**UNREVISED HANSARD**

**MINI PLENARY - NATIONAL ASSEMBLY WEDNESDAY, 22 July 2020**

**VOTE NO 38 – TOURISM**

**WEDNESDAY, 22 JULY 2020**

[Mini plenary- Vote 38: Tourism](https://www.youtube.com/watch?v=ZBNXDWTxABM)

[Speech to the National Assembly by Deputy Minister of Tourism Fish Mahlalela](https://www.tourism.gov.za/AboutNDT/Ministry/News/Pages/SpeecH_to_the_National_Assembly_by_Deputy_Minister_of_Tourism_Fish_Mahlalela_MP_Tourism_Budget_Vote_38.aspx)

***PROCEEDINGS OF MINI PLENARY SESSION – NATIONAL ASSEMBLY***

Members of the mini-plenary session met on the virtual platform at 10:01.

House Chairperson Mr M L D Ntombela took the Chair and requested members to observe a moment of silence for prayer or meditation.

The Chairperson announced that the virtual mini-plenary sitting constituted a meeting of the National Assembly.

The HOUSE CHAIRPERSON [Mr M L D Ntombela]: [Inaudible.] ... in shall be considered to be present and are requested to mute their microphones and only unmute when recognised to speak. This is because the mics are very sensitive and will pick up noise which might disturb the attention of the other members. When recognised to speak, please unmute your microphone and enable your video.

Members may make use of the icons on the bar at the bottom of their screens which has an option that allows a member to put up

his or her hand to raise points of order. The secretariat will assist in alerting the chairperson of members requesting to speak. When using the virtual system, members are urged to refrain or desist from raising unnecessary points of order or making interjections.

**ADJUSTMENTS APPROPRIATION BILL**

Debate on Vote No 38 - Tourism:

The MINISTER OF TOURISM: House chairperson, let me take this opportunity to acknowledge the Deputy Minister of Tourism, hon Amos Fish Mahlalela, the chairperson of the Portfolio Committee on Tourism, hon Mahumapelo, the members of the SA Tourism Board – who will be following us through live-streaming - the director-general CEO of SA Tourism, senior managers of the department in SA Tourism, stakeholders, distinguished guests, and ladies and gentlemen.

Hon members, we have just learned this morning of the passing away of the last remaining Rivonia trialist and Isitwalandwe/Seaparankoe, Andrew Mokete Mlangeni. A giant has fallen and ours is to pick up the baton and run with it.

Let me take this opportunity to extend my deepest condolences to the Mlangeni family and to all his friends and comrades and to the African National Congress in general and its ... [Inaudible.]

Hon members, the COVID-19 pandemic has altered almost all aspects of our lives in ways that we never imagined and has so far been very devastating for the economy. Internationally and locally tourism has been one of the worst affected sectors. The United Nations Conference on Trade and Development, UNCTAD, has listed South Africa as one of the top-15 countries that are being the most negatively impacted by the near closure of the international travel industry during the pandemic.

Accordingly, UNCTAD predicts that tourism in South Africa is going to lose 3% in GDP contribution – this is both direct and indirect contribution, I must add – and the loss of unskilled job in this sector could be as high as 12% if the virus is contained in the next eight months.

It is estimated that R54,2 billion in output may already have been lost between mid-March and the end of May this year.

The sector now faces a potential 75% revenue reduction in 2020, putting a further R149,7 billion in output, 438 000 jobs and R80,2 billion in foreign receipts at risk, as we speak.

Hon members, on 9 March this year we convened a meeting with the private sector to discuss the possible scenarios we thought the pandemic would cause to be played out in our country and the things that needed to do together to respond to the virus in accordance with those scenarios. At the time we convened the meeting, our country still had only three known imported cases of coronavirus infection but the global situation was looking very dim.

Of the three scenarios that were presented in that meeting, I said that the scenario in which cases of coronavirus increased and only peaked between the third and fourth quarter was very likely to come to pass and that the impact of such a scenario on the sector was going to be severe, characterised by closure of businesses and severe job losses.

Hon members, all indications are that we are living in the third scenario as mention. This is hardly the time for bickering and apportioning blame. Rather the situation demands that we work

together to ensure that we together weather the storm going forward.

In this regard I would like to quote Maya Angelou when she said:

We delight in the beauty of the butterfly but rarely admit the changes it has gone through to achieve that beauty.

Tourism has proven over the years that it is a resilient sector and we shall see its beauty like the butterfly in the not too distant future.

Since that meeting of 9 March, we have worked very closely with the sector in developing protocols, shared information and multiple meetings including a meeting with the President of the Republic South Africa and in the co-ordination of the gradual re- opening of the various subsectors.

Just as we work together to ensure that the sector’s activities opened at Level Three, we must continue to work together to get more tourism activities open moving forward.

As per the risk-adjusted strategy, economic activities have been curtailed in accordance with the level of risk associated with an increase in infections and deaths identified in our country.

Unfortunately, we still have a limited understanding of the pandemic, thus it remains uncertain as to what will happen in the coming days, weeks and months.

We are mindful that this does not bring any comfort to businesses that are in distress and to jobs that have been lost or are on the verge of being lost. However, we need to continue to work together to ensure that we can rebuild our sector.

Government has intervened to support businesses that are in distress through the coronavirus COVID-19 ... [Inaudible.] ... scheme worth R200 billion and this scheme is accessible to many businesses including those in our sector.

Our sector also benefited from the Temporary Employer / Employee Relief Scheme, Ters, established to provide financial relief to employees during the COVID-19 pandemic through the UIF.

Working together with the Tourism Business Council of SA, TBCSA, were able to arrange for a special dispensation, such that tourism

businesses could apply for Ters through the TBCSA. Thus far, Ters has disbursed about the R34 billion in 7,4 million payments since March this year and the announcement by Minister Nxesi of the extension until 15 August goes a long way, as we were one of the sectors that requested the extension.

On our part, we redirected R200 million which assisted 4 000 businesses through the Tourism Relief Fund. We ensured that the benefit is spread geographically across the country to cover even businesses in small dorpies and townships as per the discussions in the portfolio committee.

I must reiterate, hon members, that the implementation of the relief fund came under scrutiny and led to a court challenge due to the use of government-adopted policy of Broad-based Black Economic Empowerment, BBBEE. Unfortunately, the noise of the naysayers confused and discouraged even those who qualified for the grant not to apply because they were told that the relief was specifically for black people. This was not true. We have received many letters of appreciation from patriotic South Africans – black, white, coloured and Indian – who are indeed sharing their stories and are grateful that they did not listen to the misleading words and applied and received the necessary support.

Hon members, we have further reprioritised our budget put together the Tourist Guide Relief Fund. In this regard, we have set aside a total of R30 million to provide financial relief for freelance tourist guides over a period of two to three months. The beneficiaries of the scheme must be registered in terms of the Tourism Act. So far, we have received a total of 9 382 applications from tourist guides from the provinces and we are finalising the verification process so that we can start paying the eligible beneficiaries.

The department introduced the Green Tourism Incentive Programme, GTIP administered by the IDC to encourage private tourism enterprises to move towards more efficient utilisation of energy and water resources. The department is reviewing the implementation modalities of the GTIP to ensure that much-needed relief for businesses to retrofit is speedily disbursed so that they can reduce operational costs especially.

We have set aside about R40 million rand for this programme. This will go a long way towards providing the much-needed relief in this COVID-19 environment and beyond because the businesses will be able to reduce their operational costs.

With regard to grading, to aid the recovery of the sector, South African tourism has resolved to support the sector with provision of an exemption for up to 12 months of the grading assessment and fees, followed by a payment holiday of 100% grading discount when the sector resumes operation. We are cognisant, hon members, of the fact that both these schemes and all these interventions might not be enough but we do believe that they will go a long way towards supporting the sector in light of the depth of the crisis we face.

Let me come to the issues and projects that the department has put together and is implementing. Because of the COVID-19 crisis, the department tabled a revised annual performance plan with revised annual targets. Hon members should note that our five year targets, however, remain as outlined in the five-year strategic plan. We are confident that the sector will recover and we will be able to meet our five-year targets. We are going to use the money we have been allocated to work towards building a firm foundation for the rapid and inclusive recovery of the tourism sector.

During the medium-term the destination development programme will continue with the implementation of the destination planning and investment co-ordination area of work, with greater emphasis on

socioeconomically distressed regions and align these to the district delivery model. The destination enhancement sub-programme will similarly focus on implementing the tourism infrastructure and maintenance programme in state-owned facilities. These two

sub-programmes support the coastal and marine tourism work and are supported by the implementation of the Project Management Standard.

In order to prepare our attractions for the return of tourists as part of the Phase One of the Tourism Recovery Plan, the Expanded Public Works Programme, EPWP, will fund the implementation of an infrastructure maintenance programme in partnership with SANParks in three national parks. These are: Marakele National park in Limpopo, Addo Elephant National Park in the Eastern Cape, and Karoo National Park in the Western Cape.

We will also conduct a needs assessment and recommendations for product enhancement at five local museums: Anton Lembede Museum in Ethekwini Municipality, McGregor Museum in the Sol Plaatje Local Municipality, Fort Dunford Museum in Inkosi Langalibalele Local Municipality, and Lehurutshe Liberation Heritage Museum in Ngaka Modiri Molema District Municipality.

We are confident that we are still going to meet our target of

2 500 work opportunities created through Working for Tourism projects, EPWP.

Hon members, before the COVID-19 crisis, our 2020-21 budget allocation R2,48 billion of which R 1,304 billion was for Transfers and Subsidies. The Department’s revised budget allocation for 2020-21 is R1,48 billion of which R505 million is for Transfers and Subsidies.

The Department has had a total budget reduction of R1 billion, with SA Tourism sustaining the largest budget cut amounting to R886 million due to suspension of most of the marketing activities.

Our recent economic challenges have, in addition to increasing unemployment, thrown into sharp relief the enormous inequality in terms of income, assets, and opportunity amongst our people. It is mainly women and youths who find themselves on the margins of society.

We therefore have a responsibility to ensure that the recovery of the tourism sector is inclusive by increasing women and youth

participation in the sector. The backdrop of all our plans and policies will always be transformation in the sector in terms ownership, and management and control in favour of the previously disadvantaged.

The Deputy Minister, hon Mahlalela, will elaborate on what the Department is doing in terms of training for youth and women in the tourism sector.

With regard to entrepreneurship, the department will also implement Enterprise Development Programmes, primarily targeted at women and youth, which provides developmental support to rural tourism enterprises over the medium-term period. The Programme comprises hub-based tourism incubation support and offsite national support for SMMEs. Our four incubators in Pilanesberg, Manyeleti, Phalaborwa, and Mier are currently offering business support programmes for tourism businesses affected by COVID-19, conducted through online platforms.

We are also in the process of establishing a technology innovation incubator aimed at nurturing enterprises that introduces technology innovation in the sector and a tour operators’

incubator, which is aimed at assisting emerging sector players in tour operation to better manage their businesses.

Most notably, the department will implement the New Venture Creation Programme for Youth in food services businesses including the utilisation of virtual platforms to activate virtual kitchens.

This initiative will spawn new value chains for restaurants that do not offer sit-down services and can be run from not-so- traditional geographic locations serving only online clients.

Attached to this will be a growing transport services sector for the youth particularly in food delivery services.

Whilst global tourism activity remains supressed, world economies are under pressure and general consumer confidence uncertain, SA Tourism’s efforts will be strengthened to develop the future leisure and business markets. These will include bidding for future Meetings, Incentives, Conferences and Events, MICE, events.

As part of ensuring that we remain budget conscious, while executing our role, the SA Tourism hubs in the various countries, have migrated from focusing on just the specific countries which they operate in, to looking after entire regions.

With regard to policy, the current policy framework was developed within the context of a Tourism White Paper developed in 1996. In this financial year, we are going to initiate a process to review the White Paper and all our policies to align them with the current trends and practices in the tourism sector. [Interjections.]

Hon members, I table the budget for consideration. [Time expired.]

Mr S O R MAHUMAPELO: Presiding House Chairperson, the collective of the tourism portfolio committee the tourism executive arm led by hon minister Mmamoloko Kubayi-Ngubane and the deputy minister, departmental collective of technocrats and SA Tourism board collective the collective of the Members of Parliament, South Africans who may be following us on this platform, good morning.

The committee moves for the adoption of the report because it helps us to advance the protracted struggle towards attaining a united, democratic, non-racial, nonsexist and prosperous society for which Ntate Mlangeni struggled and lived for until the end of his life.

The coronavirus emerged from nowhere and found us engaged in a struggle to ... [Inaudible.] ... ameliorate the effect of a sluggish 1% of economic growth, to which the rating agencies responded by downgrading us. Among other things, the coronavirus found us hard at work trying to do everything possible as the ANC to enhance the 9% contribution to GDP by the tourism sector. It found us in a single-minded duty of grappling with a common task to overcome the 30% unemployment rate in South Africa.

Based on the conclusion arrived at by the National Development Plan, NDP, that this is indeed one of the critical triple challenges facing our country, it found us researching, developing and implementing programmes in tourism through skills development, entrepreneurship, EPWP programmes and other programmes of the ANC- led government to respond to the challenges of 54% of youth unemployment.

The virus found us hard at work intensifying radical economic transformation programmes finding expression through BBBEE to attend to what the Constitution has characterised as injustices of our past. Linked to this, the virus found us gradually getting to grips with amendments to section 25 of the Constitution so that Blacks in general and Africans in particular could get back their

land from South Africans of European origin so that they can own tourism establishments such as hotels, gaming parks food production for hotels, lodges etc ....

The coronavirus found us grappling with some within the white community, just constituting a mere 8% of South African population, not only refusing but in some instances doing everything possible to thwart and disrupt the necessary transformation that must take place within the tourism sector and other critical sectors of our economy.

It found us grappling of the practicalities of implementing the ANC’s 54th National Conference resolution to nationalise the Reserve Bank because we know that the implementation of that resolution shall greatly contribute towards creating possibilities for Blacks in general and Africans in particular to find a conducive monetary policy environment and an expanded mandate that can enable them to do better in tourism.

The COVID-19 pandemic finds us having set ourselves a target of at least 21 million tourist visits in South Africa by 2028 and, linked to this, engaged in a very productive discussion on how the combined efforts of the foreign missions, SA Tourism, and Brand SA

could be used to further enhance our efforts of marketing South Africa internationally.

Though we never expected the virus, we were vigilant to respond accordingly. That is why today we speak of the R200 million Tourism Relief Fund — which is not enough but is a good basis for the provision of relief to those who are in the tourism sector.

The virus emerged at a time when the committee, the department and SA Tourism had just agreed to use the district service delivery model to attack poverty, inequality and unemployment by prioritising tourism initiatives in the villages, the townships, and the small dorpies. We adopted this approach as a committee because empirical research by Statistics SA has confirmed the embeddedness of the triple challenges of poverty, inequality and unemployment which are ravaging the villages, the townships and the small dorpies.

To those who are protesting the regulations to save lives and put people first, our message as a caring government to them is a very simple one: the percentage of people getting infected is increasing daily, people are losing their lives on a daily basis, while the hospitals and other health facilities are struggling to

cope with patients. No one must therefore seek to grandstand and project the ANC government as unthinking, uncaring and lacking in the ability to balance the two critical imperatives of putting people’s lives first and the concomitant need for ensuring economic survival.

In conclusion, I just want to paraphrase Ntate Nelson Mandela when he said:

Please do not judge us on the number of times we fall, but judge us on the number of times we are able to rise every time we fall.

Ke a leboga.

Mr M S F DE FREITAS: House Chair, I am battling to turn my video on. I apologise for that. I will continue anyway.

I’m speaking from Mpumalanga, in fact, supporting the tourism industry that is protesting and demonstrating against government’s crazy regulations that have closed down the tourism industry and is destroying the industry and killing jobs.

If any Minister in any government anywhere in the world would just say publicly that jobs would definitely be lost in the area of their ambit, that government would immediately fire that Minister. But not in South Africa. In this country, a Minister that effectively spits in the face of businesses gets promoted by the President. After all, protecting one political faction over another is more important than saving lives and livelihoods as hundreds of thousands of South Africans ... [Inaudible.] ....

Minister Kubayi-Ngubane doesn’t seem to understand that jobs save lives. It appears that it has completely gone over the minister’s head that tourism is one of those low-hanging fruits that ...

[Inaudible.] [Interjections.]

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon De Freitas, it is very difficult to hear you. [Interjections.] I will make him aware of this later on, hon Minister.

Hon De Freitas, we have completely lost you. We have completely lost hon De Freitas ... [Inaudible.] ...

Mr M S F DE FREITAS: If you can hear me then I’m audible. May I

continue?

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Continue.

Mr M S F DE FREITAS: Seven hundred and fifty thousand jobs ... [Inaudible.] ... half of them already lost. But listen, this is just confirmed ... [Inaudible.] ... the report ... [Inaudible.]

...

An HON MEMBER: We can’t hear him.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon De Freitas, we cannot hear you. I will take advice on how you should use the remainder of your time, but we cannot hear you, sir.

An HON MEMBER: Chair, he would prefer to start again, please.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Pardon?

An HON MEMBER: Chair, he would prefer to start again, please.

The CHIEF WHIP OF THE OPPOSITION: Hon Chair, it’s hon Mazzone.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Yes, hon Mazzone? We

can’t hear him.

The CHIEF WHIP OF THE OPPOSITION: Chair, I believe there is a problem with the connection. [Interjections.]

The HOUSE CHAIRPERSON (Mr M L D Ntombela): ... [Inaudible.] ... with the time ... [Inaudible.] ...

Mr M S F DE FREITAS: Can you hear me now, Chair?

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Yes, hon De Freitas, I can hear you. I will give you one minute.

Mr M S F DE FREITAS: Thank you. The sector directly supports over 750 000 jobs, of which at least half have already been lost.

But then, the Minister doesn’t care about any of this. She confirmed as much at the portfolio committee only last week when she stated that the ANC comes first and that she stands behind all the crazy decisions and regulations pertaining to lockdown. She really doesn’t care about the fact that jobs save lives.

The minister and her government don’t give a damn about the economy and the prosperity of this country. History will record that Minister Kubayi-Ngubane is South Africa’s modern-day version

of Marie Antoinette. Shame on you because jobs saves lives! Thank you.

Mr P G MOTEKA: Chairperson and leadership of the EFF, the tourism sector has, to all intents and purposes, ground to a halt because of the lockdown. Many jobs have been lost already and the country has lost significant revenue. The lockdown will eventually come to an end and the country will open once more. But what kind of tourism sector will we have by then?

What actions are you taking today to ensure that the sector that emerges post-lockdown is fundamentally different from the untransformed sector we have at the moment?

This sector still remains a highly concentrated sector controlled by a few white people and excludes the majority of our people. It is white people who own lodges, who own nature reserves and who are who are in control of even state-owned nature reserves. It is these people who benefit from tourism.

Tourists still come to the same destinations controlled by the old boys’ club. We have not been able to diversify our tourist attractions for the rest of the country. Tourists still mainly

come to these three provinces - the Western Cape, Gauteng and KwaZulu-Natal. We have immense potential to diversify this sector by including other provinces such as the Eastern Cape, Limpopo and Mpumalanga for those interested in historical and heritage tourism. We have not been able to expand the sector because the very nature of the South African economy favours those who have accommodated it improperly.

Furthermore, there are no consequences for those ... [Inaudible.]

... in the sector. They are aided by the government in excluding black people from the industry. The stringent regulations put in place as entry requirements to the sector are exclusively leaving this sector for white people who have the land and the capital – which were stolen, by the way.

Overall black participation in this sector is still at 48% and black women ownership is less than 10%. Black participants are only found in provinces such as Limpopo and Mpumalanga, while the Western Cape, KwaZulu-Natal Gauteng are mainly dominated by white participants.

This revised budget has taken away R1 billion from the programmes which, in the main, were going to assist the transformation of the

industry. This revised budget is going to hit the very little transformation objectives of the department in a very bad way.

It is also documented that serious transformation in South Africa is taking place in the urban areas, particularly Johannesburg, Cape Town and Durban, and not in the poor, small towns, villages and townships where poverty is embedded the most. You have adjusted downwards the budgetary allocation to destination development by R16 million. This is regrettable, as it shows that your priorities are existing tourist destinations which are largely owned by and beneficial to white people.

The reduction of the budget allocated to the capacity building programme we will also mean a serious blow to emerging industry participants.

There are things that could be done immediately to address the skewed nature of ownership in this industry. You could become firmer in forcing national parks and state-owned nature reserves to work exclusively with black-owned tourist companies and establishments. Government could also make it law that state officials should only use black-owned establishments for their

accommodation and conferences and events. We therefore reject this budget.

Mr K P SITHOLE: Hon Members, South Africa is in its worst possible state since the dawn of democracy filled us with the hope that our beautiful country and cultures would bring about economic development and sustainability through tourism. Tourism in South Africa must not only protect our cultural heritage but also encourage world class tourism and leading innovations, attractions, buildings and sites.

We accept that the demands of COVID-19 - under which this budget has been adjusted - have found no place for international and even domestic tourism. The pandemic demands that we practise social distancing and impose travel restrictions to safeguard our people. As a result, this department has been the hardest-hit by the lockdown regulations, with over 700 000 jobs at risk, causing widespread financial instability and hunger.

With tourism generally adding R272 billion to our economy each year, we cannot afford for this sector to not return to, at minimum, its former level of contribution.

The IFP is concerned that the reduction of budget from this department will negatively affect the sector’s ability to remain prepared for a potential and partial opening of the economy.

During this time, this department should not have to endure such a huge reduction in its budget. In fact, the department should be implementing training programmes to ensure proper education on social distancing and hygiene for tourism activities in the near future.

If there are no tourist activities under lockdown, what are municipal officials assigned to tourist activities doing?

Officials must not be left to sit at home while they could be preparing or even assisting government to come up with a strategic plan to reopen the sector with the necessary precautions.

Furthermore, this department is very weak on providing a plan and is already bailing itself out from providing a well-thought out recovery plan by stating that COVID-19 is unpredictable.

The tourism industry needs clear support, and incentives must be offered to local citizens to encourage them to support South African tourism, like what was done in Germany.

We need certainty with this industry, and currently the only certainty we have is that of corruption. For example, we have no idea as to what happened to the R200 million relief scheme. There has been very little transparency and we want to know who benefitted from the money, and they must account for every cent.

Finally, the department needs to work on a plan for better communication about and exposure for rural tourism. The neglect of rural tourism is a hindrance to our economy, as there is a large market that has been untapped. Rural tourism needs to beat the top of the agenda, especially when promoting it for local travel. The IFP does supports the adjusted budget. I thank you.

Ms M E SUKERS: Chair, in considering the report by the Portfolio Committee on Tourism, the song by Miriam Makeba comes to mind:

Eyes on tomorrow, Feet on today,

All I see our people’s faces,

All I see our people’s fears.

We require a long view beyond the economic devastation of this pandemic and we need to consider the faces of the people who are

reliant on this industry in order for us to provide the necessary on-time support to the tourism sector and avoid its total collapse.

The tourism industry contributes over R270 billion to our economy, but the impact of projected job losses due to COVID-19 is a staggering figure of over 1 million jobs. It should be impossible for us to merely reflect on numbers in terms of rands and cents in this Budget Vote without seeing the individual lives of people affected in these numbers. The tourism industry consists of men and women whose sweat contribute significantly to turning the wheels of our economy. The most important priority in the short term is saving jobs.

The ACDP is concerned that the political mandate rather than economic considerations is being prioritised. We are concerned that not enough emphasis is placed on the critical support that needs to be provided to this industry as a whole in order to save jobs. It is important to note the impact of the risk-adjusted strategy and lockdown on micro- and small enterprises that provide jobs to local communities.

Economic recovery within this sector requires a faster and quicker relaxation of regulations in addition to relief measures that will be needed beyond August. The opening up of the domestic market for leisure accommodation and inter-provincial level is critical to supporting rural communities and protecting the poor.

The emphasis for the ACDP is minimising job losses that would exaggerate the negative social impact of this pandemic on vulnerable communities.

The workforce in the tourism industry – the waiters, bar staff and cleaners – are the people who suffered the most from delayed UIF payments and, in many instances, received no financial support during this lockdown period.

The ACDP wishes to emphasise the human cost of this pandemic and we call on government to heed the industry’s call to accelerate the opening up of the tourism sector, specifically the hospitality sector that is dependent on the local market, in order to save lives and livelihoods. Thank you. [Time expired.]

The DEPUTY MINISTER OF TOURISM: Thank you, House Chairperson. The Minister of Tourism, Mmamoloko Kubayi-Ngubane, the chairperson of

the portfolio committee, board members of SA Tourism, SAT, the director-general, DG, the chief executive officer, CEO, of SAT, senior management of both the department and SAT, distinguished guests and hon members, today we connect, rather than gather, under sombre conditions, to consider the Tourism Budget Vote.

Although the situation we find ourselves in today has been on our scenarios castings for decades, we never imagined the disruption we have had to navigate since the outbreak of the global pandemic, COVID-19. As I share and outline the underlying focus of the work which we commit to undertake through this Budget Vote, let me recall what President Mbeki once said:

Gloom and despondency have never defeated adversity. Trying times need courage and resilience. Our strength as a people is not tested during the best of times. As we said before, we should never become despondent because the weather is bad nor should we turn triumphalist because the sun shines.

Yes, we are on a disenchanted path never travelled before but despair and desperate measures should not be the option. Our strategy for the Medium-Term Strategic Framework, MTSF, period is built around commitments for growth and development expressed in the sixth administration’s priority of creating a capable state.

Ours therefore is to undertake projects that will contribute towards creating more decent and sustainable jobs and investing for inclusive growth. We are not rebuilding from nothing and restoring traveller confidence is going to be a key ingredient in recovering demand over time as we strive towards re-establishing tourism flows.

Our interventions through opportunities like the tourism incubator, tourism grading, market access and other incentive

programmes have made it possible for small, medium and micro enterprises, SMMEs, in tourism to reap positive rewards. Through the Enterprise Development and Transformation Programme, we are introducing new players in the tourism economy and contributing to the competitiveness of tourism destinations. The Enterprise Development Portal will serve as an online supplier market for SMMEs in order to promote sector transformation and job creation.

As we continue with working for tourism projects, we will create

2 500 work opportunities through the Expanded Public Works Programme of the department during this financial year. Our working for tourism programme supports training, firstly, through on-the-job training within the infrastructure project, and secondly, stand-alone training interventions with participants

accumulating credits towards a qualification. Projects for this financial year include your tour guide capacity-building, food safety quality assurers, wine service training, and hospitality and fast-food training programmes. Unfortunately, we have had to suspend the Youth Chefs Training and the Coastal and Marine Tourism skills development programmes in line with COVID-19 restrictions and risk assessments.

From a destination development perspective, we continue our path of inclusive growth through investments in community tourism and will this year conclude concepts for the following community-based tourism projects: Numbi Gate in Mpumalanga, Ehlanzeni district; Nandoni Dam in Limpopo, Vhembe district; Tshathogwe Game Farm in Limpopo; Mtititi Game Farm in Mopani district and Mapate Recreational Social Tourism Facility in Vhembe district.

Through the Tourism Grading Council of SA, we will also introduce an approach to prepare establishments for grading. This will enable 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. Equally, we will pursue a well-developed system of handling and managing complaints from

travellers and consumers, with an aim to ensure speedy resolution of such complaints.

The Meetings, Incentives, Conferences and Exhibitions sector has endured most of the global impact of the COVID-19 pandemic, with cancellations of events. The pandemic resulted in the cancellation of Travel Platforms globally, such as your Internationale Tourismmusbörse, ITB, Worldwide Exhibition for Incentive Travel, Meetings and Events, IMEX, and World Travel Market, WTM, to name a few. This included our own platforms such as Africa’s Travel Indaba and Meetings Africa.

The SA National Convention Bureau will this year focus to support the recovery of business events tourism by targeting future events which have a bidding process of three to four-year lead times. The geographical spread of tourism business events is another way of broadening participation in the sector. For this, SAT is developing a framework to capacitate national associations to host events in villages, towns and small dorpies across the nine provinces.

The department is in the process of conducting a comprehensive study on the impact of COVID-19 on tourism subsectors, to better

understand the impact and to inform key interventions and development in order to respond to the recovery.

We will implement the National Tourism Information and Monitoring System to gather, analyse and provide data to inform decision- making and enable prioritisation of sector initiatives towards areas with high tourism potential, including townships and rural areas. This is more important, given that we need data to be able to support recovery and growth in all corners of our beautiful country and across all subsectors.

Our collaboration with the SAPS led to the signing of the memorandum of understanding to identify and address challenges on tourism safety, including the identification of tourism hotspots, the enhancement of crime prevention initiatives and creating a platform for joint awareness programmes. The Tourism Monitors Programme was implemented in all provinces, including in parks managed by SA National Parks and gardens under the SA National Biodiversity Institute.

We will continue to monitor the environment but our safety monitors stand ready to protect our destinations in times of recovery. To this end, we must understand that, despite the

current challenges, we need to be reminded of the greatest environmental challenge of our time, which is climate change. Yes, we may be faced with COVID-19 today, but climate change brings with it other forms of social and natural disasters, which also impact directly on the economy. We will therefore, based on the district model, work together to enhance the competitiveness of tourism localities and open up destinations ... [Inaudible.] ... diversify our offerings, with local government as a key role- player in the spatial management and planning of tourism, including working with traditional leaders in order to enhance tourism.

In the pursuit of economic diplomacy and development co-operation, the department has signed memoranda of understanding with

35 countries globally and we continue to pursue more. We shall continue to work towards regional integration through capacity- building initiatives, investment promotion, sharing of best practices and dialogue about addressing tourism challenges and opportunities on the continent. Through the regional economic and political alliance with the Southern African Development Community, SADC, we will collaborate with other states to implement the SADC Tourism Programme as a road map of a sustainable tourism development and growth agenda in the region.

We can only do that if we have a solid organisation and people within.

The DG and the board, supported by the CEO of SAT, will continue to enhance our institutionalised mechanisms and capacity necessary to promote good governance. To continue to spearhead Public Service excellence, we will enhance our governance mechanisms, promote ethical conduct, combat and prevent fraud and corruption and deploy the technology required to optimise performance.

Through our monitoring and evaluation efforts, we will seek to continue to improve our project management system’s efficiency and maximise the intended outcomes and impact. [Time expired.]

Mr H S GUMBI: Hon Chair, the global coronavirus pandemic and lockdown has crushed the tourism sector, both internationally and in South Africa. Domestic and international travel came to a stop. Hotels, guest houses, bed-and-breakfasts and homestays went empty. Restaurants shutdown as chefs, waiters and cleaners went home.

Tour guides in game reserves and sailors on big and small boats along our coasts sacrificed their livelihoods. Shuttle drivers and conference facility workers came together in the monumental effort to help the government in a common purpose to try to save lives.

More than 100 days later, people are trying to safely return to their livelihoods in a new health and safety work environment. They are trying to protect themselves and others, while still getting on with the business of creating jobs in South Africa.

But, instead of showing solidarity with patriotic South Africans, this ANC government continues to let them down. The Charter Boat Association, operating as small businesses of boat rides along the South African coast, gave the minister a list of seven new proposed safety protocols to reopen safely. To date, they have received no help from this government, and are shunted from pillar to post when it comes to who can help them. This leaves more tourism businesses at risk of being permanently shut down due to the extended COVID-19 lockdown and its irregular regulations.

You see, the ANC will have you believe that the choices today are about temporarily shutting down white business to somehow save some black lives.

Rubbish! Those are not the choices.

This lockdown is about power to the ANC.

From his reply to DA parliamentary questions, Minister Zweli Mkhize alluded to the fact that the ANC government is unable to build the health facilities to fight COVID-19. In one of the strangest bids to try and save face, government seems to have decided that killing livelihoods and the economy will somehow save lives.

If you, Minister, with your R2 million guaranteed salary and all of its benefits, are unable to recognise that all jobs save lives, then it is time for the stakeholders in the tourism sector to fight back against your government, to take you to court, to push back against regulations and publicly challenge your authority. No government and no Minister anywhere in the world has the right to unfairly push people out of jobs because they failed do built health facilities. At the end of the day the jobs that are there also assist to save lives. Thank you.

Ms M M GOMBA: Chair, I just want to take this opportunity to advise hon Gumbi and hon De Freitas that saving lives of the people of South Africa is more important than the interests of those capitalists who wants to make profits at the expense of the lives of the people during this difficult COVID-19 disaster period.

The ANC supports Adjusted Budget Vote 38 – Tourism. We do so mindful of the effects COVID-19 has had on the economy as a whole and on the tourism sector in particular. Such effects have seen the Department of Tourism’s overall budget decreased by 40,3% in nominal terms which translates to a decrease of R1 billion rand from the initial budget.

Despite having experienced drastic budget cuts for Budget Vote 38, as the ANC we remain committed to our call for economic transformation as we believe that transformation is a fundamental instrument for redress of apartheid injustice in the tourism sector. The ANC’s vision for the South African economy is guided by the Freedom Charter’s clarion call that the people shall share in the economy and in the country’s wealth. The ANC is committed to building a more equal society in which all can enjoy a sustainable livelihood.

We acknowledge that, while there are there have been tremendous economic advances over the years after 1994’s democratic breakthrough – such as increased protection for workers, the expansion of the black middle strata, the extension of the social security net and the expanded provision for social and economic infrastructure – the legacy of colonialism and apartheid is still

deeply entrenched in our society and in the structure of the South African economy.

The government introduced BBEEE as an instrument to ensure that the economy is structured and transformed to enable the meaningful participation of the majority of its citizens and to further create capacity within the borders of the economic landscape at all levels through skills development, employment equity, socioeconomic development, essential procurement, enterprise development especially in the small and medium enterprises, promoting black economic entrepreneurs into the mainstream of economic activity and through the advancement of co-operatives.

Broad-based Black Economic Empowerment needs to be implemented in an effective and sustainable manner in order to unleash and harness the full potential of black entrepreneurs and to foster the objectives of a pro-employment development growth path.

Unfortunately, performance against the scorecard of the tourism sector codes reveals a worrying state of affairs with regard to ownership, presenting voting rights for the hospitality sector at 39% ... while both the accommodation and travel subsectors are unable to meet the set targets of 27% respectively and seven out

of nine provinces performed below 50%. This gives a clear

indication of the sector’s reluctance to transform.

We once more support the High Court judgment that dismissed AfriForum and Solidarity’s case against the Minister and the department on the inclusion of BBBEE in the criteria of COVID-19 relief funds. We applaud the commendable work done by the Ministers and the department as led by the Minister and Deputy Minister in fighting to defend the gains of our democracy by advancing transformation and constantly applying the principles of BBBEE without fear or favour of those opposed to transformation – such as the Democratic Alliance, Freedom Front Plus, AfriForum and Solidarity.

While transformation through programmes under the tourism sector support services will be minimal in the 2020-21 financial year due to the 37,68% budget cut, the department remains committed to focusing on the transformative initiatives that will position the department and its stakeholders in a state of readiness for the recovery phase. I thank you.

Mr I M GROENEWALD: Honourable Chairperson, the mandate of the Department of Tourism is to promote and develop the tourism sector

in all aspects while ensuring responsible tourism for the benefit of the country.

Tourism SA, the marketing arm of the department, must promote the country as a destination domestically and internationally and in so-doing, advance all forms of tourism in the country.

The tourism sector contributes more than R270 billion to the South African economy per year. It indirectly promotes infrastructure development, contributes to foreign exchange earnings, job creation, global connectivity, cultural and heritage development, and the list goes on. So, the importance of this industry should not be underestimated or undervalued.

However, instead of government acknowledging and growing the potential of this sector by creating favourable circumstances for tourism in South Africa to flourish, it has decreased the budget of Tourism SA by more than 50% – effectively saying, we want less marketing for South African tourism, both internationally and domestically.

*Afrikaans*:

Agb Voorsitter, die aangepaste begroting vir die Department van Toerisme is in wese ontoereikend en sal ’n reeds sukkelende industrie verder op sy knieë dwing.

*English*:

The tourism sector is one with unmeasurable potential. We have one of the most beautiful countries in the world. From Cape Town in the South to the northern-most border lies unexplored and uncharted tourism opportunities that can flourish and contribute enormously to the South African economy if government takes interest in this important market. Priorities should be directed at promoting and supporting this industry, especially during these trying times of COVID-19, so that it can prosper and contribute to job creation, prosperity and sustainable economic growth post- COVID-19.

*Afrikaans*:

Agbare voorsitter, om volhoubare ekonomiese groei, werkskepping en vooruitgang veral na afloop van die verlamende ramptoestand te verseker, sal die regering met daad en mening in die toerismesektor moet belê.

Belê in die sektor deur meer hulp te verleen. Hou op om op grond van ras te diskrimineer wanneer finansiële hulp verleen word. Alle toerisme-ondernemings, ongeag ras, dra by tot die Suid-Afrikaanse ekonomie. Alle toerisme-ondernemings dra by tot werkskepping en sorg dat Suid-Afrikaners, ongeag ras, in staat gestel word om vir hul gesinne te sorg.

Belê in die sektor deur te beding vir regulasies wat sommige klein besighede kan red.

Belê in die sektor deur te beding vir meer uitkomste soos spesiale belastingkortings op munisipale en nasionale vlak.

Belê in die bemarking van hierdie sektor, want ons sal COVID-19 oorwin en dan moet belangstelling in Suid-Afrikaanse toerisme reeds geprikkel wees.

En indien u tenderbedrog en uitbuiting deur diensverskaffers stopsit, sal die bemarking van Suid-Afrika as ’n bestemming nie miljarde kos nie. Dit moet effektief en innoverend geskied.

*English*:

Government does not consider the tourism sector to be a priority and should wake up and see that the tourism plane is falling out of the sky. The Freedom Front Plus wants to challenge government to save the falling plane, hear the whistles and act before it is too late.

We might have a government that only wants to prioritise issues that can get the ANC votes in the next election but, if this sector crashes, they will have to explain the economic loss of more than R270 billion that the sector is responsible for, the loss of 740 000 direct and more than 1,5 million indirect jobs across the value chain.

*Afrikaans*:

Dus sluit ek af deur ’n beroep te doen op die regering: Raak nou ontslae van voorskriftelike en diskriminerende wetgewing. Sit skouer aan die wiel en vind oplossings met toerisme as ’n belangrike rolspeler in die ekonomie. Sien toe dat kleinsake- ondernemings gered word deur regulasies daar te stel wat eerder help om die toerisme ekonomie te onsluit.

Almal in die sektor is gretig om saam te werk, gretig om hierdie sektor weer te bou. Ons almal is trots Suid-Afrikaans; hoekom dan nie saamtrek nie. Dankie.

Mr G R KRUMBOCK: Chairperson, when national, provincial and local governments and their departments work at cross purposes and fail to maintain and promote our key tourist destinations, the result is crumbling infrastructure, blighted resorts, and well-informed travellers who take their business elsewhere.

So, the Portfolio Committee on Tourism’s visit to the Howick Falls in KwaZulu-Natal last year offered a flicker of hope. National, provincial and local government with their attendant clouds of officials all committed to working together to address the serious decline and degradation of this once-iconic landmark, the only waterfall within the CBD of any South African town or city. Key outcomes were set, deadlines imposed, and progress reports scheduled.

Fast forward to July 2020, 10 months later, and all that has changed is that despair has triumphed over hope. The Falls’ Gorge Walk kiosk still stands stripped bare and derelict, a grim reminder of the apogee of local government ineptitude. Alcohol and

drug-fuelled revellers continued to trash Goddard Park right up to the lockdown, albeit more circumspectly as a land invasion of Goddard Park turned the resort into a public toilet. No boom gates, cameras or proper security can be seen, except those who regularly attend the ruling elite of uMngeni Municipality.

And so, tourism numbers have fallen by 90%, businesses have closed, many jobs have been lost, and hundreds who were supported by this once-thriving resort go hungry.

The municipality has not yet even tabled its January 2020 report to the committee and continues to frustrate other spheres of government. So much for co-operative governance!

Letters asking for information from the hon De Freitas to the Tourism Committee chairperson stretching back to February have met a similar fate – zero response. So much for pious calls for working together across party lines in one committee!

But why should we be surprised? Is this not the same government that openly legislates for only some employers and therefore only some employees to receive support during the pandemic? Is this not the same government which has ruled for a generation, but cannot

reliably generate electricity? The same government that,

R63 billion later, has flown SAA into the ground, that wants to force the entire country into an NHI while rats lick up blood and desperate patients fight each other for oxygen in Eastern Cape hospitals? The same government indeed, that will allow taxis to operate at full capacity, and expects us to believe that its windows will be open in the freezing winter, but will not allow safe open game drives in struggling tourism resorts? The message is clear: this government does not care about tourism and does not understand that jobs save lives. Thank you.

Ms L S MAKHUBELA-MASHELE: House chairperson, hon members, the purpose of Vote 38 is to promote and support the growth and development of an equitable competitive and sustainable tourism sector which enhances its contribution to the country’s national priorities. Our message today to the sector and all the role- players is that of hope – hope for a better South Africa and a better future.

The current COVID-19 situation in the country is worsening. We are all well aware of the devastating effects of COVID-19 on the South African economy and on the tourism sector in particular. We are cognisant of the fact that the tourism industry involves

travelling, the congregation of people in accommodation establishments, restaurants, and tourist attractions, and meetings through business events and tourism. Because of the novel coronavirus, most of the above are still not permitted, hence our assertion that the travel and tourism sector is one of the sectors most affected by the COVID-19 pandemic.

We are all aware that the opening of the tourism sector may therefore be delayed given the current pandemic situation which is guided by scientific evidence informing government’s actions in managing it.

Hon members, tourism is a labour intensive sector that supports employment across the country. The tourism sector remains a vital economic industry in South Africa which creates much-needed employment for the majority of our people.

However, the advent of the novel coronavirus has regressed the gains made by South Africa in growing tourism and ensuring that the sector provides the much needed employment opportunities for the many South Africans who rely on these jobs for their livelihood.

Before COVID-19 hit us, one in jobs created across the sector in 2019 came from the tourism sector. In South Africa, tourism contributed more than 1,5 million jobs and more than R425 billion in 2019.

Creating employment through the Working for Tourism initiatives by the department sought to create more employment opportunities through the development of tourism infrastructure and skills. The department targeted the creation of about 15 000 work opportunities over the medium-term. Spending on the initiative is funded through the Expanded Public Works Programme and was expected to increase by an average of about 4,5% in 2019-20. This initiative was to be funded through Programme 3.

The World Travel and Tourism Council, WTTC, has warned that COVID-

19 could cost up to fifty million jobs worldwide in the tourism industry. During this period of travel restriction, the entity will have a drastic reduction in the ratio of its marketing expenditure, resulting in a greater focus on general operating expenditure. The financial revisions have resulted in both the department and the entity revising their priorities.

The nature of the tourism sector is such that it has the potential to stimulate much-needed economic opportunities across villages, townships and small towns. Therefore, unlocking growth through investment promotion and public public-private partnerships in our small towns can help cushion the devastation in this sector.

Post-COVID-19, we need to rethink future jobs in the sector by promoting innovation and technology, promoting better travel facilitation, including enhanced connectivity and tourism visa policies, fostering resilience through the promotion of safety and security and crisis communications, and advocating more vigorously for Brand SA.

Strengthening South Africa’s competitiveness in a post- COVID-19 world will therefore require a new social compact and a determined implementation of reforms that improve the structure of our economy. In contribution, these measures will enable millions of South Africans to participate in building a more productive and prosperous country.

In supporting the Tourism Adjustment Appropriation Bill for Budget Vote 38 – Tourism, we are well informed of its implications for the Department of Tourism and South African tourism. Because of

the COVID-19 pandemic, the budget appropriated to tourism has been revised downwards and this has put the sector in a precarious position. We note that the COVID-19 virus is unpredictable and the recovery period may well be longer if the current pandemic statistics are taken into account.

Currently the economic activities that were allowed within the sector are taking place at a much smaller scale. Therefore, it is clear it is a clear indication that many jobs will be lost as a result of this pandemic.

We are, however, pleased and support the SA Tourism’s National Recovery Strategy which is committed to saving the sector and jobs through inclusive growth.

Our demand of the sector and of government is that jobs must be saved. We support the efforts by the Minister and the department to steer the ship towards full recovery and stability of the tourism sector. The ANC supports Budget Vote 38. I thank you.

The MINISTER OF TOURISM: Chairperson I want to thank the hon members very much for their support, those who supported.

On the issues that have been raised ... Let me start with hon Sithole. We’ve been very transparent about the tourism relief fund. I’ve answered questions during the oral Questions Session and have explained what we are doing with the relief fund. Written questions presented to the portfolio committee have been answered. So we’ve been very transparent.

Hon Groenewald, the issue here is that the ANC-led government has taken a decision to build a nonracial society. You can’t build a nonracial society if you continue to push the angles that you are pushing. So when we put policies ... these are policies that have been canvassed. I mean, I said BBBEE was a sector-driven document. It’s not what Minister Kubayi-Ngubane ideas; it is what the sector has committed itself to achieve. The Minister’s obligations are prescribed in terms of it. I sometimes think these messages are what causes the confusion for participants and potential beneficiaries. Messages like these discourage people who should have benefited to benefited. So please assist yourself. Understand

... [Inaudible.] ... so that are able to articulate the issues better.

I want to respond to hon Moteka. We remain committed to transformation. What I need to highlight are the issues around the

programmes that we have removed. For example, the money that has been removed for market access ... there are no exhibitions, there are no conferences. So you can't say previously disadvantaged people ... you can take them ... the companies to go and sell that for them ... because that's part of what we do with that money. So we acknowledge that, because of COVID-19, international exhibitions and conferences are not happening. Therefore, they are not able to go and sell their products ... [Inaudible.] ...

The other issues that they ... The EPP is very clear. We are still committed to destination development products in different communities, including the small dorpies and small towns. That is also covered.

Hon Gumbi, the issue of the charter boats is not within the mandate of the Department of Tourism. I said this in the committee as well. I’m not sure what else you expect from me because the letter ... when it was written to you ... I explained to them ... people who wrote the letter ... to say their matter ... their government ... and they are legislated under transport now ... If you as a member of the portfolio committee and a Member of Parliament do not even know the ... [Inaudible.] ... of the department to help your constituencies, you are not helping in the

process. You know very well all the letters we have been responding to. You commended us in the portfolio committee that my team and I are responding to stakeholders. But, if it’s not within our mandate, it is not within our mandate. I would be crossing a line. So, the matter has been referred to the relevant department for them to deal with.

The issues raised, I think ... unfortunately we battled quite a lot to hear what hon De Freitas was saying. the only thing that up to hear that he was talking about is that I shouldn't say as the minister that people are going to lose jobs. Now, if you have that mentality as a leader then you have a problem because you can’t as a leader tell people only what they want to hear. You need to tell the truth so that you can work together to find solutions. Maybe, hon De Freitas, you should read up on the Spanish Flu. The Spanish Flu was mismanaged. Globally, 50 million people died. There are lessons to be learnt from that. Now our responsibility is to say, these are the challenges and these are the risks. As I said on 9 March already, we said to the sector, this is what is coming; let's work together to find possible solutions.

We will continue to do that working together for the recovery of the tourism sector. One of the things that we need to do is to keep norms and standards so that we can publish them globally.

People must know its safe to come to South Africa. We’ve got to report respond to both the demand and supply side of things. So we are working on that.

Secondly, we are working with the tourism business sector on the recovery. We’ve agreed to engage on how we can best ensure that there is compliance. During the week I received a report from the security cluster that our sector is 34% compliant. We will work together. We will engage with everybody to ensure that we comply because this is the safety of the communities. This is to build confidence in those who are coming into our country.

We are continuing to work with our sister departments to ensure, for example, that when the skies open and the borders open, at least an online visa is running. We also want to ensure that tour operators in terms of their licences are on board.

So, there is work being done. We are not folding our arms and we are not bickering. We are rolling up our sleeves. The department is not going to see the situation as doom and gloom; we are going

to do a big ... we are going to fight. We are going to make sure that, when tourism recovers, it will not only recover to what it was; it will recover and be better.

So thank you very much house chairperson and thank you honourable members. We will continue to do our best and show leadership and guidance to the sector because I do believe that tourism is going to grow and grow for the better by being inclusive so that everyone can participate.

The mini-plenary adjourned at 11:27.