) was developed. Draft review of the Development and Promotion of Tourism in South Africa was developed. 	One initiative implemented: Review of the Tourism Policy: Green Paper on the Development and Promotion of Tourism in South Africa developed.	Review of the Tourism Policy: The draft Green Paper on the Development and Promotion of Tourism in South Africa was developed. The document has been submitted to the Executive Authority for consideration.	The Green Paper is in draft.	The finalisation of the Green Paper requires sign off by the Executive Authority. As at the end of the reporting period, the sign off was still being processed.	N/A
Output: South African Tourism (SA Tourism) oversight reports developed.						
Output Indicator 3: Number of SA Tourism oversight reports developed.						
-	Four reports on Governance and Performance of SA Tourism were produced for oversight purposes.	Four Reports on Governance and Performance of SA Tourism developed for oversight purposes.	Four Reports on Governance and Performance of SA Tourism developed for oversight purposes were developed.	None.	None.	N/A
Output: Information and Knowledge Systems developed and implemented.						
Output Indicator 4: Number of Information and Knowledge Systems developed and implemented.						
-	-	³Two systems developed and implemented:				
-	-	An Integrated Tourism Knowledge System implemented.	An Integrated Tourism Knowledge System was implemented.	None.	None.	N/A
-	-	Data collection and verification conducted in line with the NTIMS Regulations.	Data collection and verification was conducted in line with the NTIMS Regulations.	None.	None.	N/A

³ Refer to page 31 of the APP. The planned target was two systems, and not three systems as reflected in the MTEF table (Refer to page 28 of the APP).

Actual Achievement 2019/2020	Actual Achievement 2020/2021	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	Strategy to overcome areas of under performance
Output: South Africa tourism showcased at priority markets.						
Output Indicator 5: Number of fora prioritised to advance South Africa's tourism interests at regional, continental and global level through multilateral other groupings.						
-	<ul style="list-style-type: none"> Sharing of Best Practices Workshop 2021 targeted at African countries with whom SA signed tourism agreements was hosted on 2 March 2021 virtually. Report on the leveraging of tourism bilateral relations to advance national priorities was developed. 	Advance South Africa's tourism interests at regional, continental and global level through participation in six G20, SADC, AU, BRICS, UNWTO and IORA.	South Africa's tourism interests at regional, continental and global level through participation in six G20, SADC, AU, BRICS, UNWTO and IORA were advanced.	None.	None.	N/A
Output: Initiatives facilitated for Regional Integration.						
Output Indicator 6: Number of outreach programmes to the Diplomatic Community implemented.						
-	-	Four Outreach Programmes to the Diplomatic Community implemented	Four Outreach Programmes to the Diplomatic Community were implemented.	None.	None.	N/A

Narrative of Highlights

In the financial year 2021/2022, the Department evaluated two projects, namely, the impact of COVID-19 on the tourism sector in South Africa and monitoring of compliance with implementation of the Norms and Standards for Safe Operations in the Sector. The second survey on the impact of COVID-19 on the tourism sector shows that:

- Most of the tourism businesses were not operational in March - August 2021. Between September 2021 and February 2022, more tourism businesses started operating at 25% capacity or less. However, a third of tourism businesses were not operational from September 2021 to February 2022 due to the emergence of the Omicron variant in South Africa. November to February is high season in South Africa. This is when most tourists come to the country and the local holidays fall during this season.

- On average, tourism businesses reported that they lost 73% of their bookings due to international travel bans imposed in November 2021. The tour operators and guides reported having lost an average of 87.3% of their bookings as a result of the November 2021 international travel bans.

The monitoring of compliance with implementation of Norms and Standards revealed that:

- On the promotion of the use of contact tracing application, about 34.5% (125) of enterprises were uncertain on the use of contact tracing Annual Performance Plans. Despite the high percentage of uncertainties, 30.0% (106) and 15.6% (55) of enterprises agree and strongly agree that their enterprise promote the use of contact tracing APPs respectively. Only 12.5% (44) disagree with the stance, whilst a further 6.5% (23) strongly disagree.

- On the communication of health guidelines to guests ahead of a possible trip and where possible, upon arrival at an attraction or establishment, about 43.8% (154) and 32.4% (114) of enterprises agree and strongly agree that they communicate health guidelines to guests ahead of a possible trip and upon arrival at the attraction or establishment respectively. Although 18.8% (66) of enterprises were uncertain regarding the above Norms and Standards, 3.4% (12) disagreed, whilst 1.7% (6) strongly disagreed.
- On the implementation of signage on protocols and physical distancing in their establishments, about 46.7% (165) of enterprises agree, whilst 33.1% (117) strongly agree that the measures are in place and are communicated through signage. Although 15.6% (55) of enterprises were uncertain and neutral, 3.4% (12) disagreed, with a further 1.1% (4) strongly disagreeing with the stance.

The National Tourism Information and Monitoring System (NTIMS) was built using a 3-Tier web application architecture and therefore provides a technological platform for integrating various knowledge systems within the Department. The Department embarked on a process to integrate knowledge systems internally, using the NTIMS as a platform. The integration of the NTIMS will allow the Department to link various knowledge systems physically and functionally to become one knowledge system. The core benefits for undertaking this system integration exercise include among others:

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

In the financial year 2021/2022, the Department successfully implemented the Integrated Tourism Knowledge System by integrating the Tourism Complaints Management System and the NTIMS, to create a central digital gateway for knowledge services. This central digital gateway will serve as a platform to integrate additional information and knowledge sub-systems.

The Department was tasked to conduct data assurance on data collected from tourism stakeholders. In the financial year 2021/2022, the Department collected Tourism data from various Organs of State in line with the NTIMS regulations. The collected data further underwent a comprehensive verification and quality assurance process. The collected information is vital for strategic planning and policy formulation purposes.

Though implementation of the NTSS approved by Cabinet in December 2017 experienced a shift as a result of COVID-19 impacts, monitoring and reporting through the implementation mechanisms continued. The implementation mechanisms include the National Tourism Stakeholders Forum which was convened twice in the financial year and the NTSS Work Streams aligned to the five pillars of the NTSS, namely, Facilitating Ease of Access, Effective Marketing, Visitor Experience, Destination Management, Broad-Based Benefits.

Implementation of the TSRP commenced in the 2021/2022 financial year. The Plan which reinforces the NTSS was advanced as a response by the tourism sector to address multiple challenges brought by the outbreak of the COVID-19 pandemic, including business closures and massive job losses; amongst others. Aligned to the ERRP, the TSRP outlines a set of interventions anchored on three strategic pillars/themes, seven strategic interventions and four key enablers to support sector recovery.

Changes to planned targets

None.

Sub-Programme Expenditure

Sub-Programme Name	2021/2022			2020/2021		
	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	6 246	5 441	805	6 265	5 663	602
Research and Knowledge Management	27 346	26 230	1 116	22 991	21 536	1 455
Policy Planning and Strategy	10 970	10 816	154	10 859	10 746	113
South African Tourism	1 297 038	1 297 038	-	423 027	423 027	-
International Relations and Cooperation	20 971	19 032	1 939	19 003	18 557	446
Total	1 362 571	1 358 557	4 014	482 145	479 529	2 616

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 2019/2020	Actual Achievement 2020/2021	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	Strategy to overcome areas of under performance
Outcome: Increase the tourism sector's contribution to inclusive economic growth.						
Output: Destination enhancement and route development projects implemented to diversify tourism offerings and enhance visitor experience in identified priority areas.						
Output Indicator 1: Number of destination planning and investment coordination initiatives undertaken.						
Budget resort network and brand concept was developed.	1. Institutional arrangements for budget resort network and brand were finalised. 2. Brand and network concept was piloted with key stakeholders.	Five destination planning and investment coordination initiatives undertaken:				
		1. Pilot the budget resorts network and brand concept.	The budget resorts network and brand concept was piloted.	None.	None.	N/A.
-	Development of tourism implementation plans through the District Development Model was done in three pilots: • OR Tambo District • Waterberg District • eThekweni Metro	2. Incorporate prioritised initiatives from tourism spatial masterplans into <i>One Plan</i> for the following DDM districts: • OR Tambo District • eThekweni Metro • Pixley ka Seme District • Namakwa District	Prioritised initiatives from tourism spatial masterplans were incorporated into <i>One Plan</i> for the following DDM districts: • OR Tambo District. • eThekweni Metro • Pixley ka Seme District. • Namakwa District.	None.	None.	N/A.
A pipeline of nationally prioritised tourism investment opportunities was managed.	-	3. A pipeline of nationally prioritised tourism investment opportunities (<i>Greenfield Projects</i>) managed.	A pipeline of nationally prioritised tourism investment opportunities (<i>Greenfield Projects</i>) was managed ⁴ .	None.	None.	N/A.
-	-	4. A database of distressed high-impact tourism projects (<i>Brownfield Projects</i>) managed.	A database of distressed high-impact tourism properties (<i>Brownfield Projects</i>) was managed ⁵ .	None.	None.	N/A.
-	-	5. Four investment promotion platforms facilitated.	Four investment promotion platforms were facilitated.	None.	None.	N/A.

4 Through a consultative process involving all Provinces, a pipeline of projects has been identified for progressive implementation. The Department assists by evaluating project concepts, project packaging and promotion and facilitating discussion between project owners and potential investors at various investment platforms.

5 Through a consultative process involving all Provinces, a pipeline of projects has been identified for progressive implementation. The Department assists by evaluating project concepts, project packaging and promotion and facilitating discussion between project owners and potential investors at various investment platforms.

Actual Achievement 2019/2020	Actual Achievement 2020/2021	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	Strategy to overcome areas of under performance
Output Indicator 2: Number of destination enhancement initiatives supported.						
<ul style="list-style-type: none"> The implementation of interpretative signage in Kruger National Park was supported. The implementation of interpretative signage in Golden Gate Highlands National Park was supported. The implementation of interpretative signage in Kgalagadi WHS was supported. The implementation of interpretative signage in the Marakele National Park was supported. The implementation of interpretative signage in the Addo Elephant National Park was supported. 	Infrastructure Maintenance Programme was implemented in three National Parks: <ul style="list-style-type: none"> Marakele Addo Karoo National Parks. 	Three destination enhancement initiatives supported:				
		1. Infrastructure Maintenance Programme implemented in 19 National Parks ⁶ .	Infrastructure Maintenance Programme was implemented in all 19 National Parks as targeted.	None.	None.	N/A
		2. Infrastructure Maintenance Programme implemented in one State-owned assets in all provinces.	Infrastructure Maintenance Programme was implemented in one State-owned assets in all provinces.	None.	None.	N/A.
-	-	3 Support the implementation of 30 Community-based Tourism Projects. ⁷	The Implementation of 30 Community-based Tourism Projects was supported as targeted.	None.	None.	N/A.

6 19 National Parks: EC Addo National Park, EC Camdeboo, EC Mountain Zebra, WC Garden Route (Knysna, Wilderness), EC Tsitsikamma, NC Karoo, FS Golden Gate, NW Marakele, LP Mapungubwe, NC Kgalagadi, NC Augrabies, NC Namakwa, NC Richtersveld, WC Agulhas, WC Bontebok, WC Table Mountain, WC West Coast, WC Tankwa-Karoo, MP Kruger.

7 30 Community-based Tourism Projects: LP Phiphidi Waterfall, LP The Oaks Lodge, LP Matsila Lodge, LP VhaTsonga Village, MP Mnisi Resort, LP Ngove, LP Tisane, FS QwaQwa 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 Tembuland, KZN Anton Lembede Museum eThekweni Municipality, NC McGregor Museum, KZN AmaHlubi Cultural Heritage, NC and NW Sol Plaatjie Museum, NW Lehurutshe Liberation Heritage Museum, MP Numbi Gate, LP Nandoni Dam, LP Tshathogwe Game Farm, LP Mtititi Game Farm, LP Mapate Recreational Social Tourism Facility.

Actual Achievement 2019/2020	Actual Achievement 2020/2021	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	Strategy to overcome areas of under performance
Output Indicator 3: Number of work opportunities created through Working for Tourism projects.						
-	2 772 Work opportunities through Working for Tourism projects were created.	3 826 Work opportunities created	5 328 Work opportunities were created.	1 502 additional Work opportunities were created.	Some projects which commenced in 2020/2021 and were delayed because of the COVID-19 lockdown restrictions in the tourism sector were able to continue in 2021/2022. In addition to this some skills projects which by design enrol large number of youth commenced in quarter three of 2021/2022. The easing of the lockdown restrictions in the tourism sector, the overlap of the projects from 2020/2021 and commencement of high labour-intensive projects in 2021/2022 led to more work opportunities being created than originally planned.	N/A.

Narrative of Highlights

With the inception of the DDM Model, the Department has been able in seamlessly incorporate aspects of the Wild Coast masterplan into the inaugural DDM One plan for OR Tambo District, and has subsequently guided other districts in their data collection and compilation of One Plan, namely: -

- Incorporated prioritized elements of earlier masterplans/spatial plans into the One Plans of the following Districts:
 - OR Tambo District;
 - eThekweni Metro; and
 - Pixley ka Seme District.
- Provided coordination and support to DDM planning in the following Districts:
 - Spatial databases of tourism in the following areas mapped - Pixley ka Seme and Namakwa;
 - Mapped data for tourism concepts under development within two Northern Cape master planned areas; and

- Mapped data for tourism nodes within the Pixley ka Seme and Namakwa Districts.

Implementation of a pipeline of nationally prioritised tourism investment opportunities (Greenfield Projects) was managed. This was done through a consultative process involving all Provinces. A pipeline of projects was identified for progressive implementation. The Department assists by evaluating project concepts, project packaging and promotion and facilitating discussion between project owners and potential investors at various investment platforms.

Changes to planned targets

None.

Sub-Programme expenditure

Sub-Programme Name	2021/2022			2020/2021		
	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	115 207	114 654	553	15 997	15 515	482
Tourism Enhancement	17 059	16 298	761	15 686	14 820	866
Destination Planning and Investment Coordination	20 850	20 850	-	21 182	20 559	623
Working for Tourism	377 408	375 383	2 025	389 844	376 601	13 243
Total	530 524	527 185	3 339	442 709	427 495	15 214

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 2019/2020	Actual Achievement 2020/2021	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	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.						
Four incentive programmes implemented: 1. Market Access Support Programme. 2. Tourism Grading Support Programme. 3. Green Tourism Incentive Programme. 4. Tourism Transformation Fund.	-	Two incentive programmes implemented:				
		1. Tourism Equity Fund (TEF) applications approved in 2021/2022 (four Adjudication meetings held). 2. Green Tourism Incentive Programme (GTIP) applications approved in 2021/22 (four Adjudication meetings held).	The TEF applications were not approved in 2021/2022 (four Adjudication meetings were not held). 11 Adjudication meetings were held and 52 GTIP applications were approved.	No TEF applications were approved. Seven more Adjudication meetings were held.	The processing and adjudication of TEF applications is currently halted temporarily through a court interdict. Revised and improved processes resulted in quicker turn-around times.	The Department has ensured that the facility remains capitalised in order to expedite implementation once the legal challenges are resolved. N/A
Output: Programme aimed at stimulating domestic tourism implemented.						
Output Indicator 2: Number of programmes implemented to stimulate domestic tourism growth.						
Domestic Tourism Incentive Scheme to increase tourist numbers in partnership with SANParks was implemented at five National Parks: <ul style="list-style-type: none"> • Kruger National Park • Addo National Park • Augrabies Falls National Park • Golden Gate National Park • Marakele National Park. 	Domestic Tourism Scheme was implemented as follows: <ul style="list-style-type: none"> • KwaZulu-Natal: 10 - 11 November 2020. • Gauteng: 5 - 6 March 2021. • North West: 11 - 12 March 2021. • Western Cape: 15 - 16 March 2021. 	One programme implemented:				
		Implementation of Domestic Tourism Scheme.	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. 	None.	None.	N/A.

Actual Achievement 2019/2020	Actual Achievement 2020/2021	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	Strategy to overcome areas of under performance
Output: Increase participation of the SMMEs in the Tourism Sector for inclusive economic growth.						
Output Indicator 3: Number of programmes implemented to increase participation of the SMMEs in the Tourism Sector for inclusive economic growth.						
Four existing incubators were supported. The incubators provided business incubation services (capacity-building, finance, marketing, website development and social marketing) to up to 50 tourism businesses in of the following each incubator: <ul style="list-style-type: none"> • Pilanesberg • Manyeleti • Phalaborwa • Mier 	Three incubators were fully implemented: <ol style="list-style-type: none"> 1. Manyeleti Tourism Incubator 2. Phalaborwa Tourism Incubator 3. Mier Tourism Incubator <ul style="list-style-type: none"> • Memorandum of Agreement was signed with the implementing agent for Technology Innovation Incubator. • Recruitment of programme beneficiaries was finalised. • Diagnostic needs assessment was initiated. <p>The Call for Application was issued for Tour Operator Incubator. Needs assessment for applicants was finalised. The service provider was appointed.</p>	<p>One programme:</p> <p>Incubation Programme implemented to support tourism SMMEs through the following Incubators (Business support and development):</p> <ol style="list-style-type: none"> 1. Manyeleti Incubator 2. Phalaborwa Incubator 3. Mier Incubator 4. Tech Incubator 5. Tour Operator incubator 6. Food Services Incubator 7. Two community-based enterprises incubation programmes. 	Six out of seven elements of the incubation programme were implemented to support tourism SMMEs (Business support and development): <ol style="list-style-type: none"> 1. Manyeleti Incubator 2. Phalaborwa Incubator 3. Mier Incubator 4. Tech Incubator 5. Tour Operator incubator 6. Food Services Incubator 	One element of the Programme was not implemented: Two community-based (CBT) enterprises incubation programmes. <p>Significant work was done in the implementation of this Programme. This included site visits to 10 projects across the country, from which 8 projects were found to be ready.</p>	As this was a pilot, the Department did not anticipate that the project would entail as much preparatory work as it did prior to commencing with the process to appoint service provider(s). <p>The Terms of Reference (ToR) had been developed.</p>	Should the NT restrictions not be lifted, an application will be made to the NT in the first quarter of 2022/2023 financial year, to seek an exemption from the moratorium imposed on procurement above the threshold of R30 000.00. <p>Procurement of a service provider and implementation of the community-based enterprises incubation programmes will therefore overlap into the next financial year subject to NT granting the exemption.</p>

Actual Achievement 2019/2020	Actual Achievement 2020/2021	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	Strategy to overcome areas of under performance
Output Indicator 4: Number of initiatives implemented to increase participation of women in the tourism sector.						
One capacity-building initiative implemented for the WiT Programme capacity-building initiatives (Business Development and Training Session) was implemented.	<ul style="list-style-type: none"> Procurement process was initiated for appointment of implementing agent. Criteria for selection of programme beneficiaries was finalised. 	Two initiatives implemented: 1. Implementation of Women in Tourism Business Development and Support Programme for 225 women: 25 women owned SMMEs per province (nine provinces).	Women in Tourism Business Development and Support Programme for 225 women: 25 women-owned SMMEs per province (Nine Provinces) was implemented for 181 women. The breakdown for the 181 women-owned SMMEs in Women in Tourism Business Development and Support Programme is as follows: <ul style="list-style-type: none"> GP: 47 NC: 14 EC: 20 WC: 18 NW: 13 KZN: 15 MP: 19 Limpopo: 21 FS: 14 	Off target by 44 women-owned SMMEs. Off target as follows in the following provinces: <ul style="list-style-type: none"> NC: (-11) EC: (-5) WC: (-7) NW: (-12) KZN: (-10) Limpopo: (-4) FS: (-11) MP: (-6) GP: (+22) 	The reason for more women-owned SMMEs in GP (22 more) is that there was more demand in GP than in other provinces. Furthermore, it was also to mitigate against the risk of potential drop outs.	Recruitment of more women owned SMMEs in Women-in-Tourism Business Development and Support Programme will be undertaken in the next financial year as the project duration is 18 months.
-	UNWTO WiT Pilot Project was implemented in Limpopo Province.	2. Implementation of UNWTO Women in Tourism Pilot Programme in Limpopo Province: Vhembe and Mopani Districts.	UNWTO Women-in-Tourism Pilot Programme in Limpopo Province: Vhembe and Mopani Districts was implemented.	None.	None.	N/A

Actual Achievement 2019/2020	Actual Achievement 2020/2021	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	Strategy to overcome areas of under performance
Output: Prioritised programmes implemented to enhance visitor service and experiences.						
Output Indicator 5: Number of programmes implemented to enhance visitor service and experiences.						
-	-	Two programmes implemented to enhance visitor services and experience:				
		1. Implementation of Service Excellence programme (SANS 1197) in two provinces to enhance service levels standards of tourism products: <ul style="list-style-type: none"> Northern Cape Province Limpopo Province. 	Service Excellence Programme (SANS 1197) in two provinces to enhance service levels standards of tourism products was implemented: <ul style="list-style-type: none"> Northern Cape Province Limpopo Province 	None.	None.	N/A.
Tourism Monitors Programme was implemented in all provinces in terms of deployment of Tourism Monitors in identified tourism attractions aligned to the safety hotspots in all the provinces.	-	2. Implementation of the Tourism Monitors Programme nationally in line with the project plans: <ul style="list-style-type: none"> Provinces: GP, WC, NC, EC, LP, FS, KZN, NW, MP SANBI SANParks 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 SANBI, SANParks and iSimangaliso.	The Programme was not implemented in Limpopo province.	The bid evaluation process identified irregularity. The Department then took a decision to restart the procurement process.	Should the NT restrictions not be lifted, an application will be made to the National Treasury in the first quarter of 2022/2023 financial year, to seek an exemption from the moratorium imposed on procurement above the threshold of R30 000.00. Procurement of a service provider and implementation of the Tourism Monitors Programme for Limpopo Province will therefore overlap into the next financial year subject to NT granting the exemption.
Output: Enhance skills in the tourism sector.						
Output Indicator 6: Number of capacity building programmes implemented.						
20 Tourist Guides were trained in Mandarin language (Cape Town, Mdantsane Langa, Mitchell's Plain, Dobsonville, Pretoria, Lusikisiki, Tembisa, Khayamandi, King Williams Town, Johannesburg, Krugersdorp, Plettenberg Bay).	One programme to capacitate Tourist Guides was implemented. The programme commenced on 20 January 2021 and concluded on 20 March 2021 with a total of 20 Tourist Guides.	Ten capacity-building programmes implemented:				
		1. One programme to capacitate tourist guides implemented in the following provinces in line with the project plans: <ul style="list-style-type: none"> NW NC FS 	One programme to capacitate tourist guides was implemented in the following provinces in line with project plans. <ul style="list-style-type: none"> NW NC FS 	None.	None.	N/A.

Actual Achievement 2019/2020	Actual Achievement 2020/2021	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	Strategy to overcome areas of under performance
Food Safety Quality Assurer Programme targeting 1 500 youth was not implemented.	The tender was advertised, and the service providers were appointed to implement the project in Western Cape and Gauteng provinces.	2. Food Safety Quality Assurer Programme with training on norms and standards for safe tourism operations, including COVID-19 Protocols implemented in the three provinces (KZN, WC and GP) in line with the targeting 300 unemployed and retrenched youth.	The programme was implemented in two of the three provinces: Food Safety Quality Assurer Programme with training on norms and standards for safe tourism operations, including COVID-19 Protocols was implemented in WC and GP in line with project plans, targeting 300 unemployed and retrenched youth.	The Programme was not implemented in KwaZulu-Natal.	No suitable service provider could be appointed on two occasions when the bid was advertised. However, the ToRs were reviewed.	Should the NT restrictions not be lifted, an application will be made to the National Treasury in the first quarter of 2022/2023 financial year, to seek an exemption from the moratorium imposed on procurement above the threshold of R30 000.00. Procurement of a service provider and implementation of the Food Safety Quality Assurer Programme will therefore overlap into the next financial year subject to NT granting the exemption.
-	-	3. Chef/Professional Cookery with training on norms and standards for safe tourism operations, including COVID-19 Protocols implemented in the three provinces (NW, FS and NC) in line with the project plans targeting 300 for unemployed and retrenched youth.	Chef/Professional Cookery programme was implemented in two out of three provinces. The programme with training on norms and standards for safe tourism operations, including COVID-19 Protocols implemented in the FS and NC Provinces in line with the project plan, targeting 300 unemployed and retrenched youth.	The programme was not implemented in the North West Province.	The recommended service provider could not be appointed due to legal processes that are currently underway by the Department.	Should the NT restrictions not be lifted, an application will be made to the National Treasury in the first quarter of 2022/2023 financial year, to seek an exemption from the restriction imposed on procurement above the threshold of R30 000.00. Procurement of a service provider and implementation of the Chef/Professional Cookery will therefore overlap into the next financial year subject to NT granting the exemption.
The programme started in 2017 as a 3-year programme with 300 learners. The Wine Service Training Programme targeting 269 youth was implemented. However, as at 31 March 2020, 241 youth remained in the programme due to drop-outs and other employment opportunities.	Wine Service Training Programme (Sommelier) targeting 252 youth was implemented.	4. Wine Service Training Programme (Sommelier) with training on norms and standards for safe tourism operations, including COVID-19 Protocols implemented in three provinces (KZN, WC and NC) in line with the project plans for 252 unemployed and retrenched youth.	The programme was implemented in two out of three provinces. The Wine Service Training Programme (Sommelier) with training on norms and standards for safe tourism operations, including COVID-19 Protocols was implemented KwaZulu-Natal and Western Cape Provinces in line with the project plan for 252 unemployed and retrenched youth.	The Programme was not implemented in NC Province.	Northern Cape was identified after completion of the planning phase. Unfortunately the planned and targeted number of 252 was not adequate to be spread across three provinces.	There are no plans to implement the Programme in the NC. The Programme for the WC and KZN Provinces will be completed in 2022/2023.

Actual Achievement 2019/2020	Actual Achievement 2020/2021	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	Strategy to overcome areas of under performance
<p>The target of 3 900 started in 2018 and carried over to 2019 with an enrolment of 3 650 out of which 788 graduated in 2019. As at 31 March 2020, 1 884 youth remained in the programme due to dropouts and other employment opportunities.</p> <p>The targeted 250 learners in the Free State could not be enrolled due to COVID-19. The selection and recruitment was to be from March 2020 and could not happen due to lockdown.</p>	<p>Hospitality Youth Programme (HYP) Fast Food implemented in the KwaZulu-Natal, Western Cape (Cluster 1 and 2), North West, Gauteng and Mpumalanga Provinces was finalised.</p>	<p>5. Hospitality Youth Programme (HYP) Food and Beverage with training on norms and standards for safe tourism operations, including COVID-19 Protocols implemented in all nine provinces in line with the project plans targeting 1 000 unemployed and retrenched youth.</p>	<p>The programme was implemented in three out of nine provinces.</p> <p>Hospitality Youth Programme (HYP) Food and Beverage with training on norms and standards for safe tourism operations including COVID-19 Protocols was implemented in three provinces (Eastern Cape - 100, Western Cape - 140 and Northern Cape - 100), in line with the project plan, targeting 1 000 unemployed and retrenched youth.</p>	<p>The programme was not implemented in six provinces (Gauteng, North West, Mpumalanga, Limpopo, KwaZulu-Natal and Free State Provinces).</p>	<p>The service providers could not be appointed for Cluster 1 (GP, FS and KZN) and Cluster 2 (MP, LP and NW Provinces) due to legal issues.</p>	<p>Should the NT restrictions not be lifted, an application will be made to the National Treasury in the first quarter of 2022/2023 financial year, to seek an exemption from the moratorium imposed on procurement above the threshold of R30 000.00.</p> <p>Procurement of a service provider and implementation of the Hospitality Youth Programme will therefore overlap into the next financial year subject to NT granting the exemption.</p>
<p>Executive Development Programme was implemented: 20 black women trained.</p>	<p>20 black women were enrolled in Executive Development Programme for WiT.</p>	<p>6. Twenty women enrolled in Executive Development Programme for WiT.</p>	<p>Twenty women were enrolled in Executive Development Programme for WiT.</p>	<p>None.</p>	<p>None.</p>	<p>N/A.</p>
<p>-</p>	<p>-</p>	<p>7. Thirty Chefs supported through Recognition of Prior Learning process for a qualification in line with the project plan.</p>	<p>Thirty Chefs were supported through Recognition of Prior Learning process for a qualification in line with the project plan.</p>	<p>None.</p>	<p>None.</p>	<p>N/A.</p>
<p>-</p>	<p>-</p>	<p>8. 225 SMMEs trained on norms and standards for safe tourism operations in all nine provinces targeting Villages, Townships, and Small Towns: 25 per provinces.</p>	<p>249 SMMEs were trained on norms and standards for safe tourism operations in all nine provinces targeting Villages, Townships, and Small Towns.</p>	<p>24 additional SMMEs were trained.</p>	<p>Additional enrolment of 24 SMMEs was done to mitigate the risk of non-attendance by the participants. The attendance below 225 would have contributed to the Department not meeting the target as planned.</p>	<p>N/A</p>
<p>National Tourism Careers Expo (NTCE) 2019 was hosted in partnership with NW, Department of Tourism and CATHSSETA.</p>	<p>-</p>	<p>9. National Tourism Careers Expo (NTCE) 2021 hosted.</p>	<p>National Tourism Careers Expo (NTCE) 2021 was hosted on 25-27 March 2022 in NASREC.</p>	<p>None.</p>	<p>None.</p>	<p>N/A.</p>

Actual Achievement 2019/2020	Actual Achievement 2020/2021	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	Strategy to overcome areas of under performance
-	-	10. Implementation of Educators Development Programme in all nine provinces.	Educators Development Programme was implemented in all nine provinces.	None.	None.	N/A.

Narrative of Highlights

The Women-in-Tourism (WiT) Programme commenced in 2013 as a platform to drive initiatives that support the development and empowerment of women in the tourism sector. This platform recognised the challenges faced by women entrepreneurs who are often found at the bottom end of the tourism economic value chain. It also identified interventions that will assist in realising the WiT agenda. Its focus areas included training on personal development, supporting women to develop a competitive advantage in their businesses and provision of capacity building initiatives. In the previous financial year, the Department was implementing the following Programmes:

- (i) Women-in-Tourism Business Development and Support Programme for 181 women-owned SMMEs nationally.
- (ii) A pilot project situated in the northern most province in South Africa, namely Limpopo in the Vhembe and Mopani Districts with the technical support of the UNWTO wherein support is provided to sites/project in the areas of Leadership and Skills Development, Supplier Development and Market Access and also SMME Development and Mentorship.

The Department implemented the Domestic Tourism Scheme in 2021/2022 in the Northern Cape, Gauteng and Limpopo provinces, highlighting the role and responsibility of tour operators to help contribute in making travel accessible, enabling the participation of people with modest income and previously marginalized groups in the society.

30 Chefs were taken through a Recognition of Prior Learning process for a qualification or designation. The project is aimed at recognising the experience of Chefs who do not have formal qualifications. The Chefs undergo a RPL process and get awarded an NQF Level 5 Artisan Chef qualification or designation by SA Chefs Association. About 80% of the candidates succeeded in the programme and will be awarded an NQF Level 5 Artisan Chef qualification or designation.

Changes to planned targets

None.

Sub-Programme Expenditure

Sub-Programme Name	2021/2022			2020/2021		
	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	4 258	4 259	(1)	6 142	6 143	(1)
Tourism Human Resource Development	27 276	27 064	212	19 215	18 605	610
Enterprise Development and Transformation	37 360	37 362	(2)	41 716	41 716	-
Tourism Visitor Services	23 439	23 439	-	22 252	22 147	105
Tourism Incentive Programme	271 414	271 414	-	122 859	106 795	16 064
Total	363 747	363 538	209	212 184	195 406	16 778

Progress on Institutional Response to the COVID-19 Pandemic

Programme	Intervention	Geographic location (Province/ District/ local municipality) (Where Possible)	Number of beneficiaries (Where Possible)	Disaggregation of beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Tourism Research, Policy and International Relations	Two reports on the impact of COVID-19 on the tourism sector. The intervention was conducted by the Department of Tourism nationally. Any study need to be budgeted for.	Nationally	Unknown since there is no sampling frame.	Province and sub-sector	R599 340.00.	R599 340.00.	The evaluation will measure the extent to which the tourism sector has been affected by the pandemic and its impact on job losses, income etc. This will provide evidence for the Department to devise strategies to minimise the impact of the pandemic on the tourism sector.	Save tourism enterprises from closing and prevent the loss of jobs and income.
	Monitoring the implementation of Norms and Standards for safe operations in the tourism sector. Identified tourism enterprises were covered by the monitoring process. The intervention was conducted by the Department nationally. For the intervention to be implemented to the end, the Norms and Standards need to be implemented.	Nationally	Unknown since there is no sampling frame.	Province and sub-sector	R0.00	R0.00	The monitoring process assisted in tracking progress on the part of tourism enterprises in complying with the set Norms and Standards.	This will ensure that problems with compliance are identified and addressed to prevent the spread of the pandemic.

Narrative Report on COVID-19 Interventions

Determination of beneficiaries:

The survey on the impact of COVID-19 on the tourism sector in South Africa was conducted through the use of tourism associations and other organisations like municipalities, in asking them to encourage their members to participate in the survey. Regarding the monitoring of compliance with implementation of Norms and Standards, databases within the Department were located and used to send the survey to beneficiaries to respond to the survey. Tourism enterprises provided their perceptions on how COVID-19 was affecting them, and how they felt complying with Norms and Standards affected them financially.

Provincial and local government readiness to implement interventions:

The two surveys were conducted online by the Department without the involvement of either the provincial or local government. However, provinces were also involved in the analysis of the findings. Some municipalities encouraged tourism enterprises to participate in the survey so that they could reveal how they were affected by COVID-19.

Challenges encountered during implementation of interventions and plans to mitigate challenges in subsequent quarters:

During the running of the two surveys, the response rate was low. However, project implementers kept on making follow-ups with tourism enterprises to increase the response rate. Furthermore, the period of running the survey was extended with the sole aim of improving the response rate.

Learnings from implementation of interventions and recommendations for improvement:

The two surveys ran well since they were conducted online. However, the response rate was low. In order to improve the response rate, online surveys need to be given three months to run other than a month.

Some of the findings from the second survey on the impact of COVID-19 on the tourism sector show that:

- Most of the tourism businesses were not operational from March - August 2021. Between September 2021 and February 2022, more tourism businesses started operating at 25% capacity or less. However, a third of tourism businesses were not operational from September 2021 to February 2022 due to the emergence of the Omicron variant in South Africa. November to February is high season in South

Africa. This is when most tourists come to the country, and the local holidays fall during this season.

- On average, tourism businesses reported they lost 73% of their bookings due to international travel bans imposed in November 2021. The Tour Operators and Guides reported having lost an average of 87.3% of their bookings because of the November 2021 international travel bans.

The monitoring of compliance with implementation of Norms and Standards revealed that:

- On the **promotion of the use of contact tracing APPs**, about 34.5% (125) of enterprises were uncertain on the use of contact tracing APPs. Despite the high percentage of uncertainties, 30.0% (106) and 15.6% (55) of enterprises agree and strongly agree that their enterprise promote the use of contact tracing APPs respectively. Only 12.5% (44) disagree with the stance, whilst a further 6.5% (23) strongly disagree.
- On the **communication of health guidelines to guests ahead of a possible trip**, and where possible, upon arrival at an attraction or establishment, about 43.8% (154) and 32.4% (114) of enterprises agree and strongly agree that they communicate health guidelines to guests ahead of a possible trip, and upon arrival at the attraction or establishment respectively. Although 18.8% (66) of enterprises were uncertain regarding the above Norms and Standards, 3.4% (12) disagreed, whilst 1.7% (6) strongly disagreed.
- On the **implementation of signage on protocols and physical distancing** in their establishments, about 46.7% (165) of enterprises agree, whilst 33.1% (117) strongly agree that the measures are in place and are communicated through signage. Although 15.6% (55) of enterprises were uncertain and neutral, 3.4% (12) disagreed, with a further 1.1% (4) strongly disagreeing with the stance.

5. TRANSFER PAYMENTS

5.1. Transfer payments to Public Entities

Legislative Mandate of South African Tourism Board

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

Functions of the South African Tourism Board:

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

Name of Public Entity	Key Outputs of the Public Entity	Amount transferred to the Public Entity	Amount spent by the Public Entity	Achievements of the Public Entity
SA 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 meetings destination and provide support for bids. 	R1 297 038 000-00	R1 297 038 000-00	<ul style="list-style-type: none"> • Number of international tourist arrivals achieved (April 2021 – February 2022): 2 417 452. • Number of domestic holiday trips achieved (April 2021 – February 2022): 3.7 million. • Total tourism revenue: R53.63 billion • TTFDS: R16.3 billion (April – December 2021). • TDDS: R37.3 billion achieved (April – December 2021). • Number of business events hosted in South Africa: Not yet available. • Number of bid submissions: 82 bid submissions • Number of accommodation establishments graded (April 2021 – March 2022): 3 605. • Number of graded rooms (April 2021 – March 2022): 89 075.

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), and the amounts transferred and the monitoring thereof are covered in a Memorandum of Agreement, Business Plan, Membership Agreement or Contract.

The table below reflects the transfer payments made for the period 1 April 2021 to 31 March 2022 to Departmental agencies, foreign governments and non-profit institutions.

	2021/2022			2020/2021		
	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
Departmental Agency / Account						
NTCE	4 129	3 918	211	-	-	-
TIA	3 000	3 000	-	3 000	3 000	-
Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA)	181	181	-	172	172	-
TOTAL	7 310	7 099	211	3 172	3 172	-
Tourism Incentive Programme						
TGSP	15 200	15 200	-	-	-	-
MASP	-	-	-	523	523	-
Tourism Transformation Fund	-	-	-	-	-	-
TEF	242 800	242 800	-	50 000	50 000	-
TOTAL	258 000	258 000	-	50 523	50 523	-
Foreign Government/ International Organisation						
UNWTO	2 641	2 437	204	3 055	2 998	57
TOTAL	2 641	2 437	204	3 055	2 998	57
Non-Profit Institutions						
Federated Hospitality Association of Southern Africa (FEDHASA)	431	431	-	-	-	-
TOTAL	431	431	-	-	-	-

The table below reflects the transfer payments made for the period 1 April 2021 to 31 March 2022

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 (R'000)	Reasons for the funds unspent by the Entity
TIA	Departmental Agency	For the implementation of the Tourism Technology Grassroots Innovation Incubation Programme (TTGIIP).	Yes	3 000	NIL	Reasons for underspending: - Delay in recruitment due to poor quality applications. - Delay in the contracting process due to provision of insufficient supporting documentation by innovators. - Funds to be spent in 2022/2023 financial year.
CATHSSETA	Departmental Agency	Fund projects that will advance the development of the sector and to fund its administration.	Yes.	181	181	No unspent funds.
TGSP	Departmental Agency	Provide incentive for qualifying tourism establishments to be graded.	Yes.	15 200	NIL	Funds to be spent in 2022/2023 financial year
TEF	Departmental Agency	To transform the tourism sector by providing funding to qualifying businesses to acquire ownership in tourism related businesses.	Yes	242 800	NIL	Funds to be spent in 2022/2023 financial year.
UNWTO	Foreign Government/ International Organisation	Remit South Africa's annual membership fee to UNWTO.	Yes	2 437	2 437	No unspent funds.
FEDHASA	Non-profit Institution	To fund the implementation of Educator Development Programme in nine provinces.	Yes	431	78	Funds to be spent in 2022/2023 financial year.
Gauteng Tourism Authority	Departmental Agency	Paying for the hosting of National Tourism Career Expo.	Yes	3 918	3 918	No unspent funds.

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 2021 to 31 March 2022.

6.2. Conditional Grants and Earmarked Funds received

There were no Conditional Grants and Earmarked Funds received for the period 1 April 2021 to 31 March 2022.

7. DONOR FUNDS

7.1. Donor Funds Received

The table below disclose details of Donor Funds received during the period 1 April 2021 to 31 March 2022.

Donor Fund- European Union

Name of Donor	European Union
Full Amount of the Funding (R'000)	R57 610
Period of Commitment	Three years - extended by a further year.
Purpose of the Funding	Construction of an interpretive and interactive visitor information centre at the UNESCO proclaimed Baviaanskloof World Heritage Site.
Expected Outputs	Baviaanskloof World Heritage Site Interpretive and Visitor Information Centre.
Actual Outputs achieved	Baviaanskloof World Heritage Site Interpretive and Visitor Information Centre has been completed.
Amount Received (R'000)	R 34 810
Amount Spent by the Department (R'000)	R 34 810
Reasons for Unspent Funds	None
Monitoring Mechanism by the Donor	Reporting structure via National Treasury.

10. CAPITAL INVESTMENT

8.1. Capital Infrastructure Expenditure

The table below reflects expenditure on Capital Infrastructure Assets for the period 1 April 2021 to 31 March 2022.

Infrastructure projects	2021/2022			2020/2021		
	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
New and replacement assets						
Existing Infrastructure Assets						
- Upgrades and additions						
- Rehabilitation, renovations and refurbishments	206 256	206 256	-	240 143	240 143	-
- Maintenance and repairs	122 322	122 322	-	40 488	40 488	-
Infrastructure transfer						
- Current						
- Capital						
Total	328 578	328 578	-	280 631	280 631	-

PART

C

GOVERNANCE



1. INTRODUCTION

The Department committed to maintaining the highest standards of good governance. Good governance was seen as fundamental toward the effective and efficient management of public finances and promoting adequate utilisation of resources.

2. RISK MANAGEMENT

The Department for the period under review maintained an effective, efficient, and transparent system of risk management as required in terms of the Section 38 (a) (i) of the Public Finance Management Act (PFMA). The Department has an approved Risk Management Strategy and Policy. It has monitored implementation continuously. The Department conducted a review of strategic, operational, fraud and corruption risks and facilitated approval. New and emerging risks were assessed consistently and upon identification incorporated into the risk registers.

The Department's Top Management provided leadership on the implementation of the Risk Management Strategy and Policy. The Department had a duly constituted Risk Management Committee (RMC) chaired by an independent person and provided oversight over the implementation of the Risk Management Strategy and Policy. The Audit Committee independently monitored the effectiveness of the Risk Management Committee and provided assurance on the effectiveness of risk management measures within the Department.

Having finalised the strategic risk review, the focus will now be on mitigation of identified risks. The RMC Chairperson has highlighted the need to strengthen management capacity and improve reporting of risk information. The matter is receiving the Accounting Officer's attention to ensure that the risk management life cycle is adequately managed.

3. FRAUD AND CORRUPTION

The Department committed to zero tolerance with regard to fraud and corruption and adopted effective and efficient systems to prevent fraud and corruption within the Department. The Fraud Prevention Strategy, Fraud Prevention Policy, Information Security and Vetting Policies, were implemented to prevent incidents of fraud and corruption.

Those measures also assisted in driving initiatives to ensure that both employees of the Department and the public report any suspicious activities.

Ethics Awareness was prioritised as a deterrent to incidents of fraud and corruption. The Department also established mechanism for reporting fraud, corruption and promoted the use of the National Anti-Corruption Hotline (0800 701 701, toll free) to make confidential disclosure on all incidents of fraud and corruption. An efficient system was established for the investigation of allegations of fraud internally within the Department and externally through other agencies together with the implementation of appropriate disciplinary measures.

4. MINIMISING CONFLICT OF INTEREST

The Department implemented the Policy on Disclosure of Financial Interest by designated employees. All categories of employees (Senior Management Service, Middle Management Service, Occupation Specific Dispensation, employees in Finance and Supply Chain Management) identified for submitting financial disclosures complied and the Department achieved 100 % compliance for the period under review. The disclosures were submitted through the e-Disclosure System, quality assured by Ethics Officers and processed to the Public Service Commission where verification revealed zero instances of conflict of interest.

To enhance an ethical culture in the Department, the Department implemented the Policy on Remunerative Work Outside the Public Service and all employees were required to obtain prior approval to perform any other remunerative work outside their employment. All applications were evaluated by the Ethics Officers to confirm potential conflicts of interest before approval. The Department also implemented the Policy prohibiting employees from doing business with Organs of State and the Departmental Gift Policy to prevent conflict of interest. Employees serving in Selection and Adjudication Committees were required to declare conflict of interest. The Risk and Integrity Management Unit created awareness and promoted ethical conduct through training, information session and circulation of relevant articles.

5. CODE OF CONDUCT

The Department implemented the Departmental Values and facilitated compliance towards professionalism of the Public Service through the implementation of the Public Service Code of Conduct. The Department implemented induction of newly appointed employees and offered continuous awareness for existing employees as part of entrenching an ethical culture and excellent conduct in line with the Code of Conduct, while providing continuous awareness to existing employees. Awareness sessions were implemented through workshops, information session and the circulation of Circulars.

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

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Section 8 of the Occupational Health and Safety Act, 1993 (Act 85 of 1993) mandates the Department to provide and maintain as far as is reasonably practical a working environment that is safe and without risk to the health of employees. The Department implemented the approved Occupational Health and Safety Policy, conducted risk assessment, facilitated the identification of all possible hazards and strengthened implementation of mitigation plans.

The Occupational Health and Safety Committee was functional and provided oversight on Departmental Occupational Health and Safety (OHS) measures. Compliance to OHS Act, policy, risk assessment and COVID-19 protocols were monitored. During the period under review, COVID-19 was deemed critical and the Occupational Health and Safety Committee facilitated continuous monitoring and five meetings were convened to provide guidance during various adjusted alert levels.

7. PORTFOLIO COMMITTEES

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

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

7.1 PORTFOLIO COMMITTEE ON TOURISM (NATIONAL ASSEMBLY)

7.1.1 Briefing by the Department on the Annual Performance Plan (APP) for 2021/2022 - 2023/2024 financial year on 4 May 2021

The Committee welcomed the briefing by the Department on its 2021/2022 - 2023/2024 APP and discussed the following matters:

- CoE and assurance for internal capacity;
- Rural Areas (Villages, Townships and Small Towns);
- Youth, Women and People living with Disabilities;
- Master Plans and EPWP projects;
- Vaccination;
- Balance between tourism development and marketing;
- Temporary Employee Relief Scheme (TERS); and,
- Tourism Transformation Fund.

7.1.2 Briefing by the Banking Association South Africa (BASA) on its perspective on funding support provided by the Banking Sector to the tourism industry, especially SMMEs on 1 June 2021.

The following issues were discussed and raised for the BASA to consider:

- Awareness campaigns;
- Scammers;
- Assistance to SMMEs;
- Transformation;
- Awareness about Portfolio Committee objectives;
- Applications approvals;
- Collaterals and reduction in earnings; and
- Value propositions.

Note: The Department attended the meeting as an observer.

7.1.3 Briefing by the Department on the 2020/2021 Fourth Quarter Performance Report on 17 August 2021

The Committee welcomed the Report and the following issues were discussed:

- Roll-overs;
- TSRP;
- Best Practices Workshop;
- Rail Tourism Survey;
- Variance in the EPWP Programmes and Infrastructure projects;
- SANParks Maintenance projects;
- Rural Tourism (VTSD's);
- State of the Tourism Report (STR);
- Need for increased participation by women;
- Incubator Programmes;
- Prioritised support to Business and TERS;
- Vaccine Passports and roll out of the vaccine programme;
- Tourism Relief Fund; and
- Brand damage from recent civil unrests in KZN and Gauteng.

7.1.4 Engagement with Ministerial Advisory Panel for Tourism Policy Review on 31 August 2021.

The Committee welcomed the Advisory Panel's progress report and the following issues were discussed for the Review Panel to consider:

- Intergovernmental Relations;
- Strengthening the transformation policy;
- Rural divide;
- Funding of community tourism organisations;
- Free grading system; and
- Sustainable tourism and environment degradation.

7.1.5 Briefing by the Tourism Transformation Council of South Africa (TTCSA) on 7 September 2021

The Committee welcomed the TTCSA progress report and the following issues were discussed for TTCSA to consider:

- Definition of Transformation;
- Pace of Transformation;
- Employment patterns;
- Compliance and non-compliance;
- Partnerships; and
- Empowerment of Women.

7.1.6 Briefing by the Office of the Auditor-General of South Africa (AGSA) on the 2020/2021 Audit Outcomes of the Department of Tourism and SA Tourism on 9 November 2021

The Committee welcomed the briefing by AGSA and the following issues were discussed:

- Progress on the Audit Action Plans put in place by the Department and SA Tourism;
- Follow up on Irregular, Fruitless and Wasteful Expenditure incurred;
- Progress on the investigation and where applicable, recovery of relief funds and their impact on the objective of relief efforts by the government;
- Enforcement of the culture of consequence management in the Department and SA Tourism; and,
- Full implementation of the recommendations of AGSA.

7.1.7 Briefing by the Department on Annual Performance Report for 2020/2021 on 9 November 2021

The Committee welcomed the Department's 2020/2021 Annual Performance Report and discussed the following issues:

- Internal Control deficiencies;
- Vacancy rate;
- Assistance to Tourist Guides;
- Inadequate reviews of Provincial Registrars databases;
- Lines of accountability;
- Variances in the EPWP Programme;
- Leadership;
- Local content; and
- Conflict of interest.

7.1.8 Briefing by the Department of Employment and Labour (DEL) on employment patterns in the tourism sector on 30 November 2021

The Committee welcomed the briefing by the DEL and the following issues were discussed:

- Strengthening of collaboration to root out corruption and unfair labour practices in the system by government departments such as Justice, Tourism, Employment and Labour, Police, Home Affairs and others;
- Updating of the Committee on the work of the Inter-Ministerial Committee (IMC) on National Labour Migration Policy for South Africa;

7.1.9 Briefing by the Minister of Tourism on responses to issues raised by the Auditor-General on the Audit Outcomes for 2020/2021 financial year – 25 January 2022

The following issues were discussed:

- Tourist Guides;
- Nature of consequence management;
- Timeframes and list of issues raised by the AGSA;
- TOMSA Levy (also to be addressed by the Policy Review Process);
- Responsibilities of the Director-General in line with the PFMA;

- Internal Audit and Risk Management Units;
- Role of the Department on funds transferred to SA Tourism; and
- Referral of criminal matters to the State Attorney.

7.1.10 Briefing by the Department on First and Second Quarters Performance Report on 1 February 2022

The Committee welcomed the Department's First and Second Quarter Performance Reports and the following issues were discussed:

- Court interdict in relation to TEF;
- Quarterly reporting expenditure;
- Policy Review Process;
- Supply Chain Management;
- Impact of the Global Supply Chain on procurement;
- Irregular Expenditure of R960 000.00;
- Fruitless and Wasteful Expenditure;
- The R177 000.00 loss;
- Consequence Management;
- Transfer of funds to SEFA;
- Validity of documents;
- Presidential Youth Employment Stimulus (YES);
- Monitoring of Work Performance and the EMPDS
- Development of concept documents;
- Recruitment of the Chief Financial Officer;
- Vacancy Rate; and
- Stakeholder engagements and partnerships.

7.1.11 Briefing by the National and Provincial Registrars of Tourist Guides on the centralised database and provincial databases of Tourist Guides on 22 February 2022

The Committee welcomed the briefing by the National and Provincial Registrars of Tourist Guides and discussed the following issues:

- Illegal guiding and badges;
- Development side;
- Training providers
- Recovery of money paid to wrong beneficiaries;
- Standardisation of system; and,
- Remunerations scales.

7.1.12 Briefing by the Department on Infrastructure Projects (including both existing and discontinued projects) on 1 March 2022

The following issues were discussed:

- Monitoring mechanism;
- Budget and budget over-runs;
- Changed focus;
- Consequence management; and
- Implications of Constitutional Court judgements on procurement, that is, tenders to continue with the implementation of the projects.

7.1.13 Briefing by the Audit Committee and Risk Management Committee of the Department on the Audit Action Plan and response to matters raised by the AGSA on 8 March 2022

The Portfolio welcomed the briefing by the Audit Committee and Risk Management Committee and discussed the issue of repeat findings.

7.1.14 Briefing by the Tourism Business Council of South Africa (TBCSA) on the current state of affairs in the Tourism Sector – 15 March 2022

The Committee welcomed the briefing by TBCSA and the following issues were discussed:

- PCR testing requirements and the drive for vaccination;
- Urgent finding and implementation of NPTR solution (the Portfolio Committee on Transport may be able to assist in unblocking bottlenecks caused by the NPTR);
- Urgent attendance to air licensing backlog;
- Operations of Meetings, Conferences and Exhibitions (MICE) industry;
- Allowing spectators at stadiums to support tourism recovery;
- Constitutional Court Judgement on the Preferential Procurement Policy to inform the Committee's view;
- Reinstatement of significant and direct airline routes;
- Airport maintenance; and
- E Visas.

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

7.2.1 Briefing by the Department on the 2021/2022 APP on 11 May 2021

The Committee welcomed the briefing by the Department and discussed the following issues:

- The disruption of the tourism environment as result of the COVID-19 pandemic
- TSRP;
- Reignite domestic demand as the first phase of the recovery;
- Compensation of employees;
- Progress on the Interdict of AfriForum regarding the TEF;
- Collaboration of the Department with the Development Bank of Southern Africa (DBSA) on infrastructure programmes;
- Policy Review Panel and consultations with stakeholders; and
- DIRCO, Embassies and the Department of Trade, Industry and competition is driving the work of the Department.

7.2.2 Briefing by the Department on the Equity Fund Report on 15 June 2021

The Committee welcomed the briefing by the Department and the following matters were discussed:

- Clarification between the TEF and the TRF;
- Court case and its impact on Tourism Transformation;
- The Fund not making special provision for people with disabilities;
- 12-month payment holiday;
- Long term sustainability plans for the fund;
- Private partnerships and digital finance - sharing in the turnover of the business and no loan repayments;
- Different programme to attract investors for tourism products; and,
- Targets on black ownership.

7.2.3 Joint Oversight Visit to the Western Cape: City of Cape Town and West Coast District Municipality on 14 to 18 August 2021

The Joint Oversight Visit was undertaken for Cape Town and the West Coast District Municipality under the Theme: Resetting the Economy to boost economic growth, attract investments and create jobs in regional and local economies. The following were noted:

- The City of Cape Town has various programmes and policies to promote economic growth and tourism in the province.
- The West Coast District Municipality is the fastest growing economic region in the Western Cape and its higher levels of economic activity put pressure on infrastructure.

7.2.4 Briefing by the Tourism Policy Review Panel on Progress – 30 November 2021

The Committee welcomed the briefing by the Tourism Policy Review Panel and the following issues were discussed:

- More clarity on the review process;
- Problem statement regarding the White Paper to assist the Committee to understand the weaknesses of the White Paper on Tourism Development of 1996;
- What must be done to stimulate domestic and regional tourism to offset the decline in international tourism;
- Areas that need to be updated due to various developments in the tourism sector and environment;
- Inclusion of areas such as economic digital transformation and rural tourism;
- Another perspective provided by COVID-19 on the relevance of the White Paper;
- Tourism safety;
- Movement of issuing of licenses for tour operators and grading to the Department of Tourism;
- Promotion of tourism in rural areas;
- How will Departmental overlaps be addressed? - coordinate portfolios that affect tourism move some functions, for example, gambling to tourism;
- Transformation and implementing B-BBEE sector codes;
- Communication of South Africa as the preferred destination; and
- Dual pricing.

8. SCOPA RESOLUTION

None.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

No prior modifications were done to Audit Reports.

10. INTERNAL CONTROL UNIT

The current establishment makes provision for the appointment of a Deputy Director: Internal Control. The position has been advertised and will be filled as soon as is possible. During the period in which this post had not been filled, the Department had to apply various measures to ensure that the functions linked to this position are still performed. These functions include investigation of loss control deficiencies, investigation of fruitless and wasteful expenditure, irregular expenditure, unauthorised expenditure, and development of measures with regard to loss control. Segregation of these duties is currently being performed within the Finance and Supply Chain Management Directorates. The Directorate: Internal Audit also assists with internal controls, while the Directorate: Strategic Management, Monitoring and Evaluation also plays an important role in the verification of performance information.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

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

Below are audits performed by the Internal Audit Unit during the 2021/2022 financial year:

- Pre-determined objectives;
- Risk Management – Ethics and Integrity Management;

- Review of Annual Report 2020/2021;
- Covid-19 Compliance Review - OHS;
- Procurement - Tenders;
- Follow-up on AGSA Report;
- Accounts Management;
- Training Projects;
- Review of Financial Statements;
- Review of B-BBEE Compliance Evidence; and
- EPWP Infrastructure Assets.

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

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

- (i) supporting Management in respect of Financial Reporting and a System of Internal Control;
- (ii) enhancing business ethics and trust in the Department;
- (iii) ensuring and enhancing the independence of Internal Audit activity;
- (iv) ensuring that risks facing the Department are identified and that appropriate procedures are implemented to manage and minimise risks;
- (v) ensuring the proper functioning of the audit process; and
- (vi) monitoring compliance with laws, regulations and codes of conduct.

The table below discloses relevant information on the Audit Committee members:

Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date resigned	No. of meetings attended
Prof. H de Jager	D. Com (Acc); CA (SA) RGA	External		1 August 2015 and re-appointed 4 April 2019	31 March 2022	4
Mr P R Mnisi	LLB; Post Grad. Certificate in Compliance Management.	External		1 August 2015, re-appointed 20 October 2018, and re-appointed 20 October 2021 to 30 September 2022.	N/A	5
Ms H N Masedi	B. Compt Hons; M Com (Computer Auditing); Higher Diploma in Computer Auditing and Post-graduate Diploma in Management.	External		1 August 2015, re-appointed 20 October 2018, and re-appointed 20 October 2021 to 30 September 2022.	N/A	6
Ms M P Ramutsheli	CIA; Certified Ethics Officer; Masters in Internal Auditing.	External		20 October 2018 and re-appointed 20 October 2021 to 30 September 2022.	N/A	6

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2022.

Audit Committee responsibility

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

The Effectiveness of Internal Control

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

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

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

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

- Pre-determined objectives;
- Risk Management – Ethics and Integrity Management;
- Review of Annual Report 2020/2021;
- Covid-19 Compliance Review - OHS;
- Procurement - Tenders;
- Follow-up on AGSA Report;
- Accounts Management;

- Training Projects;
- Review of Financial Statements;
- Review of B-BBEE Compliance Evidence; and
- EPWP Infrastructure Assets.

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

In-Year Management and Monthly / Quarterly Report

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

Internal Audit

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

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

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

Risk Strategy

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

Evaluation of Financial Statements

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

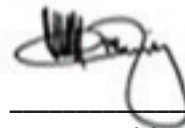
Auditor-General's Report

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 addressed.

The Audit Committee concurs with and accepts the conclusions of the Auditor-General South Africa 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 Auditor-General. The Audit Committee also take note of the following matter affecting the audit report:

- Intangible assets: Incorrect accounting for intangible assets.

The Audit Committee would like to thank the Accounting Officer and his team for their support and contribution during the financial year as well as AGSA and Internal Audit for their co-operation and the assurance that they have provided to enable us to discharge our responsibilities.



Mr Roy Mnisi
Acting Chairperson of the Audit Committee
04 August 2022

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	Yes.	The Department has developed the Concession Guidelines to advance transformation.
Developing and implementing a Preferential Procurement Policy?	Yes.	To contribute to government's economic transformation agenda, the Procurement Policy of the Department uses B-BBEE as a lever. There is minimum of a 40% procurement target spend from businesses owned by women. There is also a 30% procurement target set for buying goods and services from SMMEs.
Determining qualification criteria for the sale of State-owned enterprises?	N/A.	-
Developing criteria for entering into partnerships with the private sector?	No.	The Department has not developed criteria for entering into partnerships with the private sector aligned to the Tourism B-BBEE Sector Codes. This gap will be closed in the 2022/2023 financial year as part of the Departmental B-BBEE Verification process.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	Yes.	The Department used the empowerment targets set under the Tourism B-BBEE Sector Code, gazetted on 15 November 2015, to determine qualification criteria for the following grants, funding and incentive schemes: <ul style="list-style-type: none"> • Tourism Transformation Fund • Tourism Equity Fund • Tourism Relief Fund • Green Tourism Incentive Programme • Market Access Support Programme • Tourism Grading Support Programme

PART D

HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

The status of Human Resource in the Department

As at 31 March 2022, the Departmental post-establishment was at 512 with 461 positions filled and 51 positions vacant translating to a 10% vacancy rate. 2021/2022 was the first year of the implementation of budget cuts by National Treasury and some positions which were previously classified as funded were declared unfunded as a result of the budget cuts and recruitment processes were suspended. The Department implemented a reprioritisation system for positions based on available funds resulting from terminations of other positions.

A total of 57 employees exited the Department and the Departmental turnover rate was at 12.3% for the year under review. There were 13 resignations at 22.8%, nine transfers to other Departments at 15.7% and two retirements at 3.5%.

The Department complied 100% with the implementation of the Performance Management Development System in line with the Departmental Performance Management Development Policy and Chapter 4 of Senior Management Service Handbook.

Employee Performance Management

The Department commits to 100% implementation of the Performance Management Development System (PMDS) annually, as guided by the Departmental PMDS Policy and relevant chapter of the SMS Handbook.

Following the outcome of performance moderations, employees who performed outstandingly were afforded performance rewards and pay progressions according to policy guidelines. Steps such as retraining and other interventions are taken to address

poor performance.

The Department also initiated a Service Excellence Programme during the reporting period, which awards employees for exemplary implementation of the Batho Pele Principles.

Employee Wellness Programme

The Employee Wellness Programme focused on employee emotional health during the pandemic and has arranged various information sessions to guide employees through the turbulence of the COVID-19 pandemic. A number of COVID vaccination drives as well as flu vaccinations were furthermore arranged onsite.

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

Tools of trade were provided to all employees including Interns, which has kept operations of the Department at optimal levels, whilst following hybrid working arrangements (a combination of work from the office and working remotely).

From the initial 32 appointed Interns, 28 are still with the Department and are getting ready to complete their 24 months Internship Programme, having been well equipped to enter the labour market.

Furthermore, the Department supported 87 external and internal bursars during the reporting period.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

The following tables summarises the final audited personnel related expenditure by Programme and by salary bands. In particular, it provides an indication of the following:

- amount spent on personnel; and
- amount spent on salaries, overtime, home owners allowances and medical aid.

3.1. Personnel-related Expenditure

The following tables summarises the final audited personnel related expenditure by Programme and by salary bands. In particular, it provides an indication of the following:

- amount spent on personnel; and
- amount spent on salaries, overtime, home owners allowances and medical aid.

Table 3.1.1 Personnel Expenditure by Programme for the period 1 April 2021 to 31 March 2022

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	288 496	158 385	2 419	6 963	55	674
Programme 2: Tourism Research, Policy and International Relations	1 358 557	49 089	86	4 299	4	792
Programme 3: Destination Development	527 185	55 313	42 493	3 854	10	838
Programme 4: Tourism Sector Support Services	363 538	74 665	2 012	10 066	21	762
Total	2 537 776	337 452	47 010	25 182	13	732

Table 3.1.2 Personnel Costs by Salary Band for the period 1 April 2021 to 31 March 2022

Salary band	Personnel Expenditure (R'000)	% of total Personnel Costs	No. of employees	Average Personnel Costs per employee (R'000)
Lower Skilled (Level 1 - 2)	220	1	1	220
Skilled (Level 3 - 5)	9 028	3	34	266
Highly-skilled Production (Level 6 - 8)	59 714	18	135	442
Highly-skilled Supervision (Level 9 -12)	177 902	52	227	784
Senior and Top Management (Level 13 - 16)	90 588	26	64	1 415
Total	337 452	100	461	732

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme for the period 1 April 2021 and 31 March 2022

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	139 737	88	581	1	3 732	2	5 496	4
Programme 2: Tourism Research, Policy and International Relations	43 341	88	-	-	1 382	3	1 383	3
Programme 3: Destination Development	48 764	88	-	-	1 250	2	1 618	3
Programme 4: Tourism Sector Support Services	65 456	88	-	-	1 443	2	2 510	3
Total	297 298	88	581	1	7 807	2	11 007	3

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band for the period 1 April 2021 and 31 March 2022

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
Lower Skilled (Level 1 - 2)	206	94	-	-	-	-	-	-
Skilled (Level 3 - 5)	6 929	77	70	1	498	6	715	8
Highly-skilled Production (Level 6 - 8)	47 248	79	391	1	2 246	4	4 522	8
Highly-skilled Supervision (Level 9 – 12)	162 248	91	120	1	3 790	2	5 110	3
Senior and Top Management (Level 13 - 16)	80 667	89	-	-	1 273	2	660	1
Total	297 298	88	581	1	7 807	2	11 007	3

3.2. Employment and Vacancies

The tables in this section summarise the position with regard to Employment and Vacancies.

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

This information is presented in terms of three key variables:

- Programme;
- Salary Band; and
- Critical Occupations (see definition in notes below).

Departments have identified Critical Occupations that need to be monitored. In terms of current Regulations, it is possible to create a post on the Establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and Vacancies by Programme as on 31 March 2022

Programme	Number of posts on Approved Establishment	Number of posts filled	Vacancy Rate	Number of employees Additional to the Establishment
Programme 1	262	235	10.3	17
Programme 2	74	62	16.2	4
Programme 3	73	66	9.6	4
Programme 4	103	98	4.9	6
Total	512	461	10.0	31

Table 3.2.2 Employment and Vacancies by Salary Band as on 31 March 2022

Salary band	Number of posts on Approved Establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Level 1 - 2)	1	1	0.0	0
Skilled (Level 3 - 5)	35	34	2.8	0
Highly-skilled production (Level 6 - 8)	145	135	6.8	28
Highly-skilled supervision (Level 9 - 12)	259	227	12.3	1
Senior and Top Management (Level 13 - 16)	72	64	11.1	2
Total	512	461	10.0	31

Table 3.2.3 Employment and Vacancies by Critical Occupations as on 31 March 2022

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

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

Table 3.3.1 SMS posts information as on 31 March 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	4	4	100	0	0
Salary Level 14	18	15	83.3	3	16.6
Salary Level 13	47	43	91.4	4	8.5
Total	71	64	88.8	7	9.8

Table 3.3.2 SMS posts information as on 30 September 2021

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	2	0	0	2	100
Salary Level 15	4	4	100	0	0
Salary Level 14	17	13	76.5	4	23.5
Salary Level 13	47	42	89.4	5	10.6
Total	71	60	84.5	11	15.5

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 to 31 March 2022

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in six months of becoming vacant	Number of vacancies per level filled in six months of becoming vacant	Number of vacancies per level not filled in six months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	2	2	0
Salary Level 14	2	0	2
Salary Level 13	0	0	1
Total	4	3	3

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - advertised within six months and filled within 12 months after becoming vacant for the period 1 April 2021 to 31 March 2022

Reasons for vacancies not advertised within six months

2021/2022 was the first year of the implementation of budget cuts by National Treasury and some positions which were previously classified as funded were declared unfunded as a result of the budget cuts and recruitment processes were suspended. The Department implemented a reprioritisation system for positions based on available funds resulting from terminations of other positions.

Reasons for vacancies not filled within 12 months

2021/2022 was the first year of the implementation of budget cuts by National Treasury and some positions which were previously classified as funded were declared unfunded as a result of the budget cuts and recruitment processes were suspended. The Department implemented a reprioritisation system for positions based on available funds resulting from terminations of other positions.

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 2021 to 31 March 2022

Reasons for vacancies not advertised within six months

None

Reasons for vacancies not filled within six months

None

3.4. Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary Band for the period 1 April 2021 to 31 March 2022

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)	0	0	0	0	0	0	0
Skilled (Levels 3 - 5)	0	0	0	0	0	0	0
Highly-skilled Production (Levels 6 - 8)	0	0	0	0	0	0	0
Highly-skilled Supervision (Levels 9 - 12)	0	0	0	0	0	0	0
Senior Management Service Band A	0	0	0	0	0	0	0
Senior Management Service Band B	0	0	0	0	0	0	0
Senior Management Service Band C	0	0	0	0	0	0	0
Senior Management Service Band D	0	0	0	0	0	0	0
Total	0	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 2021 to 31 March 2022

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Table 3.4.3 Employees with salary levels higher than those determined by Job Evaluation by Occupation for the period 1 April 2021 to 31 March 2022

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				Not applicable
Percentage of total employed				

Employees with disabilities

The following table summarises the number of cases where Remuneration Bands exceeded the Grade determined by Job Evaluation. Reasons for the deviation are provided in each case.

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by Job Evaluation for the period 1 April 2021 to 31 March 2022

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 disability	
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Total number of employees whose salaries exceeded the grades determine by Job Evaluation	None
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3.5. Employment Changes

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

Table 3.5.1 Annual turnover rates by Salary Band for the period 1 April 2021 to 31 March 2022

Salary band	Number of employees at beginning of period - 1 April 2021	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower Skilled (Levels 1 - 2)	1	0	0	0.0
Skilled (Levels 3 - 5)	31	1	1	3.2
Highly-skilled Production (Levels 6 - 8)	136	6	8	5.8
Highly-skilled Supervision (Levels 9 - 12)	224	7	10	4.4
Senior Management Service Bands A	45	0	0	0
Senior Management Service Bands B	13	3	3	23
Senior Management Service Bands C	4	1	1	25
Senior Management Service Bands D	3	1	1	33
Contracts	3	35	33	94.2
Total	460	54	57	12.3

Table 3.5.2 Annual turnover rates by Critical Occupation for the period 1 April 2021 to 31 March 2022

Critical Occupation	Number of employees at beginning of period – 1 April 2021	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
None				
TOTAL	0	0	0	0

Table 3.5.3 Reasons why staff left the Department for the period 1 April 2021 to 31 March 2022

Termination Type	Number	% of Total Resignations
Death	0	0
Resignation	13	22.8
Expiry of contract	33	75
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0.0
Retirement	2	4.5
Transfer to other Public Service Departments	9	20.5
Other	0	0
Total	44	100
Total number of employees who left as a % of total employment	57	12.3

Table 3.5.4 Promotions by Critical Occupation for the period 1 April 2021 to 31 March 2022

Occupation	Employees 1 April 2021	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					
TOTAL	0	0	0	0	0

Table 3.5.5 Promotions by Salary Band for the period 1 April 2021 to 31 March 2022

Salary Band	Employees - 1 April 2021	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another Notch within a salary level	Notch progression as a % of employees by Salary Bands
Lower Skilled (Levels 1 - 2)	1	0	0	0	0
Skilled (Levels 3 - 5)	32	1	3.1	19	59
Highly-skilled Production (Levels 6 - 8)	136	2	1.4	123	90
Highly-skilled Supervision (Levels 9 -12)	224	5	2.2	213	95
Senior and Top Management (Level 13 - 16)	67	2	2.9	48	72
Total	460	10	2.2	403	88

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	29	1	1	1	20	1	4	4	61
Professionals	67	2	4	1	99	6	2	4	185
Technicians and Associate Professionals	45	0	0	1	45	7	3	4	105
Clerks	16	1	0	1	44	2	1	0	65
Service and Sales Workers	10	1	0	1	9	0	0	0	21
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	4	0	0	0	0	0	0	0	4
Elementary Occupations	9	0	0	0	11	0	0	0	20
Total	180	5	5	5	228	16	10	12	461
Employees with disabilities	10	0	0	1	8	0	0	2	21

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following Occupational Bands as on 31 March 2022

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	0	0	0	3	0	1	1	8
Senior Management	27	1	2	1	18	1	3	3	56
Professionally qualified and experienced Specialists and Mid-Management	89	1	3	3	112	9	5	5	227
Skilled technical and Academically-qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	43	3	0	1	78	6	1	3	135
Semi-skilled and Discretionary decision-making	18	0	0	0	16	0	0	0	34
Unskilled and Defined decision-making	0	0	0	0	1	0	0	0	1
Total	180	5	5	5	228	16	10	12	461

Table 3.6.3 Recruitment for the period 1 April 2021 to 31 March 2022

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	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced Specialists and Mid-Management	1	0	0	0	3	0	0	0	4
Skilled technical and Academically-qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	0	0	0	0	2	0	0	0	2
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	2	0	0	0	5	0	0	0	7
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2021 to 31 March 2022

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	2	0	0	0	2
Professionally Qualified and experienced Specialists and Mid-management	1	0	0	0	2	0	0	2	5
Skilled technical and Academically-qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	1	0	0	0	1	0	0	0	2
Semi-skilled and Discretionary decision-making	1	0	0	0	0	0	0	0	1
Unskilled and Defined decision-making	0	0	0	0	0	0	0	0	0
Total	3	0	0	0	5	0	0	2	10
Employees with disabilities	0	0	0	0	1	0	0	0	1

Table 3.6.5 Terminations for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	1	0	0	0	0	3
Senior Management	5	0	0	0	3	0	0	0	8
Professionally Qualified and experienced Specialists and Mid-Management	3	0	1	0	11	0	0	0	15
Skilled technical and Academically-qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	5	0	0	0	8	0	0	0	13
Semi-skilled and Discretionary decision-making	1	0	0	0	8	0	0	0	9
Unskilled and Defined decision-making	0	0	0	0	0	0	0	0	0
Total	16	0	1	1	30	0	0	0	48
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary Action for the period 1 April 2021 to 31 March 2022

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Final written warning	0	0	0	0	0	0	0	0	0

Table 3.6.7 Skills Development for the period 1 April 2021 to 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	4	0	0	0	9	0	0	1	14
Professionals	7	1	0	0	9	0	0	0	17
Technicians and Associate professionals	13	0	0	0	19	0	0	0	32
Clerks	3	0	0	0	9	0	0	0	12
Service and Sales Workers	1	0	0	0	3	0	0	0	4
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and related Trades workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0	0	0	0
Non-employed (Interns)	14	0	0	0	62	0	0	0	76
Total	42	1	0	0	111	0	0	1	155
Employees with disabilities	1	0	0	0	1	0	0	0	2

3.7. Signing of Performance Agreements by SMS members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2021

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	0	0	0
Salary Level 15	4	4	4	100
Salary Level 14	17	13	13	100
Salary Level 13	47	47	47	100
Total	71	65	65	100

Table 3.7.2 Reasons for not having concluded Performance Agreements for all SMS members as on 31 March 2022

Reasons
All Performance Agreements were concluded.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2022

Reasons
All Performance Agreements were concluded.

3.8. Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2021 to 31 March 2022

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost	Average cost per employee
African					
Male	48	151	32	R581 139.20	R12 107.07
Female	50	199	25	R653 238.31	R13 064.77
Asian					
Male	1	4	25	R17 202.00	R17 202.00
Female	1	7	14	R13 578.00	R13 578.00
Coloured					
Male	2	7	28	R14 865.57	R7 432.79
Female	5	13	38	R80 612.13	R16 122.42
White					
Male	3	4	75	R60 107.96	R20 035.99
Female	2	8	25	R31 290.21	R15 645.10
Total	112	393	28	R1 452 033.38	R12 964.58

Table 3.8.2 Performance Rewards by Salary Band for personnel below Senior Management Service for the period 1 April 2021 to 31 March 2022

Salary Band	Beneficiary Profile			Cost		Total cost as a % of the total Performance Rewards
	Number of beneficiaries	Number of employees	% of total within Salary Bands	Total Cost	Average cost per employee	
Lower Skilled (Levels 1 - 2)	0	1	0	0	0	0
Skilled (Levels 3 - 5)	4	34	11.7	R21 696.00	R5 424.00	2
Highly-skilled Production (Levels 6 - 8)	39	135	28	R312 149.67	R8 003,83	22
Highly-skilled Supervision (Levels 9 - 12)	69	227	31	R1 118 187,71	R16 205.61	76
Total	112	397	28	R 1 452 033.38	R 12 964.58	100

Table 3.8.3 Performance Rewards by Critical Occupation for the period 1 April 2021 to 31 March 2022

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
None					
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 2021 to 31 March 2022

Salary Band	Beneficiary Profile			Cost		Total cost as a % of the total Performance Rewards
	Number of beneficiaries	Number of employees	% of total within Salary Bands	Total Cost	Average cost per employee	
Band A	11	43	25.5	R 126 259.08	R 11 478.10	75%
Band B	3	15	20	R 41 944.53	R 13 981.51	25%
Band C	0	4	0	R 0	R 0	0%
Band D	0	2	0	R 0	R 0	0%
Total	14	64	21.8	R 168 203.61	R 12 014.54	100%

3.9. Foreign Workers

The tables below summarise the employment of Foreign Nationals in the Department in terms of Salary Band and major occupation.

Table 3.9.1 Foreign Workers by Salary Band for the period 1 April 2021 to 31 March 2022

Salary Band	1 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower Skilled (Levels 1 – 5)	0	0	1	100%	1	100%
Highly-skilled Production (Levels 6 - 8)	0	0	0	0	0	0
Highly-skilled Supervision (Levels 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	0	0	1	100%	1	100%

Table 3.9.2 Foreign Workers by Major Occupation for the period 1 April 2021 to 31 March 2022

Major occupation	1 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Elementary Occupations	0	0	1	100%	1	100%

3.10. Leave utilisation

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

Table 3.10.1 Sick Leave for the period 1 January 2021 to 31 December 2021

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 (Levels 1 - 2)	0	0%	0	0%	0	R0
Skilled (Levels 3 - 5)	77	88.3%	7	20.6 %	11	R70 949.39
Highly-skilled Production (Levels 6 - 8)	460	77.6%	83	61.5 %	5.5	R650 922.35
Highly-skilled Supervision (Levels 9 - 12)	702	83.9%	77	33.9%	9.1	R1 685 406.49
Top and Senior Management (Levels 13 - 16)	250	90.0%	30	46.8%	8.3	R1 148 265.76
Total	1 489	83.2%	197	42.8%	7.5	R3 555 543.99

Table 3.10.2 Disability Leave (temporary and permanent) for the period 1 January 2021 to 31 December 2021

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	R0
Skilled (Levels 3 - 5)	51	100%	1	2.9	51	R46 552.31
Highly-skilled Production (Levels 6 - 8)	40	100%	2	1.5	20	R60 629.66
Highly-skilled Supervision (Levels 9 - 12)	29	100%	1	0.4	29	R76 023.78
Senior and Top Management (Levels 13 - 16)	0	0%	0	0	0	R0
Total	120	100%	4	0.9	30	R183 205.75

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

Table 3.10.3 Annual Leave for the period 1 January 2021 to 31 December 2021

Salary Band	Total days taken	Number of employees using Annual Leave	Average per employee
Lower skilled (Levels 1 - 2)	5	1	5
Skilled (Levels 3 - 5)	574	32	17.9
Highly-skilled Production (Levels 6 - 8)	3 601	171	21
Highly-skilled Supervision (Levels 9 - 12)	5 446	231	23.6
Senior and Top Management (Levels 13 -16)	1 449	65	22.3
Total	11 075	500	22.2

Table 3.10.4 Capped Leave for the period 1 January 2021 to 31 December 2021

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 2022
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)	92	1	92	92
Senior and Top Management (Levels 13 - 16)	134	1	134	134
Total	226	2	113	226

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

Table 3.10.5 Leave Payouts for the period 1 April 2021 to 31 March 2022

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave Payout for 2021/2022 due to non-utilisation of Leave for the previous cycle	0	0	0
Capped Leave Payouts on termination of service for 2021/2022	984 269.74	2	492 134.87
Current Leave Payouts on termination of service for 2021/2022	540 856.66	18	30 047.59
Total	1 525 126.40	20	522 182.46

3.11. HIV/AIDS and 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 and related diseases (if any)	Key steps taken to reduce the risk
None	Not applicable

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

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Ms A Potgieter – Director: HR 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		The Unit has two employees at level 9 and level 11. The total budget for the period reported on was R535 379.00.
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		<p>The Department implements an integrated Employee Assistant Programme, using both internal services as well as an external service provider. Departmental services include:</p> <p>Health and productivity management</p> <ul style="list-style-type: none"> • Chronic Disease Management • Mental Health <p>Management of HIV, STI and TB infections</p> <ul style="list-style-type: none"> • Voluntary Counselling and Testing • Preventing discrimination, improving access • Addressing social and structural barriers <p>Occupational Health and Safety</p> <ul style="list-style-type: none"> • COVID-19 Protocols • Injury on duty <p>Employee Wellness Programme</p> <ul style="list-style-type: none"> • Physical Wellness • Psycho-Social Wellness • Organisational Wellness • Work-Life Balance

Question	Yes	No	Details, if yes
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	x		AM Mafanele B Simelane D Monama E Mkhavele F Naidoo A Potgieter M Jones P van Niekerk T Matolong T Malefane V Reddy Labour Union representatives All employees from all Programmes are represented.
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		The HIV and AIDS policy has been reviewed and tabled to the Departmental Bargaining Chamber. Further consultations to take place during the 2022/2023 financial year.
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		The HIV and AIDS Policy has consequences for discrimination against employees with HIV and AIDS. The Policy also creates awareness on rights for people living with HIV and TB including social and structural barriers. HIV/AIDS candlelight event, as well as the World Aids Day event - during these events, information is circulated to employees in order to create an understanding and prevent discrimination.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	x		The Department encourages and conducts quarterly HIV counselling and testing drives. During the COVID-19 period, participation was low.
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		The Department has an operational plan for each year. This plan is monitored and its deliverables are measured through departmental and DPSA quarterly reports, annual report. Key indicators are developed in line with the EHW four key strategic pillars, that is, 1. HIV/AIDS and TB Management, 2. Health and Productivity Management, 3. Occupational Health Management and 4. Wellness Management.

3.12. Labour Relations

Table 3.12.1 Collective Agreements for the period 1 April 2021 to 31 March 2022

Subject matter	Date
Total number of Collective Agreements	None

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

Table 3.12.2 Misconduct and Disciplinary Hearings finalised for the period 1 April 2021 to 31 March 2022

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

Total number of Disciplinary Hearings finalised	None
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Table 3.12.3 Types of Misconduct addressed at Disciplinary Hearings for the period 1 April 2021 to 31 March 2022

Type of Misconduct	Number	% of total
Dishonesty	3	75
Causing damage to Departmental vehicle	1	25
Total	4	100

Table 3.12.4 Grievances lodged for the period 1 April 2021 to 31 March 2022

Grievances	Number	% of Total
Number of Grievances resolved	0	0
Number of Grievances not resolved	3	100
Total number of Grievances lodged	3	100

Table 3.12.5 Disputes lodged with Councils for the period 1 April 2021 to 31 March 2022

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

Table 3.12.6 Strike Actions for the period 1 April 2021 to 31 March 2022

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of No Work, No Pay (R'000)	0

Table 3.12.7 Precautionary Suspensions for the period 1 April 2021 to 31 March 2022

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	122
Cost of suspension(R'000)	R91,683.65

3.13. Skills Development

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

Table 3.13.1 Training needs identified for the period 1 April 2021 to 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 2021	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, Senior officials and Managers	Female	29	0	10	7	17
	Male	38	0	4	2	6
Professionals	Female	57	0	9	10	19
	Male	44	0	7	9	16
Technicians and Associate Professionals	Female	68	0	19	4	23
	Male	55	0	14	6	20
Clerks	Female	55	0	9	16	25
	Male	29	0	3	6	9
Service and Sales Workers	Female	37	0	3	0	3
	Male	22	0	1	1	2
Skilled Agriculture and Fishery Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related Trades Workers	Female	0	0	0	0	0
	Male	0	0	0	1	1
Plant and Machine Operators and Assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary Occupations	Female	12	0	0	0	0
	Male	14		0	0	0
Non-employees	Female	0	25	62	7	94
	Male	0	7	14	7	28
Sub-Total	Female	258	25	112	44	181
	Male	202	7	43	32	82
Total		460	32	155	76	269

Table 3.13.2 Training provided for the period 1 April 2021 to 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			
			Internships	Skills Programmes and other short courses	Bursaries	Total
Legislators, Senior Officials and Managers	Female	29	0	18	7	25
	Male	32	0	7	2	9
Professionals	Female	111	0	16	10	26
	Male	74	0	12	9	21
Technicians and Associate Professionals	Female	58	0	22	4	26
	Male	41	0	15	6	21
Clerks	Female	47	0	16	16	32
	Male	18	0	5	6	11
Service and Sales Workers	Female	9	0	3	0	3
	Male	12	0	1	1	2
Skilled Agriculture and Fishery Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related Trades Workers	Female	0	0	0	0	0
	Male	0	0	1	1	2
Plant and Machine Operators and Assemblers	Female	0	0	0	0	0
	Male	4	0	0	0	0
Elementary Occupations	Female	11	0	0	0	0
	Male	0	0	0	0	0
Non-employees	Female	25	25	71	7	103
	Male	7	7	17	7	31
Sub-Total	Female	265	25	146	44	215
	Male	195	7	58	32	97
Total		460	32	204	76	312

3.14. Injury on Duty

The following tables provide basic information on Injury on Duty.

Table 3.14.1 Injury on Duty for the period 1 April 2021 to 31 March 2022

Nature of Injury on Duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	0	0

3.15. Utilisation of Consultants

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

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

Table 3.15.1 Report on Consultant appointments using Appropriated Funds for the period 1 April 2021 to 31 March 2022

Project title	Total number of Consultants that worked on project	Duration	Contract value in Rand
Development of amphitheatre designs at Mdantsane Tourism Precinct: OR-009342 Sibane Development	Not indicated	6 Months	485 000.00
Development of outdoor design at Khayalitsha Precinct: OR-009343-3T Business Fusion	Not indicated	6 Months	452 870.00
Development of Port St Johns concept precinct: OR-009395 - Coega Development Cooperation	Not indicated	6 Months	494 500.00
Development of a concept for Magwa Falls: OR-009397 - Kayamandi Development Services	Not indicated	6 Months	486 795.00
Development of Tourism culinary Framework: OR-009746 - Isijula Business	Not indicated	Once off	410 300.00
Asset Management verification: OR-009774 - Reflections Corner	3	6 months	660 000.00
Development of Port St John precinct: OR-009484 - Smec	Not indicated	6 months	494 500.00
Review and update the Tourism Masterplan for the Cradle of Humankind World Heritage Site: OR-009638 - Urban-Econ Development Economists	Not indicated	By end of June 2022	1 392 011.00
Development of crafters workshop at the Galeshewe Township precinct: OR-009634 - Osmond Lange	Not indicated	Once-off	442 925.00
TOTAL			5 318 901.00

Table 3.15.2 Analysis of Consultant appointments using Appropriated Funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 to 31 March 2022

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Development of amphitheatre designs at Mdantsane Tourism Precinct: OR-009342 - Sibane Development	55%	55%	Not indicated
Development of outdoor design at Khayelitsha Precinct: OR-009343-3T - Business Fusion	50%	40%	Not indicated
Development of Port St Johns concept precinct: OR-009395 - Coega Development Cooperation	25%	25%	Not indicated
Development of a Concept for Magwa Falls: OR-009397 - Kayamandi Development Services	70%	70%	Not indicated
Development of Tourism Culinary Framework: OR-009746 - Isijula Business	100%	100%	Not indicated
Asset Management verification: OR-009774 - Reflections Corner	100%	100%	3
Development of Port St John precinct: OR-009484 - Smec	96%	0%	Not indicated
Review and update the Tourism Masterplan for the Cradle of Humankind World Heritage Site: OR-009638 - Urban-Econ Development Economists	51%	51%	Not indicated
Development of Crafters Workshop at the Galeshewe Township precinct: OR-009634 - Osmond Lange	100%	100%	Not indicated

Table 3.15.3 Report on Consultant appointments using Donor Funds for the period 1 April 2021 to 31 March 2022

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
Not applicable	Not applicable	Not applicable	Not applicable

Table 3.15.4 Analysis of Consultant appointments using Donor Funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 to 31 March 2022

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Not applicable	Not applicable	Not applicable	Not applicable

3.16. Severance Packages

Table 3.16.1 Granting of employee-initiated Severance Packages for the period 1 April 2021 to 31 March 2022

Salary Band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by the MPSA	Number of packages approved by the 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 and Top Management (Levels 13 - 16)	0	0	0	0
Total	0	0	0	0

PART E

FINANCIAL INFORMATION



1. REPORT OF THE AUDITOR-GENERAL

This is the Auditor's Report as issued by the AGSA.

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 102 to 145, which comprise the appropriation statement, statement of financial position as at 31 March 2022, the 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 2022, 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 of South Africa, 2021 (Act No.9 of 2021) (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 Auditor-General's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *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.

Restatement of corresponding figures

7. As disclosed in note 31 to the financial statements, the corresponding figures for 31 March 2021 have been restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2022.

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 in pages 146 to 154 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 PFMA and Dora and the requirements of the MCS, 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.

Auditor-General's responsibilities 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. 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.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the department's annual performance report for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Programme 4– Tourism Sector Support Services	44 – 51

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 4: Tourism Sector Support Services

Other matter

19. I draw attention to the matters below.

Achievement of planned targets

20. Refer to the annual performance report on pages 44 to 51 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
22. The material finding on compliance with specific matters in key legislation is as follows:

Annual financial statements

23. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework by section 40(1) (b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion.

OTHER INFORMATION

24. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
25. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
26. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

27. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

INTERNAL CONTROL DEFICIENCIES

28. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matter reported below is limited to the significant internal control deficiencies that resulted in the finding on compliance with legislation included in this report.
29. Senior management reviewed the financial statements however the review conducted did not identify a material misstatement in the financial statements submitted for audit.

Auditor General

Pretoria

30 July 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-General’s responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in 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 by the accounting officer.
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the National Department of Tourism 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

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

ANNUAL FINANCIAL STATEMENTS

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Department of Tourism - Vote 38
APPROPRIATION STATEMENT
for the year ended 31 March 2022

Appropriation per Economic Classification

	2021/2022						2020/2021		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current Payments	972 218	(146 938)	(64 198)	761 082	754 713	6 369	99.2%	665 242	643 714
Compensation of Employees	340 793	-	-	340 793	337 452	3 341	99.0%	336 443	330 703
Goods and Services	631 425	(146 938)	(64 198)	420 289	417 261	3 028	99.3%	328 799	313 011
Transfers and Subsidies	1 569 134	1 374	-	1 570 508	1 569 314	1 194	99.9%	511 406	498 627
Departmental Agencies and Accounts	1 304 348	258 000	-	1 562 348	1 562 137	211	100.0%	426 199	426 199
Higher Education Institutions	-	-	-	-	-	-	0.0%	-	-
Foreign Governments and International Organisations	2 641	-	-	2 641	2 437	204	92.3%	3 055	2 998
Public Corporations and Private Enterprises	258 000	(258 000)	-	-	-	-	0.0%	50 523	50 523
Non-profit Institutions	431	-	-	431	431	-	100.0%	-	-
Households	3 714	1 374	-	5 088	4 309	779	84.7%	31 629	18 907
Payments for Capital Assets	3 986	145 317	64 198	213 501	213 502	(1)	100.0%	250 189	249 885
Buildings and Other Fixed Structures	-	142 058	64 198	206 256	206 256	-	100.0%	240 143	240 143
Machinery and Equipment	3 044	4 201	-	7 245	7 246	(1)	100.0%	10 046	9 742
Software and other Intangible Assets	942	(942)	-	-	-	-	0.0%	-	-
Payment for Financial Assets	-	247	-	247	247	-	100.0%	23	23
	2 545 338	-	-	2 545 338	2 537 776	7 562	99.7%	1 426 860	1 392 249

Department of Tourism - Vote 38
APPROPRIATION STATEMENT
for the year ended 31 March 2022

PROGRAMME 1: ADMINISTRATION

Sub-Programme

	2021/2022						2020/2021		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1 MINISTRY	36 643	747	269	37 659	37 659	-	100.0%	29 718	29 717
2 MANAGEMENT	2 979	(482)	-	2 497	2 497	-	100.0%	2 545	2 545
3 CORPORATE MANAGEMENT	172 503	(11 997)	(4 302)	156 204	156 204	-	100.0%	173 138	173 138
4 FINANCIAL MANAGEMENT	52 109	11 732	-	63 841	63 841	-	100.0%	50 867	50 866
5 OFFICE ACCOMMODATION	45 542	-	(17 247)	28 295	28 295	-	100.0%	33 554	33 553
	309 776	-	(21 280)	288 496	288 496	-	100.0%	289 822	289 819

Economic Classification

Current Payments	306 345	(6 468)	(21 549)	278 328	278 328	-	100.0%	279 648	279 648
Compensation of Employees	156 103	-	2 282	158 385	158 385	-	100.0%	156 098	156 098
Goods and Services	150 242	(6 468)	(23 831)	119 943	119 943	-	100.0%	123 550	123 550
Transfers and Subsidies	181	3 456	-	3 637	3 637	-	100.0%	1 209	1 208
Departmental Agencies and Accounts	181	-	-	181	181	-	100.0%	172	172
Higher Education Institutions	-	-	-	-	-	-	0.0%	-	-
Foreign Governments and International Organisations	-	-	-	-	-	-	0.0%	-	-
Public Corporations and Private Enterprises	-	-	-	-	-	-	0.0%	-	-
Non-profit Institutions	-	-	-	-	-	-	0.0%	-	-
Households	-	3 456	-	3 456	3 456	-	100.0%	1 037	1 036
Payments for Capital Assets	3 250	2 918	269	6 437	6 437	-	100.0%	8 949	8 949
Buildings and Other Fixed Structures	-	-	-	-	-	-	0.0%	-	-
Machinery and Equipment	2 308	3 860	269	6 437	6 437	-	100.0%	8 949	8 947
Software and other Intangible Assets	942	(942)	-	-	-	-	0.0%	-	-
Payment for Financial Assets	-	94	-	94	94	-	100.0%	16	16
	309 776	-	(21 280)	288 496	288 496	-	100.0%	289 822	289 819

Department of Tourism - Vote 38
APPROPRIATION STATEMENT
for the year ended 31 March 2022

PROGRAMME 2: TOURISM RESEARCH, POLICY AND INTERNATIONAL RELATIONS

	2021/2022						2020/2021		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-Programme									
TOURISM RESEARCH, POLICY AND INTERNATIONAL RELATIONS MANAGEMENT	8 979	-	(2 733)	6 246	5 441	805	87.1%	6 265	5 663
2 RESEARCH AND KNOWLEDGE MANAGEMENT	33 488	-	(6 142)	27 346	26 230	1 116	95.9%	22 991	21 536
3 POLICY PLANNING AND STRATEGY	14 140	93	(3 263)	10 970	10 816	154	98.6%	10 859	10 746
4 SOUTH AFRICAN TOURISM	1 297 038	-	-	1 297 038	1 297 038	-	100.0%	423 027	423 027
5 INTERNATIONAL RELATIONS AND COOPERATION	29 006	(93)	(7 942)	20 971	19 032	1 939	90.8%	19 003	18 557
	1 382 651	-	(20 080)	1 362 571	1 358 557	4 014	99.7%	482 145	479 529
Economic Classification									
Current Payments	78 723	2 115	(19 811)	61 027	57 996	3 031	95.0%	55 441	53 176
Compensation of Employees	54 064	-	(2 948)	51 116	49 089	2 027	96.0%	50 319	48 054
Goods and Services	24 659	2 115	(16 863)	9 911	8 907	1 004	89.9%	5 122	5 122
Transfers and Subsidies	1 303 393	(2 136)	-	1 301 257	1 300 274	983	99.9%	426 199	426 141
Departmental Agencies and Accounts	1 297 038	-	-	1 297 038	1 297 038	-	100.0%	423 027	423 027
Higher Education Institutions	-	-	-	-	-	-	0.0%	-	-
Foreign Governments and International Organisations	2 641	-	-	2 641	2 437	204	92.3%	3 055	2 998
Public Corporations and Private Enterprises	-	-	-	-	-	-	0.0%	-	-
Non-profit Institutions	-	-	-	-	-	-	0.0%	-	-
Households	3 714	(2 136)	-	1 578	799	779	50.6%	117	116
Payments for Capital Assets	535	-	(269)	266	266	-	100.0%	503	210
Buildings and Other Fixed Structures	-	-	-	-	-	-	0.0%	-	-
Machinery and Equipment	535	-	(269)	266	266	-	100.0%	503	210
Software and other Intangible Assets	-	-	-	-	-	-	0.0%	-	-
Payment for Financial Assets	-	21	-	21	21	-	100.0%	2	2
	1 382 651	-	(20 080)	1 362 571	1 358 557	4 014	99.7%	482 145	479 529

Department of Tourism - Vote 38
APPROPRIATION STATEMENT
for the year ended 31 March 2022

PROGRAMME 3: DESTINATION DEVELOPMENT

Sub-Programme

1 **DESTINATION DEVELOPMENT MANAGEMENT**

2 **TOURISM ENHANCEMENT**

3 **DESTINATION PLANNING AND INVESTMENT COORDINATION**

4 **WORKING FOR TOURISM**

Economic Classification

Current Payments

Compensation of Employees

Goods and Services

Transfers and subsidies

Departmental Agencies and Accounts

Higher Education Institutions

Foreign Governments and International Organisations

Public Corporations and Private Enterprises

Non-profit Institutions

Households

Payments for Capital Assets

Buildings and Other Fixed Structures

Machinery and Equipment

Software and other Intangible Assets

Payment for Financial Assets

	2021/2022						2020/2021		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	33 284	17 725	64 198	115 207	114 654	553	99.5%	15 997	15 515
	24 547	(7 488)	-	17 059	16 298	761	95.5%	15 686	14 820
	31 495	(10 645)	-	20 850	20 850	-	100.0%	21 182	20 559
	377 000	408	-	377 408	375 383	2 025	99.5%	389 844	376 601
	466 326	-	64 198	530 524	527 185	3 339	99.4%	442 709	427 495
	466 191	(142 280)	-	323 911	320 571	3 340	99.0%	202 148	186 940
	56 627	-	-	56 627	55 313	1 314	97.7%	57 087	54 952
	409 564	(142 280)	-	267 284	265 258	2 026	99.2%	145 061	131 988
	-	54	-	54	54	-	100.0%	89	89
	-	-	-	-	-	-	0.0%	-	-
	-	-	-	-	-	-	0.0%	-	-
	-	-	-	-	-	-	0.0%	-	-
	-	-	-	-	-	-	0.0%	-	-
	-	54	-	54	54	-	100.0%	89	89
	135	142 110	64 198	206 443	206 444	(1)	100.0%	240 469	240 463
	-	142 058	64 198	206 256	206 256	-	100.0%	240 143	240 143
	135	52	-	187	188	(1)	100.5%	326	320
	-	-	-	-	-	-	0.0%	-	-
	-	116	-	116	116	-	100.0%	3	3
	466 326	-	64 198	530 524	527 185	3 339	99.4%	442 709	427 495

Department of Tourism - Vote 38
APPROPRIATION STATEMENT
for the year ended 31 March 2022

PROGRAMME 4: TOURISM SECTOR SUPPORT SERVICES

	2021/2022						2020/2021		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-Programme									
1 TOURISM SECTOR SUPPORT SERVICES MANAGEMENT	11 073	(805)	(6 010)	4 258	4 259	(1)	100.0%	6 142	6 143
2 TOURISM HUMAN RESOURCE DEVELOPMENT	28 616	(67)	(1 273)	27 276	27 064	212	99.2%	19 215	18 605
3 ENTERPRISE DEVELOPMENT AND TRANSFORMATION	49 006	1 299	(12 945)	37 360	37 362	(2)	100.0%	41 716	41 716
4 TOURISM VISITOR SERVICES	22 708	71	660	23 439	23 439	-	100.0%	22 252	22 147
5 TOURISM INCENTIVE PROGRAMME	275 182	(498)	(3 270)	271 414	271 414	-	100.0%	122 859	106 795
	386 585	-	(22 838)	363 747	363 538	209	99.9%	212 184	195 406

Economic Classification

Current Payments

Compensation of Employees	73 999	-	666	74 665	74 665	-	100.0%	72 939	71 599
Goods and Services	46 960	(305)	(23 504)	23 151	23 153	(2)	100.0%	55 066	52 351
Transfers and Subsidies	265 560	-	-	265 560	265 349	211	99.9%	83 909	71 189
Departmental Agencies and Accounts	7 129	258 000	-	265 129	264 918	211	99.9%	3 000	3 000
Higher Education Institutions	-	-	-	-	-	-	0.0%	-	-
Foreign Governments and International Organisations	-	-	-	-	-	-	0.0%	-	-
Public Corporations and Private Enterprises	258 000	(258 000)	-	-	-	-	0.0%	50 523	50 523
Non-profit Institutions	431	-	-	431	431	-	100.0%	-	-
Households	-	-	-	-	-	-	0.0%	30 386	17 666
Payments for Capital Assets	66	289	-	355	355	-	100.0%	268	265
Buildings and Other Fixed Structures	-	-	-	-	-	-	0.0%	-	-
Machinery and Equipment	66	289	-	355	355	-	100.0%	268	265
Software and other Intangible Assets	-	-	-	-	-	-	0.0%	-	-
Payment for Financial Assets	-	16	-	16	16	-	100.0%	2	2
	386 585	-	(22 838)	363 747	363 538	209	99.9%	212 184	195 406

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2022

1. Details of Transfers and Subsidies as per Appropriation Act (after Virement)

Details of these transactions can be viewed in the Note "Transfers and Subsidies," as well as Annexure 1 (A - E) to the Annual Financial Statements.

2. Details of specifically and exclusively Appropriated Amounts Voted (after Virement)

Details of these transactions can be viewed in Note 1, "Annual Appropriation," to the Annual Financial Statements.

3. Details on Payments for Financial Assets

Details of these transactions per Programme can be viewed in the Note "Payments for Financial Assets" to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement)**4.1 Per Programme**

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of final Appropriation
	R'000	R'000	R'000	R'000
Tourism Research, Policy and International Relations				
Compensation of Employees	51 116	49 089	2 027	4%
Goods and Services	9 911	8 907	1 004	10%
Transfers and Subsidies	1 301 257	1 300 274	983	0%
Payment for Capital Assets	266	266	-	0%
Payment for Financial Assets	21	21	-	0%
TOTAL	1 362 571	1 358 557	4 014	0.3%

Explanation of Variance

The bulk of this underspending lies within Compensation of Employees due to strict policies adhered to by the Department to reduce expenditure on Salaries and Wages. Savings under Goods and Services were mainly attributable to the effects of COVID-19 restrictions resulting in unspent funds linked to Travel and Subsistence. A further underspending was realised under Transfers and Subsidies for the United Nations World Tourism Organisation (UNWTO) contributions due to exchange rate fluctuation and the National Tourism Research Framework.

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of final Appropriation
	R'000	R'000	R'000	R'000
Destination Development				
Compensation of Employees	56 627	55 313	1 314	2%
Goods and Services	267 284	265 258	2 026	1%
Transfers and Subsidies	54	54	-	0%
Payment for Capital Assets	206 443	206 444	(1)	0%
Payment for Financial Assets	116	116	-	0%
TOTAL	530 524	527 185	3 339	1%

Explanation of Variance

The bulk of this underspending lies within Goods and Services of the Expanded Public Works Programme as contracts could not be concluded before year-end. Savings under Compensation of Employees was due to strict policies adhered to by the Department to reduce expenditure on Salaries and Wages.

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of final Appropriation
	R'000	R'000	R'000	R'000
Tourism Sector Support Services				
Compensation of Employees	74 665	74 665	-	0%
Goods and Services	23 151	23 153	(2)	0%
Transfers and Subsidies	265 560	265 349	211	0%
Payment for Capital Assets	355	355	-	0%
Payment for Financial Assets	16	16	-	0%
TOTAL	363 747	363 538	209	0%

Explanation of Variance

The minor underspending within the Programme is due to unspent funds linked to the National Tourism Careers Expo. The costs of the event claimed by the event partner was less than the budgeted cost resulting in a slight saving under Transfers and Subsidies.

Department of Tourism - Vote 38
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2022

4.2 Per Economic Classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of final Appropriation
	R'000	R'000	R'000	R'000
Current expenditure				
Compensation of Employees	340 793	337 452	3 341	1%
Goods and Services	420 289	417 261	3 028	1%
Transfers and Subsidies				
Departmental Agencies and Accounts	1 562 348	1 562 137	211	0%
Public Corporations and Private Enterprises				
Foreign Governments and International Organisations	2 641	2 437	204	8%
Non-profit Institutions	431	431	-	0%
Households	5 088	4 309	779	15%
Payments for Capital Assets				
Buildings and Other Fixed Structures	206 256	206 256	-	0%
Machinery and Equipment	7 245	7 246	(1)	0%
Software and other Intangible Assets	-	-	-	-
Payment for Financial Assets	247	247	-	0%
TOTAL	2 545 338	2 537 776	7 562	0.3%

Department of Tourism - Vote 38
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2022

	Note	2021/2022	2020/2021
		R'000	R'000
REVENUE			
Annual Appropriation	1	2 545 338	1 426 860
Departmental Revenue	2	81 858	11 857
Aid Assistance	3	34 810	-
TOTAL REVENUE		2 662 006	1 438 717
EXPENDITURE			
Current Expenditure			
Compensation of Employees	4	337 452	330 703
Goods and Services	5	417 261	313 011
Total Current Expenditure		754 713	643 714
Transfers and Subsidies			
Transfers and Subsidies	7	1 569 314	498 627
Aid Assistance	3	34 810	-
Total Transfers and Subsidies		1 604 124	498 627
Expenditure for Capital Assets			
Tangible Assets	8	213 502	249 885
Intangible Assets	8	-	-
Total expenditure for Capital Assets		213 502	249 885
Payments for Financial Assets	6	247	23
TOTAL EXPENDITURE		2 572 586	1 392 249
SURPLUS/(DEFICIT) FOR THE YEAR		89 420	46 468

Reconciliation of Net Surplus/(Deficit) for the year

	Note	2021/2022	2020/2021
		R'000	R'000
Voted Funds		7 562	34 611
Annual Appropriation		7 562	34 611
Departmental Revenue	2	81 858	11 857
Aid Assistance	3	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		89 420	46 468

Department of Tourism - Vote 38
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2022

	<i>Note</i>	2021/2022	2020/2021
		R'000	R'000
ASSETS			
Current Assets			
		15 389	35 105
Cash and Cash Equivalents	9	12 827	33 701
Pre-payments and Advances	10	83	22
Receivables	11	2 479	1 382
Non-Current Assets			
		386	264
Receivables	11	386	264
TOTAL ASSETS		15 775	35 369
LIABILITIES			
Current Liabilities			
		15 443	35 082
Voted Funds to be surrendered to the Revenue Fund	12	7 562	34 611
Departmental Revenue to be surrendered to the Revenue Fund	13	7 751	281
Payables	14	130	190
Aid Assistance repayable	3	-	-
TOTAL LIABILITIES		15 443	35 082
NET ASSETS		332	287
Represented by:			
Recoverable Revenue		332	287
TOTAL		332	287

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2022

NET ASSETS	Note	2021/2022	2020/2021
		R'000	R'000
Recoverable Revenue			
Opening Balance		287	302
Transfers:		45	(15)
Irrecoverable amounts written-off		-	(23)
Debts recovered (included in Departmental Receipts)		(91)	(109)
Debts raised		136	117
Closing Balance		332	287
TOTAL		332	287

CASH FLOW STATEMENT

for the year ended 31 March 2022

	Note	2021/2022 R'000	2020/2021 R'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
		2 660 932	1 438 701
Annual Appropriated Funds received	1	2 545 338	1 426 860
Departmental Revenue received	2	80 724	10 620
Interest received	2	60	1 221
Aid Assistance received	3	34 810	-
Net (increase)/decrease in Working Capital		(1 218)	(175)
Surrendered to Revenue Fund		(108 999)	(19 856)
Surrendered to RDP Fund/Donor		-	(1 104)
Current Payments		(754 713)	(643 714)
Payments for Financial Assets		(247)	(23)
Transfers and Subsidies paid		(1 604 124)	(498 627)
Net Cash Flow available from Operating Activities	15	191 631	275 202
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for Capital Assets	8	(213 502)	(249 885)
Proceeds from sale of Capital Assets	2	1 074	16
(Increase)/decrease in Non-Current Receivables		(122)	175
Net Cash Flow from Investing Activities		(212 550)	(249 694)
CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(Decrease) in Net Assets		45	(15)
Net Cash flow from Financing Activities		45	(15)
Net increase/(Decrease) in Cash and Cash Equivalents		(20 874)	25 493
Cash and Cash Equivalents at beginning of period		33 701	8 208
Cash and Cash Equivalents at end of period	16	12 827	33 701

ACCOUNTING POLICIES

for the year ended 31 March 2022

Summary of significant Accounting Policies

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

The historical Cost Convention has been used, except where otherwise indicated. Management has used Assessments and Estimates in preparing the Annual Financial Statements. These are based on the best information available at the time of preparation.

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

1 Basis of Preparation

The Financial Statements have been prepared in accordance with the Modified Cash Standard.

2 Going Concern

The Financial Statements have been prepared on a Going Concern Basis.

3 Presentation Currency

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

4 Rounding

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

5 Foreign Currency Translation

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

6 Comparative Information**6.1 Prior Period Comparative Information**

Prior Period Comparative Information has been presented in the current year's Financial Statements. Where necessary figures included in the prior period, the 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 (that is, Statutory Appropriation).

Appropriated Funds are recognised in the Statement of Financial Performance on the date the appropriation becomes effective. Adjustments made in terms of the Adjustments Budget process are recognised in the Statement of Financial Performance on the date the adjustments become effective.

The Net Amount of any Appropriated Funds due to/from the relevant Revenue Fund at the reporting date, is recognised as a Payable/Receivable in the Statement of Financial Position.

7.2 Departmental Revenue

Departmental Revenue is recognised in the Statement of Financial Performance when received and is subsequently paid into the relevant Revenue Fund, unless stated otherwise.

Any amount owing to the relevant Revenue Fund at the reporting date is recognised as a Payable in the Statement of Financial Position.

7.3 Accrued Departmental Revenue

Accruals in respect of Departmental Revenue (excluding Tax Revenue) are recorded in the Notes to the Financial Statements when:

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

The Accrued Revenue is measured at the fair value of the consideration receivable.

Accrued Tax Revenue (and related interest and/penalties) is measured at amounts receivable from Collecting Agents.

Write-offs are made according to the Department's Debt Write-off Policy.

8 Expenditure

8.1 Compensation of Employees

8.1.1 Salaries and Wages

Salaries and Wages are recognised in the Statement of Financial Performance on the date of payment.

8.1.2 Social Contributions

Social Contributions made by the Department in respect of current employees are recognised in the Statement of Financial Performance on the date of payment.

Social Contributions made by the Department in respect of ex-employees are classified as Transfers to Households in the Statement of Financial Performance on the date of payment.

8.2 Other Expenditure

Other Expenditure (such as Goods and Services, Transfers and Subsidies, and Payments for Capital Assets) is recognised in the Statement of Financial Performance on the date of payment. The expense is classified as a Capital Expense if the total consideration paid is more than the capitalisation threshold.

8.3 Accruals and Payables not Recognised

Accruals and Payables not Recognised are recorded in the Notes to the Financial Statements at cost at the reporting date.

8.4 Leases

8.4.1 Operating Leases

Operating Lease Payments made during the reporting period are recognised as Current Expenditure in the Statement of Financial Performance on the date of payment. Operating Lease Payments received are recognised as Departmental Revenue.

The Operating Lease commitments are recorded in the Notes to the Financial Statements.

8.4.2 Finance Leases

Finance Lease Payments made during the reporting period are recognised as Capital Expenditure in the Statement of Financial Performance on the date of payment. Finance Lease Payments received are recognised as Departmental Revenue.

The Finance Lease commitments are recorded in the Notes to the Financial Statements and are not apportioned between the Capital and Interest portions.

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

- Cost, being the Fair Value of the Asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9 Aid Assistance

9.1 Aid Assistance Received

Aid Assistance Received in cash is recognised in the Statement of Financial Performance when received. In-kind Aid Assistance is recorded in the Notes to the Financial Statements on the date of receipt and is measured at fair value.

Aid Assistance not spent for the intended purpose and any unutilised funds from Aid Assistance that are required to be refunded to the Donor are recognised as a Payable in the Statement of Financial Position.

9.2 Aid Assistance Paid

Aid Assistance paid is recognised in the Statement of Financial Performance on the date of payment. Aid Assistance payments made prior to the receipt of funds are recognised as a Receivable in the Statement of Financial Position.

10 Cash and Cash Equivalents

Cash and Cash Equivalents are stated at cost in the Statement of Financial Position.

Bank overdrafts are shown separately on the face of the Statement of Financial Position as a Current Liability.

For the purposes of the Cash Flow Statement, Cash and Cash Equivalents comprise Cash-on-hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11 Prepayments and Advances

Prepayments and Advances are recognised in the Statement of Financial Position when the Department receives or disburses the cash.

Prepayments and Advances are initially and subsequently measured at Cost.

Prepayments and Advances are expensed when there is a contractual obligation between the Department and the service providers. Details for such Pre-payments and Advances are recorded in the Notes to the Financial Statements.

12 Loans and Receivables

Loans and Receivables are recognised in the Statement of Financial Position at Cost plus Accrued Interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the Department's Write-off Policy.

13 Investments

Investments are recognised in the Statement of Financial Position at Cost.

14 Financial Assets

14.1 Financial Assets (not covered elsewhere)

A Financial Asset is recognised initially at its Cost plus Transaction Costs that are directly attributable to the acquisition or issue of the Financial Asset.

At the reporting date, a Department shall measure its Financial Assets at Cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at Cost plus Accrued Interest, where interest is charged, less amounts already settled or written-off.

14.2 Impairment of Financial Assets

Where there is an indication of Impairment of a Financial Asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that Asset, is recorded in the Notes to the Financial Statements.

15 Payables

Payables recognised in the Statement of Financial Position are recognised at Cost.

16 Capital Assets

16.1 Immovable Capital Assets

Immovable Assets reflected in the Asset Register of the Department are recorded in the Notes to the Financial Statements at Cost or Fair Value where the Cost cannot be determined reliably. Immovable Assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable Assets are subsequently carried in the Asset Register at Cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the Cost of the existing Asset when ready for use.

Additional information on Immovable Assets not reflected in the Assets Register is provided in the Notes to Financial Statements.

16.2 Movable Capital Assets

Movable Capital Assets are initially recorded in the Notes to the Financial Statements at Cost. Movable Capital Assets acquired through a non-exchange transaction is measured at Fair Value as at the date of acquisition.

Where the cost of Movable Capital Assets cannot be determined reliably, the Movable Capital Assets are measured at Fair Value and where Fair Value cannot be determined, the Movable Capital Assets are measured at R1.

All Assets acquired prior to 1 April 2002 (or a later date as approved by the AGSA), may be recorded at R1.

Movable Capital Assets are subsequently carried at Cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the Cost of the existing Asset when ready for use.

16.3 Intangible Assets

Intangible Assets are initially recorded in the Notes to the Financial Statements at Cost. Intangible Assets acquired through a non-exchange transaction are measured at Fair Value as at the date of acquisition.

Internally generated Intangible Assets are recorded in the Notes to the Financial Statements when the Department commences the development phase of the project.

Where the Cost of Intangible Assets cannot be determined reliably, the Intangible Capital Assets are measured at Fair Value and where Fair Value cannot be determined; the Intangible Assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible Assets are subsequently carried at Cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the Cost of the existing Asset when ready for use.

16.4 Project Costs: Work-in-Progress

Expenditure of a capital nature is initially recognised in the Statement of Financial Performance at Cost when paid.

Amounts paid towards Capital Projects are separated from the amounts recognised and accumulated in Work-in-Progress until the underlying Asset is ready for use. Once ready for use, the total accumulated payments are recorded in an Asset Register. Subsequent payments to complete the project are added to the Capital Asset in the Asset Register.

Where the Department is not the custodian of the completed project asset, the Asset is transferred to the custodian subsequent to completion.

17 Provisions and Contingents

17.1 Provisions

Provisions are recorded in the Notes to the Financial Statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

17.2 Contingent Liabilities

Contingent Liabilities are recorded in the Notes to the Financial Statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

17.3 Contingent Assets

Contingent Assets are recorded in the Notes to the Financial Statements when a possible Asset arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.

17.4 Capital Commitments

Capital Commitments are recorded at Cost in the Notes to the Financial Statements.

18 Unauthorised Expenditure

Unauthorised Expenditure is recognised in the Statement of Financial Position until such time as the expenditure is either:

- approved by Parliament with funding and the related funds are received; or
- approved by Parliament without funding and is written-off against the Appropriation in the Statement of Financial Performance; or
- transferred to receivables for recovery.

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

19 Fruitless and Wasteful Expenditure

Fruitless and Wasteful Expenditure is recorded in the Notes to the Financial Statements when confirmed. The amount recorded is equal to the total value of the Fruitless and/or Wasteful Expenditure incurred.

Fruitless and Wasteful Expenditure is removed from the Notes to the Financial Statements when it is resolved or transferred to receivables or written-off.

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

20 Irregular Expenditure

Irregular Expenditure is recorded in the Notes to the Financial Statements when confirmed after its assessment. The amount recorded is equal to the value of the Irregular Expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the Note.

Irregular Expenditure is reduced from the Note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.

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

21 Changes in Accounting Estimates and Errors

Changes in Accounting Estimates are applied prospectively in accordance with MCS requirements.

Correction of Errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases, the Department shall restate the opening Balances of Assets, Liabilities and Net Assets, for the earliest period for which retrospective restatement is practicable.

22 Events after the Reporting Date

Events after the Reporting Date that are classified as Adjusting Events have been accounted for in the Financial Statements. The Events after the Reporting Date that are classified as Non-Adjusting Events after the reporting date have been disclosed in the Notes to the Financial Statements.

23 Principal-Agent Arrangements

The Department is party to a Principal-Agent Arrangement for Tourism Incentive Programme projects. In terms of the Arrangement, the Department is the Principal and is responsible for the appointment of an Implementing Agent.

All related Revenues, Expenditures, Assets and Liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the Notes to the Financial Statements where appropriate.

24 Departures from the MCS requirements

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

25 Capitalisation Reserve

The Capitalisation Reserve comprises of Financial Assets and/or Liabilities originating in a Prior Reporting Period but which are recognised in the Statement of Financial Position for the first time in the Current Reporting Period. Amounts are recognised in the Capitalisation Reserves when identified in the Current Period and are transferred to the National Revenue Fund when the underlying Asset is disposed and the related funds are received.

26 Recoverable Revenue

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

27 Related-party Transactions

Related-party Transactions within the Minister's Portfolio are recorded in the Notes to the Financial Statements when the transaction is not at arm's length.

The number of individuals and the full compensation of Key Management Personnel is recorded in the Notes to the Financial Statements.

28 Inventories (*Effective from date determined in a Treasury Instruction*)

At the date of acquisition, Inventories are recognised at Cost in the Statement of Financial Performance.

Where Inventories are acquired as part of a non-exchange transaction, the Inventories are measured at Fair Value as at the date of acquisition.

Inventories are subsequently measured at the lower of Cost and Net Realisable Value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of Cost and Current Replacement Value.

The Cost of Inventories is assigned by using the weighted average Cost Basis.

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 Executive Authority is not part of the Key Management Personnel as he/she should refrain from interfering in the administration and management of the Department. The number of individuals and their full compensation is recorded in the Notes to the Financial Statements.

31 Employee Benefits

The value of each major class of employee benefit obligation (Accruals, Payables not Recognised and Provisions) is disclosed in the Employee Benefits Note.

32 Transfers of Functions

Transfers of Functions are accounted for by the acquirer by recognising or recording Assets acquired and Liabilities assumed at their carrying amounts at the date of transfer.

Transfers of Functions are accounted for by the transferor by derecognising or removing Assets and Liabilities at their carrying amounts at the date of transfer.

33 Mergers

Mergers are accounted for by the combined Department by recognising or recording Assets acquired and Liabilities assumed at their carrying amounts at the date of the merger.

Mergers are accounted for by the combining Departments by derecognising or removing Assets and Liabilities at their carrying amounts at the date of the merger.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

1. ANNUAL APPROPRIATION

Included are Funds Appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted Funds):

	2021/2022			2020/2021		
	Final Appropriation	Actual Funds received	Funds not requested/ not received	Final Appropriation	Appropriation received	Funds not requested/ not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	288 496	288 496	-	289 822	289 822	-
Tourism Research, Policy and International Relations	1 362 571	1 362 571	-	482 145	482 145	-
Destination Development	530 524	530 524	-	442 709	442 709	-
Tourism Sector Support Services	363 747	363 747	-	212 184	212 184	-
TOTAL	2 545 338	2 545 338	-	1 426 860	1 426 860	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

2. DEPARTMENTAL REVENUE

	Note	2021/2022	2020/2021
		R'000	R'000
Sales of Goods and Services other than Capital Assets	2.1	206	169
Interest, Dividends and Rent on Land	2.2	60	1 221
Sales of Capital Assets	2.3	1 074	16
Transactions in Financial Assets and Liabilities	2.4	80 518	10 451
TOTAL DEPARTMENTAL REVENUE COLLECTED		81 858	11 857

2.1 Sales of Goods and Services other than Capital Assets

	Note	2021/2022	2020/2021
		R'000	R'000
Sales of Goods and Services produced by the Department	2	206	169
Sales by Market Establishment		66	67
Other Sales		140	102
TOTAL		206	169

2.2 Interest, Dividends and Rent on Land

	Note	2021/2022	2020/2021
		R'000	R'000
Interest	2	60	1 221
TOTAL		60	1 221

2.3 Sale of Capital Assets

	Note	2021/2022	2020/2021
		R'000	R'000
Tangible Assets		1 074	16
Machinery and Equipment	27	1 074	16
TOTAL		1 074	16

2.4 Transactions in Financial Assets and Liabilities

	Note	2021/2022	2020/2021
		R'000	R'000
Other Receipts, including Recoverable Revenue (including Project Refunds)	2	80 518	10 451
TOTAL		80 518	10 451

2.5 Donations received-in-kind

	Note	2021/2022	2020/2021
		R'000	R'000
Embassy of the People's Republic of China - 20 000 disposable masks	2	-	533
TOTAL		-	533

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

3. AID ASSISTANCE

	2021/2022	2020/2021
	R'000	R'000
Opening Balance	-	1 104
Prior Period Error	-	-
As Restated	-	1 104
Transferred from Statement of Financial Performance	-	-
Paid during the year	-	(1 104)
CLOSING BALANCE	-	-

3.1 Analysis of Balance by Source

	Note	2021/2022	2020/2021
		R'000	R'000
Aid Assistance from RDP	3	-	-
Closing Balance		-	-

3.2 Analysis of Balance

	Note	2021/2022	2020/2021
		R'000	R'000
Aid Assistance repayable	3	-	-
Closing Balance		-	-

3.3 Aid Assistance Expenditure per Economic Classification

	2021/2022	2020/2021
	R'000	R'000
Transfers and Subsidies	34 810	-
Total Aid Assistance Expenditure	34 810	-

4. COMPENSATION OF EMPLOYEES**4.1 Salaries and Wages**

	Note	2021/2022	2020/2021
		R'000	R'000
Basic Salary		229 881	229 665
Performance Awards		1 669	2 888
Service-based		163	116
Compensative/Circumstantial		3 089	4 303
Periodic Payments		79	-
Other Non-pensionable Allowances		62 417	54 180
TOTAL		297 298	291 152

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

4.2 Social Contributions

	Note	2021/2022	2020/2021	Note	2021/2022	2020/2021
		R'000	R'000		R'000	R'000
Employer Contributions						
Pension		29 074	29 218		28 305	30 720
Medical		11 007	10 284		1 475	3 722
Bargaining Council		51	49	5.5	122 703	44 645
Insurance		22	-	5.6	29 790	11 484
TOTAL		40 154	39 551		4 215	3 641
					47 010	39 728
				5.7	1 533	2 328
TOTAL COMPENSATION OF EMPLOYEES		337 452	330 703	TOTAL	417 261	313 011
Average number of employees		494	497			

5. GOODS AND SERVICES

	Note	2021/2022	2020/2021
		R'000	R'000
Administrative fees		224	27 482
Advertising		4 988	9 939
Minor assets	5.1	505	148
Bursaries (employees)		1 173	1 797
Catering		2 752	2 963
Communication		24 047	16 978
Computer services	5.2	17 962	21 395
Consultants: Business and Advisory Services		25 182	23 959
Legal services		1 244	1 716
Contractors		9 113	4 481
Agency and support/outsourced services		79 179	50 779
Entertainment		15	286
Audit cost – external	5.3	7 718	8 059
Fleet services		1 910	1 377
Consumables	5.4	6 218	5 384

Note:

-*Administrative Fees* decreased by R27.258 million (99%). In 2020/2021 there was a large payment for Management Fees for the Tourism Equity Fund that had caused Administrative Fees to be unusually high in that year.

-*Advertising* costs decreased by R4.951 million (50%). This is due to a decrease in expenditure in Marketing and Promotional items.

-*Minor Assets* expenditure increased by R357 thousand (241%) mainly due to expenditure on computer equipment required for remote working during COVID-19 lockdown.

-*Communication* expenditure increased by R7.069 million (42%) due to increase in data and cell phone expenditure during the COVID-19 pandemic when employees were compelled to work remotely during the lockdown.

-*Contractors* expenditure increased by R4.632 million (103%). This is attributable to payment for security services for guarding of EPWP infrastructure projects.

-*Agency and Support/Outsourced Services* increased by R28.400 million (56%). This is due to an increase in the payment of stipends to EPWP projects/workers. A large number of EPWP skills/training projects that had been delayed/curtailed in 2020/2021 due to the COVID-19 pandemic had resumed in 2021/2022 as restrictions were eased.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

- *Fleet Services* costs increased by R533 thousand (39%). As COVID-19 restrictions eased officials had started to travel more in 2021/2022.

- *Property Payments* increased by R78.058 million (174%). A larger number of EPWP maintenance projects received additional funding through the PES job creation programme in 2021/2022.

- *Travel and Subsistence* expenditure increased by R18.306 million (159%). As COVID-19 restrictions eased officials had started to travel more in 2021/2022.

- *Training and Development* costs increased by R7.282 million (56%). This is due to an increase in the training expenditure for EPWP projects/workers. A large number of EPWP skills/training projects that had been delayed/curtailed in 2020/2021 due to the COVID-19 pandemic had resumed in 2021/2022 as restrictions were eased.

5.1 Minor Assets

	Note	2021/2022	2020/2021
	5	R'000	R'000
Tangible Assets		505	148
Machinery and Equipment		505	130
Transport Assets		-	18
TOTAL		505	148

5.2 Computer Services

	Note	2021/2022	2020/2021
	5	R'000	R'000
State Information Technology Agency (SITA) computer services		7 777	9 257
External computer service providers		10 185	12 138
TOTAL		17 962	21 395

5.3 Audit Cost – external

	Note	2021/2022	2020/2021
	5	R'000	R'000
Regularity Audits		7 277	7 280
Investigations		441	779
TOTAL		7 718	8 059

5.4 Consumables

	Note	2021/2022	2020/2021
	5	R'000	R'000
Consumable Supplies		2 737	2 590
Uniform and Clothing		850	521
Household Supplies		281	981
Building Material and Supplies		115	2
Communication Accessories		168	1
IT Consumables		1 158	478
Other Consumables		165	607
Stationery, Printing and Office Supplies		3 481	2 794
TOTAL		6 218	5 384

5.5 Property Payments

	Note	2021/2022	2020/2021
	5	R'000	R'000
Municipal Services		152	3 689
Property Management Fees		-	128
Property Maintenance and Repairs		122 322	40 488
Other (Cleaning and Fumigation Services)		229	340
TOTAL		122 703	44 645

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

5.6 Travel and Subsistence

	Note	2021/2022	2020/2021
		R'000	R'000
Local	5	25 841	10 947
Foreign		3 949	537
TOTAL		29 790	11 484

5.7 Other Operating Expenditure

	Note	2021/2022	2020/2021
		R'000	R'000
Professional Bodies, Membership and Subscription Fees	5	790	929
Resettlement Costs		-	54
Other (Printing, Publications and Courier Services)		743	1 345
TOTAL		1 533	2 328

6. PAYMENTS FOR FINANCIAL ASSETS

	Note	2021/2022	2020/2021
		R'000	R'000
Other Material Losses written-off	6.1	187	-
Debts Written-off	6.2	60	23
TOTAL		247	23

6.1 Other Material Losses written-off

	Note	2021/2022	2020/2021
		R'000	R'000
Nature of Losses	6		
Losses (damage to vehicles due to accidents)		187	-
TOTAL		187	-

6.2 Debts Written-off

	Note	2021/2022	2020/2021
		R'000	R'000
Nature of Debts Written-off	6		
Other Debt Written-off (Departmental Debt)		60	23
TOTAL		60	23

7. TRANSFERS AND SUBSIDIES

	Note	2021/2022	2020/2021
		R'000	R'000
Departmental Agencies and Accounts	Annex 1A	1 562 137	426 199
Public Corporations and Private Enterprises	Annex 1B	-	50 523
Foreign Governments and International Organisations	Annex 1C	2 437	2 998
Non-profit Institutions	Annex 1D	431	-
Households	Annex 1E	4 309	18 907
TOTAL		1 569 314	498 627

8. EXPENDITURE FOR CAPITAL ASSETS

	Note	2021/2022	2020/2021
		R'000	R'000
Tangible Assets		213 502	249 885
Building and other Fixed Structures	29	206 256	240 143
Machinery and Equipment	27	7 246	9 742
Intangible Assets		-	-
Software	28	-	-
TOTAL		213 502	249 885

Note:

Expenditure of R206.256 million under Buildings and Other Fixed Structures is for the Expanded Public Works Programme Projects.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

8.1 Analysis of Voted Funds utilised to acquire Capital Assets

	2021/2022	2020/2021
	R'000	R'000
Tangible Assets	213 502	249 885
Building and other Fixed Structures	206 256	240 143
Machinery and Equipment	7 246	9 742
Intangible Assets	-	-
Software	-	-
TOTAL	213 502	249 885

8.2 Finance Lease Expenditure included in expenditure for Capital Assets

	2021/2022	2020/2021
	R'000	R'000
Tangible Assets		
Machinery and Equipment	902	996
TOTAL	902	996

9. CASH AND CASH EQUIVALENTS

	2021/2022	2020/2021
	R'000	R'000
Consolidated Paymaster General Account	15 059	39 342
Cash Receipts	-	1
Disbursements	(2 307)	(6 591)
Cash-on-hand	75	75
Investments (domestic)	-	874
TOTAL	12 827	33 701

Note:

All Cash and Cash Equivalent held by the Department are available for use.

An amount of R30 438.22 was deposited into the Departmental bank account (ABSA) and the interface with the Department's Paymaster General Account took place in April 2022. As the Department is on Modified Cash Accounting, this amount is not part of the Cash and Cash Equivalents as stated above.

10. PRE-PAYMENTS AND ADVANCES

	Note	2021/2022	2020/2021
		R'000	R'000
Travel and Subsistence		20	22
Advances Paid (not expensed)	10.1	63	-
TOTAL		83	22

10.1 Advances Paid (not expensed) - 2021/2022

Note	Balance as at 1 April 2021	Less: Amount expensed in Current Year	Add or Less: Other	Add: Current Year Advance Payments	Balance as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
10					
National Departments	-	(392)	-	455	63
Total	-	(392)	-	455	63

Advances Paid (not expensed) - 2020/2021

Note	Balance as at 1 April 2020	Less: Amount expensed in Current Year	Add or Less: Other	Add: Current Year Advance Payments	Balance as at 31 March 2021
	R'000	R'000	R'000	R'000	R'000
10					
National Departments	164	(92)	(322)	250	-
Total	164	(92)	(322)	250	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

Note:

Advance Payments were made to the Department of International Relations and Cooperation for travel related bookings for the Department as well as to the Department of Government Communication and Information System for procurement of media services.

10.2 Prepayments (expensed) - 2021/2022

	Balance as at 1 April 2021	Less: Received in the Current Year	Add or Less: Other	Add: Current Year Prepayments	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Goods and Services	2 544	(40 576)	-	40 066	2 034
Capital Assets	-	-	-	-	-
Total	2 544	(40 576)	-	40 066	2 034

Prepayments (expensed) - 2020/2021

	Balance as at 1 April 2020	Less: Received in the Current Year	Add or Less: Other	Add: Current Year Prepayments	Amount as at 31 March 2021
	R'000	R'000	R'000	R'000	R'000
Goods and Services	4 011	(9 067)	-	7 600	2 544
Capital Assets	-	-	-	-	-
Total	4 011	(9 067)	-	7 600	2 544

Note:

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Project Name	Balance as at 1 April 2021	Less: Received in the Current Year	Add: Current year Prepayments	Balance as at 31 March 2022
	R'000	R'000	R'000	R'000
Goods and Services:				
FS - Hospitality Youth Training (Fast Food)	1 943	-	-	1943
LP and MP - Data Collectors Programme	394	(394)	-	-
NW - Manyane Lodge Security Phase 7	207	(207)	-	-
LP - Ngove Cultural Centre Security Phase 7	-	(214)	214	-
KZN - Data Collectors Project	-	(1 907)	1 907	-
WC - Data Collectors Project	-	(841)	841	-
EC - Tourism Monitors Program Phase 2	-	(1 739)	1 739	-
FS - Tourism Monitors Program Phase 2	-	(869)	869	-
GP - Tourism Monitors Programme Phase 2	-	(3 738)	3 738	-
Isimangaliso Wetlands Park Tourism Monitors	-	(5 580)	5 580	-
KZN - Tourism Monitors Programme Phase 2	-	(3 478)	3 478	-
NW - Tourism Monitors Programme Phase 2	-	(1 739)	1 739	-
NC - Tourism Monitors Programme Phase 2	-	(1 739)	1 739	-
WC - Tourism Monitors Programme Phase 2	-	(5 608)	5 608	-
KZN and WC - Wine Making Training Programme	-	(1 663)	1 663	-
FS - Professional Cookery Programme	-	(887)	887	-
NC - Professional Cookery Programme	-	(826)	826	-
NC, EC and WC - Food and Beverage for Cluster 3	-	(2 244)	2 244	-
WC - Food Safety Quality Assurers Programme	-	(3 402)	3 402	-
GP - Food Safety Food Quality Assurers Programme	-	(1 088)	1 088	-
MP - Tourism Monitors Training Programme Phase 2	-	(2 413)	2 504	91
Total	2 544	(40 576)	40 066	2 034

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

10.3 Advances Paid (expensed) - 2021/2022

	Amount as at 1 April 2021	Less: Received in the Current Year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Public Entities	502 288	(102 153)	-	306 553	706 688
Total	502 288	(102 153)	-	306 553	706 688

Advances Paid (expensed)- 2020/2021

	Amount as at 1 April 2020	Less: Received in the Current Year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2021
	R'000	R'000	R'000	R'000	R'000
Public Entities	258 289	(33 001)		277 000	502 288
Total	258 289	(33 001)		277 000	502 288

Note:

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Entity/Project Name	Balance as at 1 April 2021	Less: Received in the Current Year	Add: Current Year advances	Balance as at 31 March 2022
	R'000	R'000	R'000	R'000
Ezemvelo KZN Wildlife – KZN - Wildlife Roofing of five resorts	2 216	(2 216)	-	-
Ezemvelo KZN Wildlife – KZN Ezemvelo Midmar Resort upgrade project	13 721	(4 617)	-	9 104
Trade and Investment KwaZulu-Natal (TIKZN)	13 905	(3 780)	-	10 125
South African National Biodiversity Institute (SANBI)	35 000	-	-	35 000
Eastern Cape Parks and Tourism Agency (ECPTA)	9 019	(3 492)	-	5 527
Constitutional Hill (CONHILL)	10 712	-	-	10 712
South African National Parks (SANParks)	22 701	(1 580)	-	21 121
Cape Nature	15 771	(352)	-	15 419
Ezemvelo KZN Wildlife - Upgrade and expansion of Giant Castle	7 484	(2 399)	-	5 085
Maropeng a'Afrika	7 000	(6 122)	-	878
Tourism KwaZulu-Natal (TKZN) - Mandela Capture Site	8 464	-	-	8 464
SANPARKS - Dinosaur Interpretation Centre - EPWP Beneficiaries	294	(294)	-	-
SANPARKS - Pilot Infrastructure Maintenance	70 426	(42 508)	10 000	37 918
SANPARKS - Infrastructure Maintenance Phase 2	-	(15 702)	25 583	9 881
SANPARKS - Tsitsikamma Big Tree Project - EPWP Beneficiaries	666	(666)	-	-
Mpumalanga Tourism and Parks Agency - Universal Access Project	7 730	-	-	7 730
Eastern Cape Parks and Tourism Agency - Universal Access Project	1 436	(799)	-	637
Ezemvelo KZN Wildlife - Universal Access Project	1 690	(640)	-	1 050
SANPARKS - Business Incubation of Emerging Maintenance Contractors	4 053	(233)	-	3 820
DBSA - Infrastructure and Maintenance Projects	270 000	(11 856)	265 690	523 834
DBSA - Security Project	-	(4 897)	5 280	383
Total	502 288	(102 153)	306 553	706 688

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

11. RECEIVABLES

	Note	2021/2022			2020/2021		
		Current	Non-Current	Total	Current	Non-Current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims Recoverable	11.1 Annex 3	107	-	107	-	-	-
Recoverable Expenditure	11.2	1 337	-	1 337	1 009	-	1 009
Staff Debt	11.3	152	386	538	233	264	497
Other Receivables	11.4	736	-	736	-	-	-
Fruitless and Wasteful Expenditure	11.5	147	-	147	140	-	140
TOTAL		2 479	386	2 865	1 382	264	1 646

11.1 Claims Recoverable

	Note	2021/2022	2020/2021
		R'000	R'000
National Departments	11	107	-
TOTAL		107	-

11.2 Recoverable Expenditure (Disallowance Accounts)

	Note	2021/2022	2020/2021
		R'000	R'000
Departmental Suspense Accounts (damaged vehicles and Disallowance Account)	11	1 337	1 009
TOTAL		1 337	1 009

11.3 Staff Debt

	Note	2021/2022	2020/2021
		R'000	R'000
Departmental Debt Account	11	538	497
TOTAL		538	497

11.4 Other Receivables

	Note	2021/2022	2020/2021
		R'000	R'000
Tourist Guide Relief Fund Debts	11	736	-
TOTAL		736	-

11.5 Fruitless and Wasteful Expenditure

	Note	2021/2022	2020/2021
		R'000	R'000
Opening Balance	11	140	-
Less amounts recovered		(22)	(52)
Less amounts written-off		(1)	(7)
Transfers from Note 23 Fruitless and Wasteful Expenditure		21	191
Interest		9	8
TOTAL		147	140

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

12. Voted Funds to be surrendered to the Revenue Fund

	2021/2022	2020/2021
	R'000	R'000
Opening Balance	34 611	8 278
Prior Period Error		-
As restated	34 611	8 278
Transfer from Statement of Financial Performance (as Restated)	7 562	34 611
Paid during the year	(34 611)	(8 278)
CLOSING BALANCE	7 562	34 611

13. DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND

	2021/2022	2020/2021
	R'000	R'000
Opening Balance	281	2
Prior Period Error		-
As Restated	281	2
Transfer from Statement of Financial Performance	81 858	11 857
Paid during the year	(74 388)	(11 578)
CLOSING BALANCE	7 751	281

14. PAYABLES – CURRENT

	Note	2021/2022	2020/2021
		R'000	R'000
Other Payables	14.1	130	190
TOTAL		130	190

14.1 Other Payables

	Note	2021/2022	2020/2021
		R'000	R'000
Salary-related Payables	14	130	190
TOTAL		130	190

15. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	2021/2022	2020/2021
	R'000	R'000
Net Surplus/(deficit) as per Statement of Financial Performance	89 420	46 468
Add back Non-cash/Cash movements not deemed Operating Activities	102 211	228 734
(Increase)/decrease in Receivables – Current	(1 097)	(418)
(Increase)/decrease in Pre-payments and Advances	(61)	179
Increase/(decrease) in Payables – Current	(60)	64
Proceeds from sale of Capital Assets	(1 074)	(16)
Expenditure on Capital Assets	213 502	249 885
Surrendered to Revenue Fund	(108 999)	(19 856)
Surrenders to RDP Fund/Donor	-	(1 104)
Net Cash Flow generated by Operating Activities	191 631	275 202

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

16. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	2021/2022	2020/2021
	R'000	R'000
Consolidated Paymaster General Account	15 059	39 342
Cash Receipts	-	1
Disbursements	(2 307)	(6 591)
Cash-on-hand	75	75
Cash with commercial banks (local)	-	874
TOTAL	12 827	33 701

17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

17.1 Contingent Liabilities

		2021/2022	2020/2021
		R'000	R'000
Liable to	Nature		
Housing Loan Guarantees	Employees	Annex 2A 26	26
Claims against the Department		Annex 2B 7 248	41
Inter-governmental Payables (unconfirmed balances)		Annex 4 -	-
TOTAL		7 274	67

Note:

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

17.2 Contingent Assets

	2021/2022	2020/2021
	R'000	R'000
Nature of Contingent Asset		
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	-
Amathemaba Skills (Pty) Ltd - Refund of money advanced for project	3 193	-
Wayne Smith & Associates-Claim for damages	9	-
Samuel Malesela Mogale Business Enterprise - Refund of money overpaid	50	-
Umbuso Training Services (Pty)Ltd - Refund of money owed to the Department	169	-
Total	13 419	9 930

18. CAPITAL COMMITMENTS

	2021/2022	2020/2021
	R'000	R'000
Machinery and Equipment	996	2 149
Buildings and Other Fixed Structures	438 686	396 204
Intangible Assets	-	-
TOTAL	439 682	398 353

Note:

Capital Commitments for *Buildings and Other Fixed Structures* are for the Expanded Public Works and Destination Development infrastructure projects undertaken by Implementing Agents on behalf of the Department.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

19. ACCRUALS AND PAYABLES NOT RECOGNISED

19.1 Accruals

Listed by Economic Classification	30 days	30+ days	2021/2022	2020/2021
			R'000	R'000
Total			6 555	4 637
Goods and Services	6 522	33	6 555	4 203
Transfers and Subsidies	-	-	-	-
Capital Assets	-	-	-	152
Other (Assets and Liabilities)	-	-	-	282
TOTAL	6 522	33	6 555	4 637

Listed by Programme level	2021/2022	2020/2021
	R'000	R'000
Administration	3 418	3 064
Tourism Research, Policy and International Relations	1 104	50
Destination Development	611	1 105
Tourism Sector Support Services	1 253	136
Other (Assets and Liabilities)	169	282
TOTAL	6 555	4 637

19.2 Payables not Recognised

Listed by Economic Classification	30 days	30+ days	2021/2022	2020/2021
			R'000	R'000
Total			10 514	168
Goods and Services	10 344	170	10 514	168
Capital	-	-	-	-
Other (Compensation of Employees)	-	-	-	-
TOTAL	10 344	170	10 514	168

Listed by Programme level

Listed by Programme level	2021/2022	2020/2021
	R'000	R'000
Administration	245	114
Tourism Research, Policy and International Relations	74	44
Destination Development	10 157	-
Tourism Sector Support Services	38	10
TOTAL	10 514	168

	2021/2022	2020/2021
	R'000	R'000
Confirmed Balances with other Departments	-	82
TOTAL	-	82

Material Accruals (above R100 000.00) relate to the following:

EPWP Stipends - R5 016 005.79; External Audit Costs - R643 828.77; Catering: Departmental Activities - R323 596.20; Consultants: Business and Advisory Services - R284 871.00; Communication: Airtime and Data - R378 432.75; Contractors: Security Services - R140 326.94; Contractors: Events Promoters - R326 816.55; Venues and Facilities - R414 209.30; Travel and Accommodation: Non-employees - R418 573.22; Travel and Accommodation - R1 838 444.56; Training and Development : Non-employees - R4 605 014.67; Fleet Services - R214 761.86; External Computer Services: Software Licence - R1 000 888.76.

20. EMPLOYEE BENEFITS

	2021/2022	2020/2021
	R'000	R'000
Leave Entitlement	21 609	24 814
Service Bonus (13 th cheque)	8 410	8 278
Performance Awards	-	1 682
Capped Leave commitments	2 956	3 616
Provision for Long Service Awards	262	153
TOTAL	33 237	38 543

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

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 R125 574.45. The category "Other" comprises Long Service Awards.

"Leave Entitlement" provision for 2020/2021 has been decreased from R24.841 million to 24.814 million. This is due to Leave that was not captured on time for the 2020/2021 financial year.

21. FINANCE LEASE EXPENDITURE

2021/2022	Machinery and Equipment	Total
Not later than 1 year	833	833
Later than 1 year but not later than 5 years	744	744
Total Lease Commitments	1 577	1 577

2020/2021	Machinery and Equipment	Total
Not later than 1 year	217	217
Later than 1 year but not later than 5 years	188	188
Total Lease Commitments	405	405

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.

22. IRREGULAR EXPENDITURE**22.1 Reconciliation of Irregular Expenditure**

Note	2021/2022	2020/2021
	R'000	R'000
Opening Balance	36 155	34 932
Prior Period Error		-
As Restated	36 155	34 932
Add: Irregular Expenditure – relating to Prior Year	-	-
Add: Irregular Expenditure – relating to Current Year	22.2 1 802	1 223
Less: Prior Year amounts not condoned and removed	22.3 (34 932)	-
Closing Balance	3 025	36 155

Analysis of Closing Balance

Current Year	1 802	1 223
Prior Years	1 223	34 932
Total	3 025	36 155

22.2 Details of Current and Prior Year Irregular Expenditure – added Current Year (under Determination and Investigation)

Incident	Disciplinary steps taken/criminal proceedings	2021/2022
		R'000
Non-compliance with SCM Procedures - Irregular award of tenders -Tender not awarded to the tenderer who scored the highest points.	Disciplinary steps/criminal proceedings to be determined after investigations are completed	1 652
Non-compliance with SCM Procedures - Irregular award of tender - Three quotes not obtained.	Disciplinary steps/criminal proceedings to be determined after investigations are completed.	150
Total		1 802

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

22.3 Details of Irregular Expenditure removed (not condoned)

		2021/2022
		R'000
Incident	Not condoned by (relevant authority)	
Non-compliance with SCM Procedures	National Treasury	34 932
Total		34 932

22.4 Details of Irregular Expenditure under assessment (not included in the Main Note)

		2021/2022
		R'000
Incident		-
Total		-

23. FRUITLESS AND WASTEFUL EXPENDITURE**23.1 Reconciliation of Fruitless and Wasteful Expenditure**

	Note	2021/2022	2020/2021
		R'000	R'000
Opening Balance		194 751	194 771
Prior Period Error			-
As restated		194 751	194 771
Fruitless and Wasteful Expenditure – relating to Prior Year	23.2	4	23
Fruitless and Wasteful Expenditure – relating to Current Year	23.2	121	158
Less: Amounts Resolved		-	-
Less: Amounts Recoverable	11.5	(21)	(191)
Less: Amounts Written-off	23.4	(104)	(10)
Fruitless and Wasteful Expenditure awaiting resolution		194 751	194 751

Analysis of awaiting resolution per Economic Classification

Current	-	-
Capital	194 751	194 751
Transfers and Subsidies	-	-
Total	194 751	194 751

23.2 Details of Current and Prior Year Fruitless and Wasteful Expenditure – added Current Year (under Determination and Investigation)

		2021/2022
		R'000
Incident	Disciplinary steps taken/criminal proceedings	
Flight amendments and no show for shuttle and accommodation with regards to travel bookings.	No disciplinary steps required – investigation conducted and expenditure recovered.	125
TOTAL		125

23.3 Details of Fruitless and Wasteful Expenditure Recoverable

		2021/2022
		R'000
Incident		
Late cancellation/no-show/flight amendments with regard to travel bookings		21
TOTAL		21

23.4 Details of Fruitless and Wasteful Expenditure Written-off

		2021/2022
		R'000
Incident		
Late cancellation/no-show/flight amendments with regard to travel bookings		104
TOTAL		104

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

23.5 Details of Fruitless and Wasteful Expenditure under assessment (not included in the Main Note)

	2021/2022
	R'000
Late cancellation/no-show/flight amendments with regard to travel bookings	59
TOTAL	59

24. RELATED-PARTY TRANSACTIONS

Payments made to South African Tourism	2021/2022	2020/2021
	R'000	R'000
Transfers and Subsidies - Tourism Grading Support	15 200	-
Goods and Services	-	1 262
TOTAL	15 200	1 262

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.

25. KEY MANAGEMENT PERSONNEL

	No. of individuals	2021/2022	2020/2021
		R'000	R'000
Political Office-Bearers	2	4 350	4 385
Officials:			
Level 15 to 16	5	8 523	7 694
Level 14	15	19 477	20 696
TOTAL		32 350	32 775

26. PROVISIONS

	2021/2022	2020/2021
	R'000	R'000
Expanded Public Works Programme – final completion report not submitted or signed-off. Retention Fees outstanding.	6 468	5 257
TOTAL	6 468	5 257

26.1 Reconciliation of Movement in Provisions

	2021/2022	2020/2021
	R'000	R'000
Opening Balance	5 257	7 660
Increase in Provision	1 211	-
Unused Amounts Reversed	-	(2 403)
Closing Balance	6 468	5 257

Note:

The Provisions relate to Expanded Public Works Programme Projects Retention Fees outstanding. The payments of the Retention fees are made after the final completion report is submitted and the timing of these payments are unknown. The estimate of the Retention Fees is based on a percentage of the Implementing Agent's Fees.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

27. MOVABLE TANGIBLE CAPITAL ASSETS

	Opening Balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	69 299	-	6 744	(5 321)	70 722
Transport Assets	12 564	-	1 800	(3 328)	11 036
Computer Equipment	35 466	-	4 438	(1 631)	38 273
Furniture and Office Equipment	13 262	-	139	(79)	13 322
Other Machinery and Equipment	8 007	-	367	(283)	8 091
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	69 299	-	6 744	(5 321)	70 722

27.1 Movement for 2020/2021

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening Balance	Prior-period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	64 183	(2 129)	8 592	(1 347)	69 299
Transport Assets	10 576	-	2 166	(178)	12 564
Computer Equipment	30 968	(158)	5 755	(1 099)	35 466
Furniture and Office Equipment	13 160	61	111	(70)	13 262
Other Machinery and Equipment	9 479	(2 032)	560	-	8 007
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	64 183	(2 129)	8 592	(1 347)	69 299

27.1.1 Prior Period Error

	Note	2020/2021
		R'000
Nature of Prior Period Error		
Relating to 2019/2020		(2 129)
Computer Equipment Overstated in 2019/2020		(158)
Other Machinery and Equipment Overstated in 2019/2020		(2 032)
Furniture and Office Equipment Understated in 2019/2020		61
Total Prior Period Errors		(2 129)

Note

During the review of the Note for the Current Year (2021/2022), it was discovered that there were discrepancies between the Fixed Asset Register (FAR) and the Movable Tangible Assets Note. The Department corrected the Prior Period Errors relating to the changes in movements of assets in the FAR and reclassification that were not disclosed in the Prior Years.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

27.2 Minor Assets

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

	Intangible Assets	Machinery and Equipment	Total
	R'000	R'000	R'000
Opening Balance	-	12 073	12 073
Additions	-	268	268
Disposals	-	(61)	(61)
TOTAL MINOR ASSETS	-	12 280	12 280

	Intangible Assets	Machinery and Equipment	Total
Number of R1 Minor Assets	-	941	941
Number of Minor Assets at Cost	-	6 183	6 183
TOTAL NUMBER MINOR ASSETS	-	7 124	7 124

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	143	-

Note

143 Minor Assets are under investigation. These are Assets that were identified during the physical assets verification. Some of these Assets were recorded as Disposed in Prior Years and others cannot be traced back to the Asset Register. The investigation into these Assets was not concluded at the time of finalising the Financial Statements. The value could also not be determined.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Intangible Assets	Machinery and Equipment	Total
	R'000	R'000	R'000
Opening Balance	2 485	8 488	10 973
Prior Period Error	(2 485)	3 815	1 330
Additions	-	132	132
Disposals	-	(362)	(362)
TOTAL MINOR ASSETS	-	12 073	12 073

	Intangible assets	Machinery and Equipment	Total
Number of R1 Minor Assets	-	357	357
Number of Minor Assets at Cost	-	5 827	5 827
TOTAL NUMBER OF MINOR ASSETS	-	6 184	6 184

27.2.1 Prior Period Error

	Note	2020/2021
		R'000
Nature of Prior Period Error		
Relating to 2019/2020		1 330
Minor Intangible Assets were Overstated in Prior Years		(2 485)
Minor Machinery and Equipment Understated in 2019/2020		3 815
Total Prior Period Errors		1 330

Note

Purchases of Software was incorrectly classified as minor Intangible Assets instead of being classified as Goods and Services.

During the review of the Note for the Current Year (2021/2022) it was discovered that there were discrepancies between the Fixed Asset Register (FAR) and the Movable Tangible Assets Note. The Department corrected the Prior Period Errors relating to the changes in movements of Assets in the FAR that were not disclosed in the prior years.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

27.3 Movable Assets Written-off

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

	Machinery and Equipment	Total
	R'000	R'000
Movable Assets Written-off	281	281
TOTAL MOVABLE ASSETS WRITTEN-OFF	281	281

MOVABLE ASSETS WRITTEN-OFF FOR THE YEAR ENDED 31 MARCH 2021

	Machinery and Equipment	Total
	R'000	R'000
Movable Assets Written-off	-	-
TOTAL MOVABLE ASSETS WRITTEN-OFF	-	-

28. INTANGIBLE CAPITAL ASSETS

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

28.1 Movement for 2020/2021

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening Balance	Prior-period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	8 729	(8 729)	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	8 729	(8 729)	-	-	-

28.1.1

Nature of prior period error

Relating to 2019/2020

Goods and Services incorrectly classified as Intangible Capital Assets

Note	2020/2021
	R'000
	(8 729)
	(8 729)

Relating to 2020/2021

Additions of Intangible Assets for 2020/2021 reclassified as Goods and Services

(6 725)
(6 725)

Total Prior Period Errors

(15 454)

Note

Purchases of Software was incorrectly classified as Intangible Capital Assets instead of being classified as Goods and Services in Prior Years.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

29. IMMOVABLE TANGIBLE CAPITAL ASSETS**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

	Opening Balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Other Fixed Structures	80 362	1 907	(49 422)	32 847
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	80 362	1 907	(49 422)	32 847

Expanded Public Works Programme Infrastructure Projects completed (additions).

	2021/2022
	R'000
MP – Mnisi Resort	1 907
TOTAL	1 907

Expanded Public Works Programme Infrastructure Projects completed and handed Over/ Written-off (Disposals).

	2021/2022
	R'000
EC - Hamburg Arts Colony	18 764
EC - AbaThembu Cultural Calabash	11 326
EC – Bumbane	4 717
WC - Tourism Development Programme for Atlantis (Phase 1)	1 742
WC - Tourism Development Programme for Atlantis (Phase 2)	9 832
NW - The Pampierstad Recreational Park	1 134
MP – Mnisi Resort	1 907
TOTAL	49 422

Expanded Public Works Programme Infrastructure Projects completed and not handed over.

	2021/2022
	R'000
EC - Bulhoek Massacre Heritage Site - Phase 2	10 384
EC – Maluti Hiking Trail	4 508
GP - Alexandra Mandela Yard Project	6 158
LP – Ngove Cultural Centre and Theatre	9 434
NW - Lehurutshe Bird and Supingstad Trophy Hunting	2 363
TOTAL	32 847

29.1 Movement for 2020/2021**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Opening Balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Other Fixed Structures	218 153	-	23 601	(161 392)	80 362
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	218 153	-	23 601	(161 392)	80 362

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

29.2 Capital Work-in-Progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2022

Note	Opening Balance 1 April 2021	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing Balance 31 March 2022
Annexure 5	R'000	R'000	R'000	R'000
Buildings and Other Fixed Structures	213 060	39 491	(1 907)	250 644
TOTAL	213 060	39 491	(1 907)	250 644

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

Note	Opening Balance 1 April 2020	Prior Period Error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated)	Closing Balance 31 March 2021
Annex 5	R'000	R'000	R'000	R'000	R'000
Buildings and Other Fixed Structures	238 256		5 434	(30 630)	213 060
TOTAL	238 256		5 434	(30 630)	213 060

29.3 Immovable Assets Written-off

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

	Buildings and Other Fixed Structures	Total
	R'000	R'000
Immovable Assets Written-off	1 134	1 134
TOTAL IMMOVABLE ASSETS WRITTEN-OFF	1 134	1 134

Note

One project had to be Written-off in 2021/2022 due to vandalism and theft of the Project Assets.

IMMOVABLE ASSETS WRITTEN-OFF FOR THE YEAR ENDED 31 MARCH 2021

	Buildings and Other Fixed Structures	Total
	R'000	R'000
Immovable Assets Written-off	593	593
TOTAL IMMOVABLE ASSETS WRITTEN-OFF	593	593

30. PRINCIPAL-AGENT ARRANGEMENTS

30.1 Department acting as the Principal for Tourism Incentive Programme Projects

Include a list of the Entities acting as Agents for the Department and the Fee Paid as Compensation to the Agent

PROJECTS	AGENT	Fee Paid	
		2021/2022	2020/2021
		R'000	R'000
Tourism Equity Fund	Small Enterprise Finance Agency (SEFA)	-	27 000
Tourism Transformation Fund	National Empowerment Fund	-	-
Green Tourism Incentive Programme	Industrial Development Corporation	-	-
TOTAL		-	27 000

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Note

The relationship with the three Entities listed is regulated by contracts/MoAs between the Department and the entities. In terms of the contracts, the Entities (agents) act on behalf of the Department to manage incentive programmes/funds that benefit third parties. The Agents receive a fee for managing the programme on behalf of the Department. The Agents account for moneys 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.

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. PRIOR PERIOD ERRORS**31.1 Correction of Prior Period Errors**

Note	Amount before error correction	Prior Period Error 2020/2021	Restated Amount
	R'000	R'000	R'000
Expenditure:			
Goods and Services	Per 306 286	6 725	313 011
Intangible Capital Assets	Per 6 725	(6 725)	-
Computer Services	5.2 14 670	6 725	21 395
Software	8 6 725	(6 725)	-
Net Effect	334 406	-	334 406

Note

Purchases of Software amounting to R6.725 million was incorrectly classified as Minor Intangible Assets instead of being classified as Goods and Services.

Note	Amount before error correction	Prior Period Error 2020/2021	Restated Amount
	R'000	R'000	R'000
Assets:			
Computer Equipment Overstated in 2019/2020	27.1 30 968	(158)	30 810
Other Machinery and Equipment Overstated in 2019/2020	27.1 9 479	(2 032)	7 447
Furniture and Office Equipment Understated in 2019/2020	27.1 13 160	61	13 221
Minor Intangible Assets Overstated in Prior Years	27.2 2 485	(2 485)	-
Minor Machinery and Equipment Understated in 2019/2020	27.2 8 488	3 815	12 303
Intangible Assets - purchases of Software incorrectly classified as Intangible Assets	28.1 8 729	(8 729)	-
Additions of Intangible Assets for 2020/2021 reclassified as Goods and Services	28.1 6 725	(6 725)	-
Net Effect	80 034	(16 253)	63 781

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

Note

During the review of the Note for the Current Year (2021/2022) it was discovered that there were discrepancies between the Fixed Asset Register (FAR) and the Movable Tangible Assets Note. The Department corrected the Prior Period Errors relating to the changes in movements of assets in the FAR and reclassification that were not disclosed in the Prior Years.

(Ref. Note 27.1)

Purchases of Software was incorrectly classified as Minor Intangible Assets instead of being classified as Goods and Services. During the review of the Note for the Current Year (2021/2022), it was discovered that there were discrepancies between the Fixed Asset Register (FAR) and the Movable Tangible Assets Note. The Department corrected the Prior Period Errors relating to the changes in movements of assets in the FAR that were not disclosed in the Prior Years.

(Ref. Note 27.2)

Purchases of Software was incorrectly classified as Intangible Capital Assets instead of being classified as Goods and Services in Prior Years.

(Ref. Note 28.1)

	Note	Amount before error correction	Prior Period Error 2020/2021	Restated Amount
		R'000	R'000	R'000
Liabilities:				
Capital Commitments - Intangible Assets	18	261	(261)	-
Employee Benefits - Leave Entitlement	20	24 841	(27)	24 814
Net Effect		25 102	(288)	24 814

Note

Capital Commitments in respect of Intangible Assets was reduced to zero. The Department incorrectly classified Software purchases as Intangible Assets instead of Goods and Services.

"Leave Entitlement" provision for 2020/2021 has been decreased from R24.841 million to R21 609 million. This is due to Leave that was not captured on time for the 2020/2021 financial year.

Note	Amount before error correction	Prior Period Error 2020/2021	Restated Amount	
	R'000	R'000	R'000	
Other:				
Principal-Agent Arrangement - Fees Paid	30.1	28 962	(1 962)	27 000
Net Effect		28 962	(1 962)	27 000

Note

The Principal-Agent Note (30.1) has been revised. The Fees Paid to Agents in the prior year has been revised. The EPWP Projects contracts have been reviewed and it was found that these relationships are not Principal-Agent Arrangements. These projects were accordingly removed from the Principal-Agents Projects list.

32. COVID-19 RESPONSE EXPENDITURE

Note	2021/2022	2020/2021
	R'000	R'000
Annexure 7		
Goods and Services	50	617
TOTAL	50	617

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2020/2021
	Adjusted Appropriation	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
South African Tourism	1 297 038	-	-	1 297 038	1 297 038	100	423 027
National Tourism Careers Expo	4 129	-	-	4 129	3 918	95	-
Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA)	181	-	-	181	181	100	172
Technology Innovation Agency	3 000	-	-	3 000	3 000	100	3 000
Tourism Grading Support	-	-	15 200	15 200	15 200	100	-
Tourism Equity Fund	-	-	242 800	242 800	242 800	100	-
TOTAL	1 304 348	-	258 000	1 562 348	1 562 137		426 199

ANNEXURE 1B

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2020/2021
	Adjusted Appropriation Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Private Enterprises									
Transfers									
<i>Tourism Incentive Programme:</i>									
Market Access Support	-	-	-	-	-	-	-	-	523
Tourism Equity Fund	258 000	-	(258 000)	-	-	-	-	-	50 000
Sub-Total: Private Enterprises	258 000		(258 000)	-	-	-	-	-	50 523
TOTAL	258 000	-	(258 000)	-	-	-	-	-	50 523

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

ANNEXURE 1C**STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS****FOREIGN GOVERNMENT/INTERNATIONAL ORGANISATION**

	TRANSFER ALLOCATION				EXPENDITURE		2020/2021
	Adjusted Appropriation	Rollovers	Adjustments	Total available	Actual transfer	% of available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
United Nations World Tourism Organisation (UNWTO)	2 641	-	-	2 641	2 437	92	2 998
TOTAL	2 641	-	-	2 641	2 437		2 998

ANNEXURE 1D**STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS****NON-PROFIT INSTITUTIONS**

	TRANSFER ALLOCATION				EXPENDITURE		2020/2021
	Adjusted Appropriation	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Federated Hospitality Association of Southern Africa (FEDHASA)	431	-	-	431	431	100	-
TOTAL	431	-	-	431	431		-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

ANNEXURE 1E**STATEMENT OF TRANSFERS TO HOUSEHOLDS****HOUSEHOLDS**

	TRANSFER ALLOCATION				EXPENDITURE		2020/2021
	Adjusted Appropriation Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Bursaries (Non-employee)	3 714	-	(1 565)	2 149	1 370	64	559
Employee Social Benefits	-	-	2 929	2 929	2 929	100	1 038
Claim against the State (Cash)	-	-	-	-	-	-	-
Donations (Gifts)	-	-	10	10	10	100	30
Payment - Act of Grace	-	-	-	-	-	-	17 280
TOTAL	3 714	-	1 374	5 088	4 309		18 907

ANNEXURE 1F**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED****NAME OF ORGANISATION****NATURE OF GIFT, DONATION OR SPONSORSHIP****Received-in-kind**

Embassy of the People's Republic of China

20 000 disposable masks

TOTAL

2021/2022	2020/2021
R'000	R'000
-	533
-	533

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

ANNEXURE 1G**STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	Opening Balance	Revenue	Expenditure	Paid back on/by 31 March 2022	Closing Balance
		R'000	R'000	R'000	R'000	R'000
Received-in-cash						
European Union	Baviaanskloof World Heritage Site Interpretation Centre and Leopard Trail Development	-	34 810	(34 810)	-	-
TOTAL		-	34 810	(34 810)	-	-

ANNEXURE 1H**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2021/2022	2020/2021
	R'000	R'000
Made in kind		
Donation of Laptop and iPad to Ms N Ngozi upon retirement	-	35
Donation of Laptop, iPad, Computer Monitor, and PC to Ms Ramphele upon retirement	-	47
Donation of sanitisers to Mercy House, shelter for women, registered NPO	-	13
Donation of sanitisers to Ithabeleng Organisation for Disability, registered NPO	-	13
Donation of Laptop, Computer Monitor, and Printers to Mr RH Ackermann upon retirement	8	-
Gift to a Minister from the Kenyan Government as a token of goodwill	1	-
Gift to the Swaziland Minister of Tourism as a token of goodwill	2	-
TOTAL	11	108

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

ANNEXURE 2A**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2022 – LOCAL**

Guarantor Institution	Guarantee in respect of Housing	Original guaranteed Capital Amount R'000	Opening Balance 1 April 2021 R'000	Guarantee draw-downs during the year R'000	Guarantee repayments/ cancelled/ reduced/ released during the year R'000	Revaluations R'000	Closing Balance 31 March 2022 R'000
Nedbank Limited		130	26	-	-	-	26
TOTAL		130	26	-	-	-	26

ANNEXURE 2B**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022**

Nature of Liability	Opening Balance 1 April 2021 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled reduced during the year R'000	Liabilities recoverable (provide details hereunder) R'000	Closing balance 31 March 2022 R'000
Claims against the Department					
Jean-Pierre Klein t/a SA Online and Entertainment – Claim against the Department for damages suffered as a result of breach of contract.	41	-	-	-	41
Umbuso Training Services (Pty) Ltd - Claim against the Department for payment of retention fees and administration costs due.	-	1 072	-	-	1 072
G Nevari - Claim due to unfair dismissal	-	6 000	-	-	6 000
K Morritti - Claim against the Department for accident damages	-	135	-	-	135
TOTAL	41	7 207	-	-	7 248

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

ANNEXURE 3**CLAIMS RECOVERABLE****GOVERNMENT ENTITY****DEPARTMENT**

Department of Human Settlements
 Department of Science and Technology
 Department of Water and Sanitation
 Office of the Public Service Commission

TOTAL

Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		TOTAL		Cash-in-transit at year-end 2021/2022	
31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	Payment date up to six working days before year-end	Amount
R'000	R'000	R'000	R'000	R'000	R'000		R'000
-	-	-	-	-	-	-	-
45	-	-	-	45	-	-	-
9	-	-	-	9	-	8/4/2022	9
41	-	-	-	41	-	-	-
12	-	-	-	12	-	7/4/2022	12
107	-	-	-	107	-		21

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

ANNEXURE 4**INTERGOVERNMENTAL PAYABLES****GOVERNMENT ENTITY****DEPARTMENT****Current**

Department of Justice and Constitutional Development

Sub-Total**Non-Current****Sub-Total****TOTAL**

Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		TOTAL		Cash-in-transit at year-end 2021/2022	
31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	Payment date up to six working days before year-end	Amount
R'000	R'000	R'000	R'000	R'000	R'000		R'000
-	82	-	854	-	936	-	-
-	-	-	-	-	-	-	-
	82	-	854	-	936	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	82	-	854	-	936	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

ANNEXURE 5**Movement of Capital Work-in-Progress****MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

Opening Balance	Current Year Capital WIP	Ready for use (Asset Register)/ Contract Terminated	Closing Balance
R'000	R'000	R'000	R'000
213 060	39 491	(1 907)	250 644
213 060	39 491	(1 907)	250 644

BUILDINGS AND OTHER FIXED STRUCTURES

Other Fixed Structures

TOTAL**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

Opening Balance	Current Year Capital WIP	Ready for use (Asset Register)/ Contract Terminated	Closing Balance
R'000	R'000	R'000	R'000
238 256	5 434	(30 630)	213 060
238 256	5 434	(30 630)	213 060

BUILDINGS AND OTHER FIXED STRUCTURES

Other Fixed Structures

TOTAL

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

ANNEXURE 6A**INTER-ENTITY ADVANCES PAID (Note 10)**

ENTITY	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		TOTAL	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of Government Communication and Information System	63	-	-	-	63	-
TOTAL	63	-	-	-	63	-

ANNEXURE 7**COVID 19 RESPONSE EXPENDITURE PER QUARTER TOTAL**

Expenditure per Economic Classification	2021/2022					2020/2021
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and Services						
Contractors	-	-	-	-	-	2
Consumable Supplies	19	2	1	28	50	557
Property Payments	-	-	-	-	-	54
Consumables Stationery, Printing and Office Supplies	-	-	-	-	-	4
TOTAL	19	2	1	28	50	617



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B-BBEE RATING AGENCY

MEASURED ENTITY

Registered Name	: Department of Tourism
Trading Name	: Department of Tourism
Registration Number	: N/A
VAT Number	: N/A
Empowering Supplier	: YES
Physical Address	: 17 Trevenna Street, Nedpark Building, Sunnyside , Pretoria, 0002

B-BBEE Status Level	LEVEL 8	Certificate Number	ID-G DM 8543-100122
Procurement Recognition	10.00%	Issue Date	10 January 2022
Applicable B-BBEE Codes	Specialised Sector Scorecard	Re-Issue Date	N/A
Applicable Score Card	Generic	Expiry Date	09 January 2023
Gazette Notice Number	38766	Black New Entrant	N/A
Black Shareholding	N/A	Modified Flow-Through Applied	N/A
Black Female Shareholding	N/A	Designated Group Supplier	No
Designated Group Ownership	N/A	Discounting Principle Applied	Yes
Black Youth	N/A	Exclusion Principle Applied	No
Black Disabled	N/A	Y.E.S Initiative Applied	No
Black Unemployed	N/A	Y.E.S Target and 2.5% Absorption	No
Black People living in Rural areas	N/A	1.5 x Y.E.S Target and 5% Absorption	No
Black Military Veterans	N/A	Double Y.E.S Target and 5% Absorption	No
ELEMENTS	ACTUAL SCORE	TARGET SCORE	
Management Control	17.68	20.00	
Skills Development	13.25	25.00	
Enterprise and Supplier Development	31.00	50.00	
Socio Economic Development	3.71	5.00	
TOTAL POINTS	65.64	100.00	
FINANCIAL PERIOD APPLIED	01 April 2020 - 31 March 2021		



Technical Signatory

Thabo Mofokeng
10 January 2022

Date



BVA 249

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