

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 1

TUESDAY, 23 MAY 2017

PROCEEDINGS OF MINI PLENARY SESSION - OLD ASSEMBLY CHAMBER

Members of the mini-plenary session met in the Old Assembly Chamber at 14:02.

The House Chairperson, Mr C T Frolick, as Chairperson, took the Chair and requested members to observe a moment of silence for prayers or meditation.

APPROPRIATION BILL

Debate on Vote 33-Tourism:

The MINISTER OF TOURISM: Hon Chairperson, Deputy Minister of Tourism, the Minister of Home Affairs, Prof Mkhize, Deputy Ministers present, Chairperson of the Portfolio Committee on Tourism and all members, the industry, our Director-General and South African tourism, my family which is also here, a very good afternoon to all

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 2

of you. The theme of our Budget Vote today is sustainable tourism for development.

The United Nations declared 2017 as the year of sustainable tourism for development. This is an initiative to mobilise the tourism industry; its stakeholders; partners from national, provincial and local governments; international organisations and the private sector to work together towards development and promotion of tourism that is economically beneficial, environmentally friendly, socially equitable and culturally responsive.

Tourism is a significant and critical sector in our economy as it contributes positively to the trade balance through foreign exchange receipts, sustains more than 700 000 direct jobs and is performing stronger than the other growth sectors. Globally, we recorded our seventh year of sustained growth despite the economic slowdown. In the past year South Africa recorded 13% growth in the international tourist arrivals.

This sector deserves more support and recognition in our country because it provides more opportunities and has lower barriers to entry. The sector is already contributing to our economy by

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 3

supporting over 1,5 million jobs in total and bringing in about 9% to our Gross Domestic Product, GDP.

Growth in tourism means that the prospects for growing and transforming our economy are significantly enhanced, not only for the tourism sector but for the entire value chain that is supported by tourism. This presents a greater opportunity for integration with other Nine-Point Plan sectors such as agriculture, manufacturing and transport, amongst others. We recognise this potential and are working with our partners to maximise the social and economic benefits of tourism beyond just the sector.

To build on this growth, we have revised our 2010-11 strategy after a review in 2015. The new strategy which is out for public comments has its foundations on inclusive and sustainable tourism growth. Through National Tourism Sector Strategy, we aim to achieve over 200% growth in our direct contribution to the 2015 GDP figure of R118 billion to R302 billion in 2026.

The indirect contribution to GDP will be just under a trillion rand at R941 billion from the 2015 figure which was R375 billion. We will also add 300 000 more jobs to bring direct employment to 1 million

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 4

from the 2015 figure of 700 000. This will bring the indirect employment to tourism figures to about 2,26 million.

In his address at the opening of the Africa Travel Indaba 2017, President Zuma reminded us that,

In this era of the fourth industrial revolution which may threaten traditional jobs, tourism's labour absorption capacity remains a great weapon against unemployment.

This reinforces the call made by the World Economic Forum Africa which was hosted in Durban three weeks ago, that Africa's economies should consider diversifying from commodities to services such as tourism in light of the challenges facing traditional industries. The President also contextualised our approach to radical economic transformation as:

a programme that seeks to correct the painful history of our country where the black majority was excluded from meaningful participation, ownership and control of our economy.

He further indicated that for tourism we are looking at 30% black ownership.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 5

Chairperson, the value of travel and related services consumed by organs of state annually is estimated at about R10 billion. This presents a transformation lever through state procurement.

Furthermore, government controls allocation of other opportunities such as licensing of tour operators; gaming operations including casinos; duty-free stores; car rental parking bays at strategic hubs; accommodation and retail facilities at state-owned facilities that are ceded to operators. These areas further present opportunities for accelerating radical economic transformation and we will work with partner departments to pursue this goal.

Tourism in South Africa is on the rise. The Department of Tourism is using its budget of R2,1 billion to ensure that as tourism rises, the people of South Africa rise with it. We will deploy this modest budget to pursue the following strategic areas for tourism growth. Marketing takes the largest component of this budget at 53% or R1,1 billion. The remaining R1 billion is largely distributed amongst Tourism Incentives, Expand Public Works Programme called Working for Tourism, which includes skills development, destination development and enterprise development.

With SA Tourism's budget at 53%, it is our strategic intent to drive government imperatives through our entity. These include

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 6

contribution to job creation and radical economic transformation. A targeted approach to positioning black enterprises in SA Tourism marketing efforts is a critical part of fulfilment of that mandate. As the President said at the opening of Africa Travel Indaba 2017:

Black Entrepreneurs will be targeted to be the leaders in growing new markets in Asia, Iran and the Middle East, through various programmes run by SA Tourism, including participating in international trade shows and expos, as part of our country's radical economic transformation programme.

This R1,1 billion will be deployed towards increasing our global market share and growing the domestic tourism market in a manner that promotes inclusive growth. Our goal is to attract five million additional tourists to South Africa within the next five years. Simply put, the Five-in-Five Strategy brings four million additional international tourist arrivals and one million additional domestic holiday trips.

The growth in the international market will be driven through establishment of a bidding fund to a tune of R90 million over the medium-term period; strengthening our marketing and conversion mechanisms in traditional markets; and expanding to new markets

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 7

which include Asia, Iran, the Middle East, the African continent and its diaspora. An amount of R110 million has also been allocated for attracting more businesses and delegates to South Africa, and another R224 million is for infrastructure investment.

Chairperson, the SAT Board has also decided on the Inkosi Albert Luthuli International Convention Centre in Durban, KwaZulu-Natal, as the home for Africa's Travel Indaba for the next five years. It is our approach, moving forward, that all our strategic events should find their respective homes which would allow the host city, provincial and industry partners to plan their investments with greater levels of certainty.

This year's Indaba, rebranded Africa's Travel Indaba was attended by exhibitors from 20 African countries. We also hosted the Indaba Ministerial session that endorsed the rebranded Indaba and further called for strengthening interaction platforms for engagements on emerging trends in tourism, challenges and unity of the continent.

Other issues that were discussed in this session include legislative imperatives, strengthening of country to country relations, connectivity, air access, visa/immigration issues and emerging technology innovations. This is in line with our pursuit of the

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 8

implementation of Agenda 2063. It is within the same spirit that we will also be signing bilateral co-operation agreements in the field of tourism with Zambia, Botswana, Malawi, Senegal and Namibia during this financial year.

South Africa will also take over the Chair of Southern African Development Community, SADC from Swaziland until August 2018. During this period, we will host the SADC Tourism Ministers' meeting. One of the main tasks of this tourism sector in SADC will be the establishment of a tourism policy unit within the SADC Secretariat, which will serve as a think tank for policy development and analysis in the region.

Whilst we have registered phenomenal growth, I wish to remind all of us that tourism is a vulnerable sector as we witnessed in the decline of -3,5% for the month of February 2017 compared to February 2016, which was specifically from the SADC region, China and India. This was clear that tourism responds to the external shocks a lot faster than other sectors.

In particular, concerns about personal safety and violent crimes are at the top of the mind when all of us make travel decisions, and this is no different when it comes to international tourists. We

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 9

need to work together as South Africans to build the confidence of tourists in our destination. Marketing alone is not enough. Our own actions as South Africans will determine how our message is received by our targeted markets. [Applause.] Thank you.

The recent Ebola incidents reported from the DRC requires urgent collective attention as what happens in one part of the continent will always be perceived as occurring across the continent. We will work with all strategic partners to give confidence to the tourism markets that we are a must-visit destination. To this end, the President launched our new "We do Tourism" campaign at the Africa's Travel Indaba last week. The President was also emphatic that "tourism is everybody's business and that growing the industry is everybody's business".

Following the establishment of the Inter-Ministerial Committee on Immigration Regulations, which was tasked with finding a balance between ease of travel facilitation for tourists and security needs, I am pleased to report that significant progress was made in implementing the Cabinet decision. Thanks to the leadership of the Department of Tourism. Already we have had a formal session with the Minister of the Department of Home Affairs on the matter. We can include in the report that, as of today, we are confident that even

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 10

the last outstanding matter will soon be completed. It is only through continuous strategic and constructive dialogue between the public and private sectors that we will be able to achieve meaningful results. In the end, South Africa must remain the winner. {Applause.}

In terms of our research, policy and regulations, during the last financial year, we developed regulations to guide the lodgement of complaints through the Tourism Complaints Officer. During the current financial year, we will embark on the development of amendments to the Tourism Act with the view to create an enabling environment for inclusive growth. We will also work with industry stakeholders and other partner departments in determining the proper policy framework to take into account the impact of the sharing economy and the disruptive technologies in the industry.

Chairperson, inclusive growth of the sector requires clear insights and relevant statistical information. In this regard, we will strengthen our capacity for insights and analytics for both marketing and development of the sector. We will also work with local government across the country to appoint, train and place youth that will serve as data collectors about tourism products, attractions and services within the various localities. This will

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 11

enhance the national tourism information management system and improve our decision-making capacity.

More direction towards enhancing tourism is our approach in the implementation of the marine and coastal tourism which seeks to promote the integration of associated industries such as agriculture, fisheries, arts and culture, environmental management, small harbour development, cruise terminal development, etc. We are also taking a nodal approach in all identified projects to tackle the entire value chain and product development and the Deputy Minister will speak to the intervention.

The plan will also seek to integrate coastal developments with existing inland experiences with the view to maximise participation opportunities. This plan, which has been developed with other relevant stakeholders, will soon be tabled before the Cabinet for approval and implementation. It will form a greater part of our destination development efforts.

South Africa also plays a strategic role as one of the seven founding members of the Indian Ocean Rim Association, Iora. This opens opportunities beyond our South African coast and therefore extends opportunities to one-third of the world's coastline.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 12

Our transformation agenda is at the core of what we want to do. As part of the guidance from the Tourism Broad-Based Black Economic Empowerment Charter Council, we plan to put together a framework for maximising empowerment of black people through concessions in state-owned entities; partnerships to bring in existing black operators to serve as management companies for state-owned facilities; partnership with industry to scale up enterprise and supplier development; effective use of state procurement levers in partnership with National Treasury to empower black suppliers of tourism products and services; strengthening market access for black-owned enterprises in terms of government-driven marketing initiatives; and enhanced mechanisms for access to funding for new initiatives and expansion projects. Our ultimate goal is to participate in the Black Industrialist Programme. [Applause.]

To this end, I would like to thank the Chairperson of the council, Dr Vuyo Mahlati and members of the council for their work. We are looking at having an indaba towards the end of the year to take forward the stakeholders to implement.

Another exciting moment is the empowerment of women which is central to our transformation agenda. We will continue with our Women in Tourism Programme. Women in tourism are mobilised behind

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 13

representation, recognition, reward and respect. The launch at the Tourism Indaba 2017 lifts one of those aspects which is representation, and targets 30% in the next five years as part of the scorecard on ownership, board participation and executive management by our women. An advisory body will continuously advise us on proper interventions which will take us forward and we will use our incentive programme to also intervene.

Chairperson, access to funding for small businesses is often an issue. We are working with the National Treasury and we have entered into a partnership with the National Empowerment Fund, NEF to establish a transformation fund. A combination of grant funding and debt financing will be used to drive sector transformation and unlock capital investment in tourism.

The fund is currently capitalised to an amount of R120 million with the aim of building it to about R360 million in the medium term. Every rand from the department is matched by two rand from the National Empowerment Fund. The fund includes NEF equity, Debt and NDT grant funding and we will cap it at R5 million. It will be accessible in the second quarter of 2017-18 financial year. The Deputy Minister will elaborate on our approach to enterprise

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 14

development. We will host a national conference on transformation, as I indicated earlier.

In terms of destination development, we are developing a framework for precinct development, with emphasis on township and rural tourism. Our initial efforts will be focused on Vilakazi Street in Soweto with a view to replicate and adapt the model in other viable townships across the country. The combination of Vilakazi Street residents' entrepreneurship spirit and the uniqueness of this very special place - once a home to two Nobel Peace Laureates and one of a kind in the world - has created a vibrant and globally sort-after tourism attract. This amplifies the need for a targeted approach to precinct development.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon Minister, your time has expired, unless you want to use some of your time that is at the end. We'll reduce it accordingly.

The MINISTER OF TOURISM: I'll use just two minutes of my time to indicate that we also have a programme which used to be called the Expanded Public Works Programme and is now called Working for Tourism.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 15

Through the implementation of this programme we wish to create 3 347 full-time equivalent jobs through both infrastructure and skills development programmes. Based on our experiences, we have put in place systems and capacity for effective implementation and future commercial sustainability of our product-based expanded public works programme projects. We have also adopted a zero-tolerance stance on poor performance by contractors with consequences where there is an indication of management in such cases.

We will also pursue partnerships with other government institutions to scale up the intake of our skills development programme. Our CathsSeta represented by the Chief Operations Officer, COO here and the Department of Labour are partnering with us to increase these numbers. Towards the end of the quarter we will indicate additional numbers in terms of skills development. Our Blue Flag ambassadors are here as a showcase that we are moving in that programme as part of a new area of skills development. I'll stop there, Chair. Thank you. [Applause.]

IsiZulu: 14:23:57

Nk B T NGCOBO: Sihlalo weNdlu, boNgqongqoshe ababhekene noMnyango Wezokuvakasha, uNgqongqoshe u-Toko Xasa noNgqongqoshe u-Elizabeth Thabethe, Malibongwe![igama lamakhosikazi] amalungu ahloniphekile

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 16

alana, abavakashi bethu, namalungu ahloniphekile ezoMnyango
Wezokuvakasha, nabobonke abasemakhaya, sanibonani.

English:

From the outset we would like to say the ANC supports this Budget Vote 33. [Applause.] After having had meetings with the national Department of Tourism and SA Tourism, SAT, to present their strategic plans as well as their Annual Performance Plans, APPs, today we are debating this Vote. We congratulate both the department and the entity for getting a clean audit and for being awarded by the Auditor-General for the best performing department in accounting and further getting the Batho Pele award for the best director-general. [Applause.]

The ANC has been having the economy at its apex all the way in order to have an inclusive economy. Tourism has also been made a priority because it survives and maintains the economy even when the major departments are shaken. The restructuring of the Department of Tourism and also the reorganisation of programmes of SA Tourism is going to go a long way because the programmes are being better and properly structured. Vote 33 has been appropriated R2,140 billion, 53% of that been appropriated or transferred to SA Tourism. The department remained with 47% which is for employee compensation and

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 17

for goods and services. Given the funding needs to fulfil the tourism mandate as clearly articulated in the programme structure, the R2,1 billion allocated to Vote 33 is inadequate for the function that this department must perform.

The committee continues to monitor the value for money and whether the entity is delivering the required services on the budget that has been appropriated to it. But the department has informed the committee that it is now insourcing quite a number of programmes to avoid delays which have been troubling and have been a problem to this department. SA Tourism has not done so well with the international arrivals in as much as that it has come with the initiative of five in five in five years so five million tourists will be attained in five years so for each year we expect to get more tourists. The department should improve oversight actually over SA Tourism because it is getting quite a lot of the budget so we expect it to do more.

As the Minister has said that this year is the year of improving tourism development according to the World Travel and Tourism Council, the Minister must also ensure that the funding that is given to the department also attracts international tourists and we hope that will happen with a Minister full of energy. We have been

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 18

having a problem with SA Tourism when it came to the quarterly reporting because they were reporting more on the World Trade Organisation, WTO, numbers than the the Public Finance Management Act, PFMA numbers but they promised that by 2018-2019 they will be doing both but actually complying with the PFMA. We are looking forward to that happening. The tourism fund that the Minister has been talking about and had reported to this meeting today we hope it will improve the situation of the Small, Medium and Micro-sized Enterprises, SMMEs because the development fund institutions have got criteria that are not helpful to these people so the funding that will be available will assist all the people that are in SMMEs and need funding and to grow the economy of this country.

To achieve inclusive growth, we call on destination management companies and big tour operators to include tourism SMMEs in their itineraries in order that they also get equitable business and grow. The role of the Tourism Business Council of South Africa, TBCSA, is crucial in achieving that responsible tourism. We applaud that opportunities to develop women entrepreneurs is being pursued by the department and I am sure this will take a women a long way. And also youth skills must be made a priority as well so that we do not have youth that is lying around when tourism can do that. For SA Tourism the Tourism Grading Council of South Africa, TGCSA, has quite a lot

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 19

of work to do because as we go to the provinces on oversight, grading seems to be the major problem so it is important that grading tourism improves and universal access becomes a reality for all South Africans that would like to be involved and engaged in tourism. The committee is awaiting the Tourism Bill that should be coming to Parliament by the end of the fourth quarter 2017-18 or the first quarter of 2018-19, we are looking forward to that one. The committee has asked SA Tourism to come up with econometric study which they have already done and we hope with that econometric study the committee will be able to make informed recommendations for the Budgetary Review & Recommendation Report, BRRR.

South Africa is a very long destination and it is important that the destination be made very user-friendly for international tourists in particular and for domestic tourism by making it possible to have an Airlift Strategy and there will be a need for an intergovernmental relations with the department that is responsible for transport. And also it is important that the cost of travel be made more accessible so as to encourage domestic tourism but this will be done by reducing airport taxes and eventually we hope as a committee that domestic travel as well as international travel will improve. For instance, people coming from the Gambia to South Africa have got to travel via Senegal via France then South Africa. We also need to

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 20

look at the Open Skies policy although countries are very conservative about opening their skies.

We congratulate both the department and the entity for the, "I do Tourism initiative" that they came up with from the Tourism Indaba and we would really like National Treasury to also let us know the impact of carbon tax to travel particularly for those people who are from very long distances. We would really appreciate it if National Treasury could actually tell us what the impact to travel would be. We further support Budget Vote 33 as the ANC. Thank you Chairperson. [Applause.]

Mr G R KRUMBOCK: Tourism offers us many windows into the state of our nation. We can measure our success as a desirable destination by comparing our international arrivals year to year, and against our long haul competitors. Our domestic tourism figures provide us with a finger on the pulse of our internal economic heartbeat. So how are we doing?

Last year, in this debate, the Minister was honest enough to tell us that international arrivals to our shores had fallen by 6,8% in 2015. Even if only one in every 16 tourists creates one job that was still around 41 000 jobs we shed due to this decline. Minister

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 21

Gigaba's visa regulations have exacted a heavy toll, paid for by the most vulnerable South Africans.

There was much fanfare over the so-called dramatic recovery of overseas visitors in 2016, a spinning exercise to make Imran Tahir proud. However, that recovery was driven from a visa disaster-induced low base, and the true picture of what has happened to our inbound tourism market only emerges when you compare our compound average growth rate of 2014 to 2016 to the rest of the world. The true picture is this, between 2014 and 2016; our growth rate in international arrivals was just 2,6% a year, compared to the global average of 3,%, a full one third less. The fact is we are not keeping pace with world tourism growth.

Closer examination of our international arrivals reveals interesting insights. Amongst the biggest increases in the number of inbound tourists in 2016 were the United States of America, USA and China, at 9% and 19% respectively. The USA has made a strong recovery from the financial crisis a decade ago and is still one of the freest nations on earth. While China's political repression is admired only by postmodern political dinosaurs, nascent economic freedom has led to spectacular economic growth, enabling both countries citizens to travel more.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 22

Therefore, while it is true that tourism is an engine of growth, it is equally true that growth in turn is the locomotive force of both domestic and outbound tourism. Freedom and free markets fuel opportunity and spark economic transformation. Now, there's a radical ideal. The experience of USA and China also help explain our domestic tourism decline. Domestic trips declined by nearly 1% last year, driven largely by a decrease in trips taken to visit friends and relatives and for holidays. On the other hand, business trips grew by 22% and domestic bed nights grew to an average of 4,3 nights. Therefore, while fewer people, caught in a low growth trap, can afford to travel, some people travel for longer while inequality grows.

The DA welcomes the econometric study that has been commissioned with oxford to determine our optimum tourism advertising spend, something we have argued for on the portfolio committee for five years. The last time such a benchmarking study was done was in 2010, and historically our overall budget for tourism has been lower than our long haul competitors. We have always maintained that we should increase the budget if the additional funding is matched by extra tax and vat receipts flowing into the fiscus, which of course will also generate jobs. We look forward to interrogating the report when it is tabled before the committee.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 23

Minister, last year I took members on a journey of hope and despair, a story of very low-paid but dedicated tourism heroes and heroines promoting our country's unparalleled attractions, only to be smothered by a suffocating bureaucracy. I related no less than four government organisations and committees, all going nowhere slowly in erecting an N3 brown sign advertising the R58 million Nelson Mandela Capture Site. A sixth year has passed. What has happened? Here is the first sign and here is the second sign.

Sadly, Minister, the second road sign is merely a Photoshop. It does not exist. Boschoek Country Club is a tribute to its founder's entrepreneurial flair, and its residents contribute valuable and appreciated rates to the municipality. But if we can put a sign ...

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, the Whip in front and the hon member next to you, please do not do that, okay. I allowed the hon member to do it because he was using it in his speech but please let us not do that. Continue, hon member.

Mr G R KRUMBOCK: Alright, let me proceed from where I start.

However, if we can put up a sign directing tourists to an exclusive golf course just a few kilometres from where the greatest man who

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 24

ever walked our land was captured, surely his contribution to our country deserves a sign of its own?

Just imagine the enrichment of our shared cultural experiences, the fostering of reconciliation and the job opportunities created, if we erect a road sign directing just some of the 4 million tourists who pass the N3 every year to the Heritage Mandela Capture Site and Museum. After turning down the sign South African National Roads Agency Limited, Sanral, have today indicated a willingness to assist, for which I thank them. You can help, Minister. Just do it. [Applause.]

Mr T RAWULA: The Department of Tourism's Strategic objective is to promote economic growth equitable and sustainable tourism sector in order to enhance economic development in this country. Accordingly, tourism contributes 3% of our gross domestic product, this contribution is relatively low compared to the potential that tourism as the sector has in South Africa has.

South African tourism is pregnant with huge opportunities but due to leadership deficit, tourism opportunities are prematurely aborted. The South African tourism is still following the colonial apartheid

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 25

patterns of development, where majority of black people and Africans, in particular, remain in the margin of the economy

The Budget Vote on Tourism in order to pass the test of time, it must give expression and content to the call for radical economic transformation. Accordingly, it must address the following apartheid bottle necks against black people.

The Tourism Grading Council of South Africa is the only government mandated, industry supported quality assurance authority in South Africa, it cannot be that a huge industry like tourism will only have one quality assurance agency that is recognised by the government. This allow white monopoly capital to manipulate the processes and uses a criteria that makes it impossible for black potential role players in the township and rural areas to participate and benefit from the tourism industry. The grading criteria have become exorbitantly costly in terms of the required infrastructure, leaving many township and rural establishment ungraded and therefore unmarketable. The Budget Vote is silent on how to address this apartheid inherited deficit.

The Budget Vote is silent on the degree of exploitation of workers in the mainstream tourism industries, the majority of workers in the

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 26

tourism industry are historical disadvantage individuals working as waiters, kitchen staff, drivers, chefs and cleaners. These workers often work long hours, without getting overtime, earn below minimum wage, some are not unionised therefore falling victims to unscrupulous often racist employers.

The budget vote must address the property ownership patterns, because currently people that own land is the white monopoly capital, the state must give black people land in the form of co-operatives and subsidise them into building proper and adequate establishments that could be competent lodges, bed and breakfast, B&B's and hotels, facilitating the participation of black people in tourism and equally transforming the sector.

The Budget vote must address the role of the Department of Tourism in facilitating the participation of the black people in the ocean economy, in particular the marine tourism. Currently, the ocean economy benefits the white monopoly capital and those who resides in coastal towns, the majority of our people lives in rural area. The Budget Vote is silent on the strategy that the department plans to employ on how they plan to optimally utilise inland waterways that are mainly situated in rural areas for tourism development. The

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 27

Budget Vote must demonstrate a political will for our people to be part of the marine tourism in the ocean economy.

The Budget Vote must facilitate the realignment of the national, provincial and municipal tourism strategy in particular in the metro municipalities. The lack of synergy leads to the duplication of tourism and results to wasteful expenditure. This is the demonstration of the lack of foresight and leadership. Majority of tourism agents across the spheres of government are operating in silos collapsing the huge potential of tourism in the country.

The Budget Vote must provide a domestic travelling incentive strategy for the local people to encourage domestic tourism. Whilst we appreciate the short left tourism campaign, it does not address the low income earners interest to travel in South Africa. The incentive must be in a form of subsidy for leisure and entertainment travelling.

The Small, Medium and Micro Enterprises, SMMEs, development must be a deliberate intervention where state protect and procure some tourism business activities specifically for small and medium businesses. The current tourism incentive programme addresses soft issues such as access to market. This programme must be redesigned

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 28

to address the serious issues that face the majority of our people such as infrastructure development and land occupation.

As part of the SMME and township economy development, the taxi industry is strategically placed to provide the tour guide services, the budget overlooks the important industry, which could add value to the transformation agenda of government whilst boosting the township and rural economy at the same time, instead of centralising and monopolising the tour guide services to old white males. The industry requires adequate regulation for tourism purposes to ensure safety and professionalism to handle tourism activities.

IsiXhosa:

Masiyekeni ukukhumsha xa sithetha ngezotyelelo. Abantu bakuthi bafuna inkxaso kurhulumente onenkathalo nonesazela ngenvelaphi yabo ukuze bakwazi ukukhongozela iitiki kubatyeleli. Bafuna umhlaba nemali yokuba bakhe indawo zakulalisa abatyeleli.

English:

Until that budget addressed those fundamental issues, the EFF will never support this Budget Vote. Therefore, we reject it Thank you.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 29

The DEPUTY MINISTER OF TOURISM: Hon Chairperson, allow me to acknowledge the Minister of Tourism, Thoko Xasa, I think the first Woman African Minister to have been appointed to this position as well as the other Ministers present, Deputy Ministers, Members of Parliament as well as guests in the gallery and our visitors, both the Minister and myself, we welcome you to this House. [Applause.]

The success of tourism in our country is based on the warmth of our people, the attractiveness of our unique attractions, our infrastructure, our iconic cultural and heritage sites and the abundance of our natural assets. Of all these, our most important asset is our people. The skills, knowledge and quality of service provided by our people are central to our efforts to enhance our attractiveness in an increasingly competitive global market.

Minister Xasa has described how we are developing and marketing our destinations and our attractions and putting tourism on path of inclusive transformative growth. I think other hon members maybe put cottonwool in their ears. I am sure they may be able to take that and be able to follow what ever we are trying to do as the department and the industry as well as making sure that we can be able to focus on these challenging issues.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 30

Now, the issue of training and the enterprise development and the work we are doing with universities to support future tourism development. In terms of what we want to do, we are saying that economic transformation is the key to a better quality of life and to the wellbeing of our people. Our efforts of deepening human capital development in the sector aimed at rapidly bringing more rural people township peri-urban, women youth and people with disabilities into the value-chain with a wider geographic impact.

We want to link tourism products and services that offer experiences for tourists to the supply of goods and products from local communities. This will cement the relationship between tourism and community development when tourism is seen to benefit communities in visible and tangible ways. Like a signed long-term contract to supply a local lodge with fresh vegetables, it takes on a new value and meaning for that community. They begin to own tourism and they are also a part off.

Chairperson, our challenge for the immediate period ahead is to transform the tourism sector with energy and pace, and to achieve magnitude and impact in our efforts towards inclusivity and transformation. Our aspiration for tourism is built into our policy

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 31

and it is clearly expressed in the revised National Tourism Sector Strategy.

Enterprise development is central to our quest for accelerated economic transformation. The Department of Tourism established two small and medium enterprises incubators in key tourism nodes at Pilanesberg in the North West and Manyeleti in Mpumalanga, last year in October and in March this year. We are working with 100 tourism enterprises and industries stakeholders to promote inclusive economic participation in these areas that are adjacent to the busy tourism attractions and additional incubators and five additional rural community participation projects will be rolled out in this financial year. Talking exactly to the issues of making sure that our people can be part of this value-chain.

About 400 enterprises across all our provinces are now benefiting from support in the form of mentorship, coaching, market access training and technical assistance. To further support these enterprises, a portal has been developed to link suppliers of services and products to buyers in this sector to create business relationships between smaller enterprises and large tourism operators and to create room for new entrants.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 32

His Excellency, the President, stated during the opening of Africa's Travel Indaba this year that we are starting a journey towards building a more sustainable and profitable businesses and opportunities and of expanding the new entrants into medium and large size enterprises. This sums up our approach to radical economic transformation to enterprises development.

As a start, we have implemented amongst other international market access programmes for Small, Medium and Micro-sized Enterprises, SMMEs, and also supported 90 SMMEs to participate in the 2017 Tourism Indaba, as part of the Hidden Gems programme. [Applause.] Some of them were for the first time they were in Durban and it was for the first time to interact with so many people and they were able also to clinch good deals that will be able to contribute into our national development and create the 11 million jobs as well as 90% of that coming from the same Hidden Gems programme.

The department hosts the National Tourism Careers Expo, NTCE, every year to introduce young learners and high school tourism graduates to carriers in tourism. Over 6 000 learners, 459 educators and 50 exhibitors, took part in the last year's expo in Bloemfontein. About 120 young volunteers were mobilised for a three day event and paid a daily stipend. The next NTCE will take place during the 28 to 30

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 33

September in Bloemfontein. I am sure Members of Parliament can be able to come and be able to see in practice that we are already doing some of what they are suggesting, especially our colleague from the EFF.

The department's National Youth Chefs Training Programme produces chefs who are able to compete globally. Last year, 470 learners graduated with the diploma and advanced diploma. Four hundred of these learners, were women. This financial year, 577 learners will be enrolled in the National Youth Chefs Training Programme.

[Applause.]

In the Sommelier programme, the youth are trained in South African and international wines, wine service and wine making and you know that we produce very good wine worldwide. So, we hope that this is going to enhance that so, that we can be able to take our wines everywhere in the world. Last year, 243 young learners graduated and 187 were women. This year, 300 additional youth are enrolled in this programme which gives hospitality skills and job opportunities.

In the last financial year 2 654 youth graduated with the national certificates and food and beverage at National Qualifications Framework, NQF, Level 4 and others in the National Certificate

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 34

Accommodation Services in NQF Level 2. Of these, 1 837 were women. Twenty of the top achievers in the food and beverage programme are currently placed in Seychelles for further specialisation including French cuisine. [Applause.] For sure, we are trying as this government to make sure that we can be able to train and expose them, so that they come back being the best chefs.

Last year, the department enrolled 500 learners in the Food Safety Programme and a further 500 will be enrolled this year. The focus will also be on the strengthening the ability to engage in entrepreneurial activities. The first group of women for the Executive Women's Programme are due to complete their training in June this year. The programme is a partnership between the department and the University of South Africa, Unisa, School of Business with the support of industry. The programme exposes them to the actual business of tourism beyond just the operations which they are already familiar with in improving their prospects for growth to senior and executive management. Indeed we are trying our level best to implement what the National Development Plan, NDP, is aspiring to achieve.

The Department of Tourism provided a series of capacity-building opportunities to ensure growth and development of the tourist

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 35

guiding sector in the past year. These range from upskilling programmes for existing tourist guides for training new entrants.

Our eight World Heritage Sites are amongst South Africa's biggest tourism drawcards. We must ensure that the knowledge and skills of tourist guides operating at these sites are of a high standard. Over 60 guides have benefitted from training with the department provided at the iSimangaliso Wetland Park and the Cradle of the Humankind. We also provided training opportunities for tourist guides to be skilled in Russian and Mandarin languages. The training culminated in the guides been taken abroad to gain further exposure to the cultural practices and the way of life of people from these countries.

These opportunities are changing lives of ordinary South Africans. Ms Nosiphiwe Mbele from Umlazi Township, who is in the gallery today, is one of the beneficiaries. We do not just talk, but we implement as this department and this is a typical good example. She is one of the beneficiaries of the chefs training programme. A qualified professional pastry chef. [Applause.] She has made a great success of her career which includes global exposure and has built her mother a house. [Applause.]

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 36

[Interjections.]

We are not fabricating stories. This is a true story. Good luck.

Ms Teddy Tokwe is the chief executive officer, CEO, of the Lilizela Award winning Ashwood Guesthouse, a hidden gem one of the SMMEs I was talking about in Bloemfontein in the Free State. She is an example of the impact of the Hidden Gems Programme.

Hon Chairperson, as I have said, the new domestic tourism strategy has directed us to put equal emphasis on product as in marketing. We will be supporting strategic product development and enhancement with the aim of broadening the product-base to accommodate the needs of our diverse domestic tourism market. This will also broaden our product offering for the international market. The initiative includes some of the over 700 state-owned products such as provincial and municipal resorts, some of which already attract international visitors, but require refurbishment. Part of our strategy is facilitating sector transformation through creating partnerships for black management capacity at these facilities. We will start with the Midmar Dam resort in Pietermaritzburg. Through our five in five marketing strategy, we will add 1 million

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 37

additional domestic holiday trips, thereby stimulating a market for these products.

Our enterprise development programme will also facilitate the development of a new breed of our operators for the domestic tourism market, which will work with SMME tourism product owners and services providers to take advantage of the growing diverse market needs.

We will also be creating travel schemes for social clubs and strengthening the role of events in growing domestic tourism. Some of these people had never had an opportunity to travel from one province to the other. However, with these we are trying to make sure that it can be possible as well that they can be able to know their country better and be ambassadors of our tourism routes.

[Applause.]

We will work with national and provincial attractions such as parks, cultural and heritage sites to expose underprivileged South Africans the country's tourism offering. Through SA Tourism and the CEO is here and listening very well - will also form strategic partnerships to enhance conversion based on our domestic tourism marketing drive.

[Time expired.] Thank you very much, Chair. [Applause.]

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 38

Inkosi R N CEBEKHULU: Hon Chairperson, tourism is one of the key economic drivers in South Africa and plays a major role in job creation, of this there can be no dispute.

Why is it then that the department has an annual performance plan with unclear objectives and targets that are structured in such a way that they will be near impossible to attain in the coming budget period? The tourism industry's benefit and impact to socio-economic upliftment cannot be overestimated and therefore the promotion of domestic and international tourism in all our provinces is of the utmost importance to our economic growth and development and requires all the support that it can be given by the state. SA Tourism has success stories and it must ensure that these are continued and also emulated in other areas where it falls short.

Through a lack of funds and the political will, many resorts, especially in our smaller towns have become dysfunctional. Most of these resorts are built with taxpayers money, and our municipalities are just not maintaining them. Departmental project spending in general, has not seen much improvement on the lives of its intended beneficiaries. Constant monitoring, reports and oversight is necessary.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 39

Projects such as Mangwazi Lodge, Huntington Village and Zithabiseni are examples of such failed projects. With support from the Industrial Development Corporation, as a partner in the up keep and development of smaller resorts. This lacklustre approach can only be blamed on the Department of Tourism's mismanagement or apathy.

Hon Chairperson, in 2017, SA Tourism will compete with 194 other countries of the world for a share of the tourism pie and this department must be fully committed in assisting the industry rather than implementing unnecessary policies and regulations that hurt and hinder more than they assist tourism.

Cruise ships offer South African ports and foreign tourists many exciting destinations within our country and in the process significant amounts of foreign revenue and employment potential. In this respect, the Department of Tourism must ensure that cruise ship operators are more involved in tourism indaba's and launches.

It is with great regret that we still find mismanagement and corruption within this department and its entities. To fight this cancer of maladministration and mismanagement of finances, government and this department must strengthen and review existing internal control systems in order to detect deficiencies and root

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 40

out corruption at its point of genesis. This being said, the IFP supports this budget vote debate, as we support the further development and promotion of tourism for the benefit of the people of South Africa. I thank you.

Mr S D BEKWA: Hon Chairperson, hon Minister, Ms T Xasa, hon Deputy Minister, Ms E Thabethe, Chairperson of the Portfolio Committee of Tourism, Ms B T Ngcobo, hon members and guests in the gallery, the ANC's 53rd National Conference reaffirmed the Freedom Charter's vision, which calls on the people OF South Africa to share in South Africa's wealth.

The conference further noted that "through economic transformation we intend to build an equitable society in which there is decent work for all". The ANC 2015 Lekgotla further highlighted the potential for tourism to significantly transform the industry through job creation, particularly in rural areas, but "realising this potential requires investment in domestic tourism and tourism marketing".

The National Development Plan, NDP,'s vision for 2030 prioritises the integration and inclusion of rural communities, and notes that "South Africa's rural communities should have greater opportunities

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 41

to participate fully in the economic, social and political life of the country". It can be noted that tourism still remains an integral sector with the potential of meaningfully transforming the structure of the South African economy through inclusive participation of numerous stakeholders.

The ANC-led government has committed to implement the goals set out in the NDP. These commitments can be found in the Medium Term Strategic Framework, MTSF, which is a government's strategic plan for the 2014-19 electoral term. The objectives of tourism are interlinked and, thus, speak to a number of cut-crossing outcomes in the MTSF. Some of these include the following, but are not limited to: Outcome "decent employment through inclusive economic growth"

This is further supported by tourism's positioning as one of the six core pillars of growth in the country's New Growth Path Framework. Equally so, the Industrial Policy Action Plan, IPAP, had identified the sector as one of the areas expected to contribute to the development of rural areas and communities.

The realisation of an inclusive economic sector is possible once equitable economic development, particularly in the rural areas, takes place. In previous years, concern had been raised over the

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 42

incoherency in training programmes being delivered by the department. Training and capacity building programmes were previously dispersed over all four programmes without a coherent strategy.

The 2017-18 annual performance plan, APP, having responded to these concerns, has clustered all training programmes under one programme. This signals good intention towards the delivery of effective and efficient capacity building programmes. Allow me to highlight a few challenges facing domestic tourism in our country: ...

IsiZulu:

... Eyokuqala ibhajethi, ngifisa ukuthi umnyango uncede kakhulu ekubukeni ibhajethi enikezwe i-domestic tourism engicabanga ukuthi sisonke siyazi ukuthi laphaya emakhaya ukuze abantu bethu bakwazi ukuba yingxenye ye-domestic tourism kufanele ukuthi ibhajethi yabo yenyuke ukuze nabo bakwazi ukuthi bancedeke. Ngaphandle kwayo leya bhejethi angicabangi ukuthi labaya bantu abaningi abadla imbuya ngothi bazokwazi ukusizakala.

English:

Regarding transforming domestic tourism...

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 43

IsiZulu:

... abantu bakithi abamnyama abayingxenye enkulu abanabo ngisho ubunikazi bamahhotela. Okunye futhi abanawo ngisho nama-B&B. Ngakho njengoba sinomgomo othi sifuna ukuthi umnotho ubuyele ebantwini bakithi ngicabanga ukuthi uma ngabe le mikhakha esengiyibalile ngenhla ...

English:

... even tour operators ...

IsiZulu:

... abantu bethu abaqeqeshekile kuwona. Ngakho-ke singakwazi kanjani ukuthi sibe yingxenye yokuthi sikhulise umnotho uma sisesimeni esinjalo? Ngicabanga ukuthi umnyango uzokuqaphela nakho lokho.

Okwesibili, laphaya komasipala uma uya khona, sikhuluma ngeziphathimandla okuthiwa zizimisele emsebenzini wazo kodwa uma ufika uthola ukuthi bancane kakhulu ukuthi bangancedisa abantu bethu. Esikufisa kakhulu ukuthi kwenzeke ukuthi abantu bethu baqeqeshwe banikezwe amakhono. Ukuze omasipala bangabi yingxenye yokuthi basebenze izinto ze-domestic tourism ngoba siyazi ukuthi omasipala baphakela ngezinsiza. Nakhona sinxusa umnyango ukuthi

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 44

ulandise ulwazi ukuze abantu bethu bakwazi ukuthola le nto ebizwa ngesilungu ngokuthi i-capacity building.

Siphinde futhi kube nomkhakha lapho sithi khona i-tourism feeding services. Nawo lo mkhakha ngifisa ukuthi umnyango uwubuke kahle ngoba laba abasuke besivakashele [tourists] uma befika ezindaweni zasemakhaya noma singakathuthuki kahle, kodwa uma befika bethola izindawo lapho bezomasajwa [massage] khona uma sebebuya ekuvakasheni; baphinde futhi babancedise kakhulu ekuvuleni izindawo zezinwele [hair salons]. Ngicabanga ukuthi konke lokho kungasanceda kakhulu uma umnyango ungakubeka phambili bese kuthi uma ama-tourist ebuya ezintabeni kunalezi zimoto abazigibelayo ezibizwa ngokuthi ama-mountain bikes, nawo uma kungenzeka ukuthi umnyango uqeqeshe abantu bakithi ukuze uma ngabe esefile lawa mountain bikes abantu bakithi bakwazi ukuwakhanda ukuze bakwazi ukuziqoshela imali kubavakashi.

Uma siya kulo mkhakha okuthiwa i-procurement, lapha sinenkinga enkulu ngoba abantu bakithi abakwazi ukungena kungobolwazi [database] ngoba kuvimbe ondlebe zikhanya ilanga. Abantu abakwazi ukungena, ngakho kuba nzima kakhulu uma kunemibandela eminingi [red tape]. Abantu bakithi bazokweza kanjani ukuthi babeyingxenye uma bangaveli nakungobolwazi.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 45

Bese kubanomkhakha esikhuluma ngawo obizwa ngokuthi yi-lack of mentorship, nakhona siyafisa ukuthi abantu bakithi bathole amakhono ukuze bazokwazi ukuthi uma ngabe sebenamakhono baphinde bakwazi ukuthi bakhiqhize ...

English:

... a higher standard and quality ...

IsiZulu:

... uma sekuqathaniswa, kunemiqudelwano yokuthi kusetshenzwa nabantu bokuhamba.

English:

Chairperson, regarding tourism awareness ...

IsiZulu:

... ngicabanga ukuthi kungumsebenzi womnyango ikakhulukazi ku-domestic tourism ukuthi ukwazisa abantu ngezokuhamba [tourism awareness] kufanele kwenziwe ezindaweni nasemakhaya ikakhulukazi, bese kusetshenziswa izinhlelo ezifana nabo-shot-left. Ngicabanga ukuthi umasingabathuthukisa kakhulu ku-domestic tourism kuyobasiza abantu bakithi.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 46

English:

Chairperson, the ANC supports the Budget Vote of the Department of Tourism. Thank you. [Applause.]

Prof N M KHUBISA: Chairperson, thank you very much, hon Minister, Ministers, Deputy Minister present and hon members, the NFP notes and welcomes the report of the Portfolio Committee on Tourism on Budget Vote 33, and we accept it and we understand that this sector forms nine per cent and contributes nine per cent to the gross domestic product, GDP.

Chairperson, tourism in South Africa is a strategic economic sector with the potential for creating labour intensive, sustainable, and decent jobs, and contributing significantly to the gross domestic product. Furthermore, we can consider tourism as an inclusive economic sector that has immense potential to give effect to our dreams of equitable economic development, particularly in rural areas. It is within this context, Chairperson, of the importance of tourism that we welcome and support the budget. Having said that, the United World Tourism has declared the year 2017 as the International Year of Sustainable Tourism Development. The year 2017 is therefore dedicated to promoting tourism role in five key areas, including inclusive sustainable economic growth, social

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 47

inclusiveness, employment and poverty reduction, resource efficiency, environmental protection and climate change, cultural values, diversity and heritage, mutual understanding, peace and security.

Our Republic and the department in particular has adopted an economic and inclusive approach that consider tourism as a strategic economic sector that I have alluded to with a potential of creating labour-intensive jobs. Now having said that, Chairperson, it goes without saying that all areas on all kinds of tourism are important - International Tourism is important and domestic Tourism is important especially in rural areas, eco-tourism is of vital important, cultural tourism, heritage, traditional tourism are all important.

IsiZulu:

Ngikuthathe nje Sihlalo ngithi uma ubuka ezokuvakasha asikwazi ukuyihlukanisa nezomlando. Ake ngithi nje uma ubuka wehla e-King Shaka mhlawumbe uya eNyakatho noma eNingizimu izindawo eziningi yizindawo zomlando. Abantu bakithi ke Ngqongqoshe bafuna ukuzuza kulezi zinto ngoba bayakwazi ukubona Sekela Ngqongqoshe. Babona kufika izivakashi kufika amabhasi amakhulu kuthiwa eZokuvakasha kodwa bengaboni bona ukuthi bazuza ini.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 48

Ngikuthathe nawe ngisuke e-King Shaka oThongathi ngishone nawe eNdondakusuka kunezimpi, eGingindlovu ngishone Eshowe yindawo yomlando, ngishone eMthonjaneni, eNkandla uze ushone Olundi kukhona indawo yaseMakhosini nezinye izindawo. Bathi abantu bakithi ikakhulukazi ezindaweni zamakhosi sitholani ngoba kufuneka sizuze uma bebona amabhasi amaningi ushone nje koShaka kukhona indawo ye-Queen Nandi ...

English

... our people want to gain on the ground with regard to tourism. Thank you very much, Chairperson. ... [Time expired.]

IsiXhosa: 15:12:41

Nks S T XEGO: Mhalingaphambili, Mphathiswa wezoKhenketho, Mama Thokozile Xhasa, naBaphathiswa abakhoyo, Sekela Mphathiswa, Mama Elizabeth Thabethe, sihlalo wekomiti, Mama Beatrice Ngcobo, namhlanje siyakwazi ukuthi phambili ngoomama, phambili. Le nto ukuba asiyijonganga iyangqina ukuba yeyethu boomama. Malungu ekomiti namaLungu eNdlu yoWiso-mthetho, Baphathi beSebe lezoKhenketho, nabasebenzi, malungu ebhodi noosomashishini, zindwendwe ezihloniphekileyo, bantu boMzantsi Afrika, ndiyanibulisa ngale mva kwemini.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 49

Mandithathe eli thuba ndizibandakanye noogxa bam ndikhalime ndikhalimele ukuhlukunyezwa nokubulawa koomama, amantombazana nabantwana. Umbutho i-ANC ulilisana naloo makhaya; sigqibe sithi kwanele.

English:

Enough is Enough.

IsiXhosa:

Sithi kwanele ngakumbi xa kukho umntwana oyintombazana waphaya eGcuwa, eMnquma Local Municipality, uNandipha Mthuzula owalahleka ngomhla wama-13 kaMeyi, esendleleni eya esikolweni. Lo mntwana akakafunyanwa nanamhlanje, iyasika inimba boomama.

Le ngxoxo-mpikiswano yolu hlahlo-lwabiwo-mali iqhubeka kunyaka apho uMongameli ohloniphekileyo welizwe, uTata uJacob Zuma, wathi xa wayesenza intetho yakhe yobume besizwe, "lo nyaka wama-2017 ngunyaka wokuvuyisana nobomi balowo ongasekhoyo uTata u-Oliver Reginald Tambo." Namhlanje ukuba ebesaphila ebeza kugqiba iminyaka elikhulu. Kungoko urhulumente waseMpuma Koloni esabele ikhwelo, iindlela zigudile ukusingisa entilongweni kwisithili saseMbizana kusioniswa iinkonzo ezingundonqo eluntwini, kuzimbizo nemibhiyozo kusenzelwa abakhenkethi ukuba babenomdla wokundwendwela laa mmandla.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 50

English:

Hon Chairperson, the Tourism Department has one entity known as South African Tourism which is mandated to market South Africa internationally and domestically to make it a preferred tourist destination. Its business units, the SA Conventions Bureau and Tourism Grading Council contributed to the 13% increase in tourist arrivals. The visitor increase resulted in a booming tourism industry that has contributed to our gross domestic product, GDP. South African Tourism received 53% of the department's budget in the 2017-18 financial year that amounts to R1,4 billion. The ANC is in full support of this budget as it responds to the challenges of poverty, unemployment and inequality as identified by the 53 ANC National Conference that was held in Mangaung.

The committee is also committed in monitoring the SA Tourism through oversights and quarterly reports. Chairperson, the SA Tourism continues to position South Africa as a leading business and shopping destination for the region. This will continue happening as the Cabinet has also approved R20 million for the SA National Conventions Bureau to assist organisers to secure hosting rights. There are large amounts of money generated from delegates' spending while attending conferences.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 51

The newly developed strategic plan of adding five million more tourists in five years is appreciated. The benefit of these additional tourists is not only job creation, but also an increase in the tourism levy of South Africa. South African Tourism brought Africa and the world to South Africa when Durban in KwaZulu-Natal hosted the 2017 Africa Travel Indaba. South Africans and 21 other African countries took the opportunity of the Indaba to exhibit their products. This Indaba was also used by the President of the Republic to launch a campaign called "We do Tourism". This campaign is aimed at promoting inclusive economic growth through committing everyone in playing a role in sustainable tourism development that will place in the top 20 tourist destination in the world.

To prove that transformation is realistic and can happen in our lifetime, 90 black-owned tourism businesses from all nine provinces offered South African products, services and experiences.

IsiXhosa:

Ngubani othi asisebenzi, etsho sisebenza.

English:

To reach transformation targets, South African Tourism developed a Transformation framework with three fundamental pillars.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 52

Chairperson, the Committee on Tourism congratulates owners of tourism establishments, who are adhering to the grading system requirements. An appeal is made to the grading council to negotiate more benefits for graded establishment, to remain graded whilst encouraging new entrants to register in the system.

The ANC also congratulates SA Tourism in maintaining its clean audit status and on its commitment to utilise its available resources effectively and efficiently. We are committed in ensuring that there is value for money. The committee has committed the department to play a leading role in co-ordinating other role-players and other departments to enable tourism to continue playing a pivotal role in the country's economy.

I acknowledge the commitment displayed by members of the committee, the Ministry of Tourism, the department, SA Tourism, members of the Boards, Business Council and all tourism stakeholders and tourism community in general. Without you, South Africa wouldn't be where it is today. Let's continue working together for our children and for generations next to come. It is possible, together we can do it. We can build a better, safer South Africa. South Africa is our country, Africa is our continent and this is our world. I thank you, Chairperson. [Applause.]

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 53

Mr J VOS: Chairperson, It fills me with pride to see in the gallery so many of our tourism role-players joining us today. Thanks to you, South Africa's tourism sector is a vibrant and growing one and therefore, it is important for us to acknowledge the role that you play to build this important sector. Before I continue with my speech, I need to make special mention of one of our guests here today who is representing the tourist guide association. Therefore I find it most fitting today also to announce that I am currently completing my course in Tour Guiding and will soon join your ranks because I think it is important to actually get a better understanding of the work that you do as we promote our country and the significant places. Therefore one must never underestimate the role that the tourist guiding association and all of those tour guides play in selling our country and promoting its unique cultural diversity. It is also important to keep this industry well regulated, reliable and professional and that is why we have heard today of many training programmes that will be undertaken to make sure that this important sector receives the attention it requires. I look forward to working with you as we tackle together the mini challenges that we face.

As we move on I want to talk about the ongoing concern around the visa regulations. The reality is that the tourism industry is still

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 54

hurting as a result of these ill-conceived visa regulations with reports informing of a R7,5 billion revenue lost and a decrease of about 600 000 tourists. To make matters worse, roughly 13 000 people en route to South Africa during last year were turned away at foreign airports because they were not in possession of the relevant documentation. Although government announced some concessions with regards to the visa regulations, the reality is that it is too little too late. The solution ...

Well, Madam Chair if I am speaking from these benches then it is important to realise ... [Interjections.]

The CHAIRPERSON (Ms N Gina): Hon members, thank you for that welcome. Can we please give him a chance then?

Mr J VOS: Well, hon Chair I appreciate the opportunity of speaking from this side of the benches and therefore, I hope that you will agree with me that the solution lies to the introduction of electronic visas and also to scrap the unabridged birth certificate requirement so that we can make it easier for people to South Africa as a destination of choice for travel and trade.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 55

Another matter of concern is the fact that the domestic tourism segment is ... [Interjections.]

The CHAIRPERSON (Ms N Gina): Members in the gallery, maybe I forgot to inform you that you are highly and warmly welcomed here, but please, do not participate in the debate. You are not even allowed to clap hands. Listen and appreciate, but do not participate on what is happening here. Thank you very much.

Mr J VOS: Another matter of concern is the fact that the domestic tourism segment is also coming under pressure of a worsening economy. Linked to this is also the reality that domestic tourism in our country is just too expensive for many South Africans.

We heard today of the plans to utilise state and municipal owned assets for the advancement of tourism. Now, we concur with this statement since the DA originally proposed this and therefore we call on the department to make sure that we develop tangible strategies to assist those municipalities that are struggling to maintain these holiday resorts. Let us face it many municipalities do not have the capacity to maintain and use these facilities to the advantage of tourism. Therefore, it will make sense for us to

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 56

partner with the private sector to build on these resorts so that they can become affordable budget holiday destinations.

Much has also been said about transformation today. Now, referring to the input from some of the speakers, I did not hear anything about how they intend to boost the demand for tourism, in other words how they intend to increase the supply of tourists, so that entrepreneurs and business actually have a market to sell their goods and services to. So, it seems therefore, that some of the proposals mentioned here today assume that there will be a constant supply of tourists both international and domestic and thus seeks to transform one side of the market without thinking about the other side. Therefore a balanced approach is required to achieve growth in numbers and also growth in participants. To this end, the DA believes that transformation should enhance workforce capabilities so that our people have the right skills to benefit from industry growth. Therefore the DA is very supportive of the Tourism Incentive Programme, as one of the ways to boost tourismpreneurs in our society so that we build more places of accommodation, more small enterprises within the tourism value chain by making sure that the Tourism Incentive Programme works for all South Africans. This is real transformation.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 57

We also acknowledge the important role of cultural tourism in our society. Therefore, the DA also strongly advocates for Township Tourism as a means to boost tourism within our country so that more South Africans can experience each others cultures, because ultimately we have to find a way to get more South Africans to travel and to experience their own country and each others cultures. Therefore we call on the department to invest in Town Tourism as a means to evolve cultural experiences and that is where we need to start because that would be real transformation. We have got wonderful examples already of the Maboneng Township Arts Experience and another one in Alexandra and another in Langa. These are amazing places where we can see Township tourism really works for the people. Langa by the way is situated in the Western Cape where the DA is in government. We need to acknowledge the important role of Township tourism as a whole. This is where we can really build small businesses that we can increase the demand that make business sense and not come with fluff but come with real tangible strategies to build it up from the ground. This is where the department should be investing its time so that we also create a culture for people to travel to those types of communities. They desperately need a change and that is real transformation.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 58

Another submission we are making today is the issue of the exorbitant aviation taxes. Research done in this regard clearly shows the inability of many South Africans to travel by air is as a result of the excessive travel costs involved. Now, transformation in this instance would mean making travel more accessible and more affordable to more people.

The International Air Transport Association predicts that by 2034, an estimated 7,3 billion airline passengers will be taking to the skies which is more than double the 3,5 billion of 2015. In order to cope with this demand, airlines and countries need to have forward thinking approaches and policies to make sure that we have cost efficient infrastructure while at the same time supporting business growth. Therefore we call on the Department of Tourism to establish a strategic aviation committee to investigate how aviation taxes can be reduced in order to stimulate tourism growth. The fuel levy and other taxes also need to be evaluated in terms of direct benefit to aviation and the opportunity costs associated with it. Thus, one way then would be to reduce aviation taxes as a way of lowering the cost of air travel so that more South Africans will have the opportunity to travel.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 59

Considering all of the aforementioned, we strongly believe that the Department of Tourism needs to consider these four thinking policies and approaches that we can take the tourism success that we see in many parts of our country and especially in our own province of the Western Cape so that we can have many success stories throughout South Africa. Because considering all of the economic issues that our country is currently faced with and also given the job losses in the mining and manufacturing sectors we need the tourism industry to keep South Africans working. Thank you very much.

Ms L S MAKHUBELA-MASHELE: Hon House Chair, hon members, good afternoon. Radical economic transformation refers to the fundamental change in the structure, the systems, institutions and patterns of ownership, by control of the economy in favour of the poor whom are Africans and female in majority. There is a need for a radical economic shift to address the inequalities, disparities and to transform the tourism sector.

The core aspects of transforming the tourism industry are: A change in the structure of the economy to ensure redistribution; creating opportunities; and creating decent employment by protecting the rights of workers who are important players in the industry. If meaningful transformation is to be achieved in the tourism industry,

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 60

we need transformation of this sector which is currently dominated by white people.

Radical economic transformation is therefore not just a pipe dream as others think. It is but a well thought strategy to emancipate our people from the clutches of poverty and redress the structural economic imbalances of the past. As such, for tourism, this should not just be rhetoric but must be premised on tangible and practical implementable programmes, conceptualised and driven by government.

The Department of Tourism and its entity, SA Tourism, must be at the forefront of radical economic transformation if the tourism sector is to be transformed. We have been calling for the Tourism Development Fund from the previous two Ministers in the portfolio. As we congratulate you on your new appointment, Minister Tokozile Xasa, we are pinning our hopes that transformation will be the apex of her priorities.

We urge the Minister to argue the case for tourism in Cabinet in a more robust manner than before. It is of grave concern to the Portfolio Committee on Tourism that this sector is always the afterthought of government programmes. This concern was raised when tourism was not included in the National Infrastructure Plan

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 61

projects championed by the Presidential Infrastructure Coordination Commission.

Again, tourism was not included in Operations Phakisa and was only brought on board eighteen months down the line. As a result, the Department of Tourism is still working in putting together a plan to include the tourism sector in the marine and coastal tourism projects, as part of Operation Phakisa. This is not acceptable!

It is high time that this government as whole recognised the contribution of tourism in the economy and its role in the creation of job opportunities. If we are to put radical economic transformation into practice, Minister, you must head an interministerial task team that will look at coordinating activities that contribute to tourism growth.

These include, but are not limited to: The Department of Transport developing a practical airlift strategy that will increase arrivals to South Africa; public enterprises such SA Airways and Airports Company South Africa, Acsa, to ensure that we have direct routes to our core markets and we address cost of flying.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 62

Low-cost airlines must also play a role in introducing flights to smaller towns and cities to address the costs of flying. We know that flying to some destinations in South Africa is just unaffordable for ordinary South Africans. Furthermore, government must provide funding avenues to assist emerging tourism enterprises and start up businesses.

It is not helpful, as the case is with other funding avenues, that a funding mechanism is put in place but the criteria are so stringent that the tourism SMMEs do not qualify. Funding institutions must realise, for example, that a vehicle is a tool of trade for a tour operator, and funding a building is also necessary for small players like bed-and-breakfast accommodations, B&Bs, to add more rooms in their stock.

Most importantly, the private sector must provide trading opportunities for tourism SMMEs. This means that the destination management companies must include small players in their itineraries. Small tour operators and accommodation establishments are struggling because they are excluded in the tour packages. The Department of Tourism and SA Tourism must work hard to ensure that the SMMEs are included in destination itineraries

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 63

The department can also redirect its own available funding, such as the Tourism Incentive Programme, to assist emerging businesses instead of ploughing it to the already established enterprises.

The department must invest in viable community projects that will increase ownership by ordinary South African citizens. However, the department should ensure that community projects are viable through appointing management companies.

The efforts made to projects such Witsieshoek Mountain Lodge, in the Free State province, are appreciated and more of such collaboration must happen between the private sector and communities. SA Tourism gets 53% of the departmental budget, which is mostly used for international marketing and business events. The irony of this, in return on investment, is that most of it is realised or achieved by big businesses that are already established and it does not filter back into SMMEs.

It is about time that SA Tourism is also at the fore front of radical economic transformation. The efforts of SA Tourism to take SMMEs to the Indaba 2017 as hidden gems are appreciated, but it is just a drop in the ocean given the wide gap between tourism SMMEs and already established m enterprises in the tourism sector.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 64

SA Tourism should ensure that their budget is also used for transformation. The White Paper on the Development and Promotion of Tourism in South Africa states that tourism should be government led, private sector driven and community based. It is therefore imperative for government, through your leadership in the Department of Tourism, hon Minister, to lead this transformation of the tourism industry.

Tourism exists in five dimensions. These are the physical product, service, hospitality, choice and participation. Given this multiplicity of tourism and economic rents which are prevalent for tourism start-up businesses, it is a daunting task for prospective emerging tourism entrepreneurs to replicate the same product as those that are in big business entity.

Given the new international and national trends where tourism is now more dependent on experiences, the tourism products have become more experiential goods, thereby limiting opportunities for new entrants.

The tourism industry, like many other sectors, still suffers from the structural economic imbalances of the past. These structural economic patterns can be changed by ensuring meaningful participation of the previously marginalised communities.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 65

This means: There should be targeted efforts to encourage participation of black people in the tourism industry.

Given the historical context of structural exclusion from this tourism sector, it is imperative that government intervenes in harnessing, increasing and supporting the full potential of the emerging tourism enterprises to achieve the objectives of economic growth and inclusivity.

This will directly contribute to reduce poverty, unemployment and inequalities in the sector; foster new nation building; and deepen the democracy. All citizens will be given equal and conducive environment to participate and grow in the sector.

The question that we must ask ourselves is whether the current B-BBEE codes of good practice have what it takes to transform the sector. If the response is 'no', then these B-BBEE codes are not a panacea that can deal with the transformation challenges which we have in the country. The current B-BBEE codes will fail, just like the previous one.

This assertion is premised on the fact that there is a lack of supporting programmes that assist black people to access capital to

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 66

improve ownership in the sector. Even the element of 'enterprise and supplier development' built into the tourism codes is also overrated as it depends on the big businesses - those that are already established - to outsource to smaller emerging enterprises.

In supporting this budget, which is appropriated at just over R2 billion, our question is whether this budget can address all the challenges of transformation in this sector. If the answer is 'no', then we must admit that the department needs more funding and we as hon members will play our part in ensuring that the budget is used properly ... [Time expired.] Hon members, we support this budget. Thank you. [Applause.]

The MINISTER OF TOURISM: Chairperson, I would like to take this opportunity to thank all hon members who participated in this Budget Vote debate. Hon Vos, a floor crossed can never be recrossed. You were more positive when you were on this side than where you are now.

I am confident that the budget of the Department of Tourism, effectively deployed, will develop and grow tourism in a manner that addresses the fundamental challenges of our time. We don't want to

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 67

argue further on what some of the hon members have said. We want to put this into practice and come back to report on what we have done.

In terms of the demand and supply we are talking about, we want to enhance what we are talking about, hon Vos. We have to ensure that we keep on enhancing the numbers of people coming into the country whilst we develop further products by our people which will keep the visitors in our country for longer. This is an opportunity for our people to participate. We are very clear about saying whether this is in business tourism, leisure tourism, product development, whether we are targeting townships or elsewhere, we want to ensure that we work and our products, as we develop them, are up to standard. In addition, our grading council is going to ensure a targeted approach in those areas.

On top of that, we are looking at working more with the private sector. We have a very good working relationship with the private sector, as it has been there. They are in coaching and mentoring, but are also opening opportunities for our small, medium and micro enterprises, SMMEs.

We have also said to Tourism SA ... we can already record some success in our presentation at the tourism Indaba to provide market

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 68

access. It's not just about them being in that corner of Indaba but what was done before to prepare themselves to showcase themselves. There is a programme beyond that that assists them through coaching and mentorship. That is done by the private sector. Furthermore, the programme doesn't end by showcasing once on such a platform. We are developing a programme that seeks to see how far they can develop in order for them to contribute to the GDP and the jobs we're talking about. So you, must judge us, as we are coming back in line with those programmes.

The targeted programmes that you're talking about will target township tourism, urban tourism and our rural areas. We want a cross-section of all the experiences that we have in South Africa. Those are contained in our annual performance plan.

In addition, in terms of our approach, we really appreciate what the portfolio committee has indicated, even regarding the restructuring of the department. We have placed the concerns of the portfolio committee to ensure we have a monitoring and evaluation element within the department that will monitor how SA Tourism functions, as SA Tourism also needs to carry the mandate of the department. They must contribute to inclusive growth and to the jobs we're talking about. We don't want to see those participants as volunteers who

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 69

don't know where they are going in the future. We don't want to find ourselves continuously training those young people but not knowing where they are at the end of the day. We have to see if they get absorbed into the industry or assisted to become entrepreneurs themselves, taking up opportunities in the areas we are opening up.

We are very happy that, in our midst, we also have people who have entered into one of the new markets in South Africa. Women have cracked a business in Spain. Please can we see you, Thabanga, and the team you've come here with? [Applause.] It is the first time that South African wine enters there. They are black. They have a market there and they are going to supply wine there.

We are looking into finding those who have been there, to grow them further. We must see those who are at entry level growing up until we are sure they can also participate and open opportunities. We are very clear, however, that in the new markets that government creates, our target is to ensure that we take our black entrepreneurs to be the primary ones. So, it means that big business will have to come along and follow them if you want to participate with them. We also need their work.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 70

Lastly, we are also increasingly developing and supporting community-based projects. We will reach out into our communities, involve them, inclusively, in tourism and ensure that tourism benefits communities directly. Where there is potential in our rural areas, we will come in. We will not just follow hon members who come with one project and who want us to focus only on that one project. That is why, with the minimum resources that we have ...

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon Minister, your time has now expired.

The MINISTER OF TOURISM: ... we will have a targeted approach that seeks to bring all of us, big business, small business, we, as communities and leaders ...

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon Minister, your time has expired.

The MINISTER OF TOURISM: ... to really make a change in the lives of the people. Thank you very much. [Applause.]

Debate concluded.

UNREVISED HANSARD

MINI PLENARY - E249

WEDNESDAY, 17 MAY 2017

Page: 71

The mini-plenary session rose at 15:47.

UNREVISED HANSARD