



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA

**DEPARTMENT OF TOURISM: RESPONSES TO THE BUDGET REVIEW AND RECOMMENDATIONS REPORT 2018/19
OF THE PORTFOLIO COMMITTEE ON TOURISM**

RECOMMENDATIONS BRRR	RECOMMENDATIONS TO THE MINISTER OF FINANCE	RESPONSES
<p>10.1.1 Works with the Department of Tourism to reprioritise budget for the tourism vote in line with the Portfolio Committee on Tourism's new oversight approach with a focus on Villages, Townships, Small Towns.</p>	<p>The Department took note of the recommendation</p>	
<p>10.1.2 Notwithstanding the constrained national fiscus, the National Treasury considers the contribution of the tourism sector to the Gross Domestic Product of the country and the labour intensive nature of the tourism sector and find innovative ways of increasing the budget appropriated for the Tourism Vote.</p>	<p>The Department took note of the recommendation</p>	
RECOMMENDATIONS TO THE MINISTER OF TOURISM		
Strategic planning		
<p>10.2.1 The Minister should ensure that the 2019 - 2024 Strategic Plans for the Department and SA Tourism are anchored on increasing participation of citizens in Villages, Townships, Small Towns, and have explicit programs and projects that prioritise these areas of society.</p>	<p>The recommendation is noted.</p>	<p>The department's 2019 - 2024 Strategic Plan is anchored on and developed to increase participation of communities in Villages, Townships, Small Towns, while developing programmes and projects targeted at these communities.</p>

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<p>10.2.2 The Department and SA Tourism should drive inclusive growth through a sustainable and responsible tourism industry, bringing the previously disadvantaged communities into the mainstream tourism economy, and in so doing, address transformation and ensure benefits flow to local communities</p>	<p>The recommendation is noted.</p> <p>The principle of sustainable and responsible tourism is central to the department's policy for developing tourism. The department's training and infrastructure development programmes largely focus on beneficiaries from previously disadvantaged communities. This approach will be maintained in the new medium term.</p> <p>The National Tourism Strategy (NTSS) identifies community beneficiation as a tool that can help alleviate poverty and create jobs. The strategy also highlights that the growth of tourism has not yielded genuine benefits for communities due to a number of challenges that negatively affected sustainable tourism development in communities. In 2015, the department developed the <i>Framework for Community-based Tourism</i> through a consultative process.</p> <p>In 2019/20 the department, in partnership with SANParks appointed a number of experienced service providers with a proven record in rural tourism development. These were appointed to conduct feasibility studies, and develop business plans to inform the development and support of community based-enterprises to enter the tourism value chain. These community-based enterprises are within the proximity of the following five (5) national parks: Addo National Park (EC); Golden Gate National Park (FS); Marakele National Park (LP); Augrabbies National Park (NC) and Kruger National Park.</p>
<p>10.2.3 The SA Tourism Board should engage an independent and capable body to test the compliance of its five-year strategic plan and annual performance plans with the SMART principle of being specific, measurable, attainable, relevant and time-bound before finalising and tabling these strategic documents to Parliament.</p>	<p>The recommendation is noted.</p> <p>SA Tourism's revised strategic planning is compliment with the revised <i>Framework for Strategic Plans and Annual Performance Plans</i>, and Guidelines for implementation of the same Framework issued by DPME. Furthermore, SA Tourism will approach DPME, through the department, to provide feedback on the Strategic Plan and Annual Performance Plan before tabling.</p>
<p>10.2.4 The Department and SA Tourism should reimagine, reconceptualise, and intensify the Social Tourism Programme to stimulate and sustain domestic tourism.</p>	<p>The recommendation is noted.</p> <p>The revised Domestic Tourism Growth Strategy (DTGS) launched in 2012 was reviewed in 2016/17 financial year. This followed a recorded continued decline in 2015 of domestic trips.</p> <p>Social Tourism Programme is an initiative of the department aimed at addressing the gaps identified in the DTGS review. These include, amongst others, access, affordability, seasonality and an uneven geographic spread. Through this initiative, the</p>

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<p>10.2.5 The Department should develop an improved communication strategy that will ensure that the Department is able to communicate its mandate and programmes to the communities and highlight the achievements in the implementation of those programmes.</p>	<p>The recommendation is noted.</p> <p>The department is revising its Communications Strategy. It will be aligned with the National Communications Strategy Framework. It will focus on the following elements:</p> <ul style="list-style-type: none"> • Profiling of the departmental programmes and services to tourism stakeholders, particularly those in townships and rural areas. • Improvement of the website for access to programme information and opportunities. • Media partnerships to ensure the optimum reach inclusive of Community Radio, Community TV and Community newspapers. • Integration of the departmental Call-Centre to ensure that information for programmes is well fed into the CallCentre system for the call centre agents to provide accurate and relevant information. • Outreach programmes will include Izimbizo, services exhibitions, and stakeholder engagements.
<p>10.2.6 The Department should relax the qualifying criteria to enable potential and emerging tourism entrepreneurs to access the Tourism Transformation Fund.</p>	<p>The recommendation is noted.</p> <p>In May 2020, the Tourism Transformation Fund (TTF) would have been operational for two years. The department intends to review the TTF in terms of successes, challenges and impact. The department has already engaged the senior management of the NEF on some challenges experienced regarding the implementation of the TTF, and informed the NEF of its intention to review the programme. Based on the outcome of</p>

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<p>10.2.7 The Department of Tourism should reprioritise its budget to make the funds available to capitalise the Tourism Transformation Fund.</p>	<p>The recommendation is noted.</p> <p>Given the current economic and budgetary challenges, the department is facing consistent budget cuts over the MTEF period. However, sector transformation remains an important focus area. The planned review of the Tourism Transformation Fund (TTF) will assist in determining the requirement to recapitalize the fund, while other mechanisms to support accelerated sector transformation will be explored. Based on the outcome of the review, reprioritisation of the department's budget to support sector transformation initiatives and programmes will be considered.</p> <p>The TTF had already been prioritised and budgeted for in the 2019/20 financial year to an amount of R 40 million. The Fund budget was also included in the Estimate of National Expenditure (ENE) for outer years of the Medium Term Expenditure Framework (MTEF).</p>
<p>10.2.8 The Department should develop a comprehensive tourism transformation strategy with innovative implementation programmes, timelines, and budget, and present progress to the Committee on biannual basis for monitoring and oversight purposes.</p>	<p>The recommendation is noted.</p> <p>In 2018/19 financial year, a draft Tourism Transformation Strategy was developed. In the current financial year (2019/20), the department is consulting with the industry stakeholders to solicit further inputs into the draft Strategy. Thus far, the draft Strategy was presented to SMMEs from Uthukela District on 13 November 2019 and Vaal on 5 December 2019 to solicit inputs.</p>
<p>Strengthening internal controls and financial management</p>	
<p>10.2.9 The Minister should engage the Cabinet on developing a seamless Integrated Framework for Performance and Evaluation System that will track the implementation of projects and provide a government-wide early detection of inherent risks.</p>	<p>This recommendation is noted.</p>
<p>10.2.10 The Department and SA and Tourism should strengthen their internal controls and risk management function, to improve governance financial management to</p>	<p>The recommendation is noted.</p> <p>The majority of the irregular expenditure occur with the Implementing Agents not following government procurement procedures. The department would address the need for capacity and skilled officials within financial and supply chain management to</p>

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<p>mismangement and avoid irregular expenditure.</p>	<p>do the day-to-day activities to avoid irregular expenditure as well as consequence management for the implementing agents where wrong doing occurs. This is in order to strengthen its internal control and risk function,</p> <p>One of the immediate key focus areas for SA Tourism is the improvement of compliance and internal controls in order to reduce irregular expenditure reported during the 2018/19 financial year. This includes a more frequent review of SCM environment by SA Tourism Internal Audit function.</p>
<p>10.2.11 The Internal Audit and Risk Management Committees of the Department and SA Tourism should provide quarterly briefings to the Committee on their work and how they are working with the Office of the Auditor-General to mitigate the inherent risks.</p>	<p>The recommendation is noted.</p> <ul style="list-style-type: none"> The Risk Management Committee (RMC) meets once every quarter and the officials from the Internal Audit (IA) unit serve as observers in RMC meetings. The approved Risk Registers are shared with IA to develop a risk based audit plan for every financial year. The department has provided documents requested by the Office of the Auditor General for development of the 2020 audit plan. The IA has implemented the corrective action tracking register that is being used throughout the financial year to monitor management response to areas of improvement over the internal control. The register under consideration covers improvement areas reported by both SA Tourism, IA and AGSA. The corrective action tracking register is presented quarterly to Audit and Risk Committees of the SA Tourism Board. The department will welcome invitation to brief the committee on any of these matters.
<p>10.2.12 The Department should engage the offices of the Auditor-General and National Treasury to understand the guidelines on the interpretation of misstatements before finalising and submitting the Annual Financial Statements.</p>	<p>The recommendation is noted.</p> <p>The department does engage the Office of the Accountant-General within National Treasury with regard to the Annual Financial Statements. The Auditor-General will not assist the department before finalising and submitting the Annual Financial Statements as the AGSA function is auditing and it needs to remain independent.</p>
<p>10.2.13 The Department should reduce the fruitless and wasteful expenditure to at least 2 percent of the appropriated budget.</p>	<p>The recommendation is noted.</p> <p>The fruitless and wasteful expenditure should be zero. The department always aims to have no fruitless and wasteful expenditure. To reduce the current fruitless and wasteful expenditure, such needs to be investigated and then be recovered and/or condoned.</p>
<p>10.2.14 The Department should clarify the advanced payment method used with</p>	<p>In July 2010, the department sought advice from National Treasury about advanced payments to EPWP implementing agents.</p>

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<p>EPWP implementing agents and how this is in compliance with the Public Finance Management Act (PFMA).</p>	<p>Summarised below is the content of the response from National Treasury received in August 2010:</p> <p><i>“Treasury regulation 15.10.1.2 c, under banking and cash management states that sound cash management includes avoiding prepayments for goods and services (i.e. payment in advance of the receipt of goods and services), unless required by the contractual arrangements with the supplier. While the regulations encourage the avoidance of prepayments, the regulations do not preclude the prepayments of services in advance especially where required by contractual arrangements.”</i></p> <p>National Treasury was further of the view that <i>“the requirements of section 38 (a) (i) have also been taken into account (by the Department) to manage such prepayment and associated risks”</i> and concluded <i>“that the prepayments and controls that the Department wishes to implement are acceptable and are not against the requirements of the PFMA and Treasury regulations”</i></p>
<p>Governance</p> <p>10.2.15 The Minister should ensure that there is stability in the Board of SA Tourism and there is no conflict of interest amongst the Board members and the Entity.</p>	<p>The recommendation is noted.</p> <p>The Minister, working with the Board, will strive to ensure there is stability within the Board and that conflict of interest is effectively managed. Conflict of interest is considered during the appointment process of members of the Board. Once appointed, Board members submit Declaration of Interest forms at the beginning of each financial year and the beginning of each meeting. As a standard practice, a member who has perceived or potential conflict is recused from the meeting(s) or deliberations of the board / committee for the duration of that particular item.</p>
<p>10.2.16 The Minister should ensure that the Board of SA Tourism reflects the demographics of South Africa and has all the requisite skills to perform its mandate.</p>	<p>The recommendation is noted.</p> <p>The current Board of SA Tourism comprises of eleven (11) members – six (6) females and five (5) males. Of the six (6) females – three (3) are black, two (2) white and one (1) coloured. Of the five (5) males – two (2) are black, two (2) are Indian and one (1) is coloured. In filling of vacancies, the Minister shall ensure that the Board duly reflects the demographics of the country, and takes into account the expertise and qualifications required to fill vacancies.</p>
<p>10.2.17 The Department should ensure effective and efficient human resources that is capacitated to deliver on the country’s</p>	<p>The recommendation is noted.</p>

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<p>tourism mandate inspite of the high vacancy rate created by the constrained fiscal framework in South Africa.</p>	<p>The department is committed to the recruitment, training and re-training of capable workforce that will assist in achieving departmental objectives. The prioritised vacancies are being filled on a staggered basis due to constraints on the compensation of employees' budget.</p>
<p>10.2.18 The Department should provide internal monthly reports to the Committee to assist with early detection of challenges in the governance and project management for the Committee to provide feedback on financial and non-financial risks.</p>	<p>The recommendation is noted.</p>
<p>10.2.19 The Department and SA Tourism should work with the Office of the Auditor-General to select a few projects to be subjected to performance audit to fully verify deliverables and confirm the status of projects against the reported information.</p>	<p>The recommendation is noted.</p> <p>The Office of the Auditor-General selected departmental projects in the 2018/19 financial year for a performance audit. The identified fruitless and wasteful expenditure is a result of this audit.</p> <p>SA Tourism has initiated an audit debrief meeting with the AGSA focusing, amongst others, on performance information internal control environment. The objective of the meeting and subsequent meetings was to improve SA Tourism's performance information internal control. SA Tourism has requested the AGSA prioritise performance information audit during the first quarter of 2020.</p>
<p>10.2.20 The Minister should share the Management Letter from the Auditor-General with the Chairperson to assist in the better understanding of matters raised by the Auditor-General and the extent to which both the Department and SA Tourism respond to issues.</p>	<p>The recommendation is noted.</p> <p>The Management Letter can be shared with the Chairperson of the Portfolio Committee on Tourism. (Annexure A)</p>
<p>Investigations and consequence management</p>	
<p>10.2.21 The Department and SA Tourism should apply consequence management and undertake investigations to apportion wasteful and fruitless expenditure to individual employees, and provide the Committee with the results of their Performance Management System, and analyse this for the Committee to show who did not do their work that led to non-</p>	<p>The recommendation is noted.</p> <p>The department has appointed forensic auditors to do an investigation to determine liability in order to apply consequence management.</p> <p>All fruitless and wasteful expenditure is investigated to determine liability. If it is found that an official or implementing agent is liable for the fruitless and wasteful expenditure, the expenditure is recovered from the official or implementing agent and a debt case is opened. Should it be determined that there are also fraudulent transactions, a police</p>

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	achievement of annual performance targets, with appropriate consequences for non-achievers.	case is also opened where there are matters of misconduct on the part of official, disciplinary proceedings are instituted.
10.2.22	The SA Tourism Board should expedite the disciplinary action against the Chief Executive Officer to create stability within the Entity and in order to ensure the implementation of the mandate to market South Africa domestically and internationally.	The recommendation is noted. The matter has since been finalised on 13 December 2019. The CEO was cleared of all charges against him through an independent process. He is back in his position with immediate effect.
10.2.23	The Department and SA Tourism should share the outcomes of the investigations with the Committee once completed and outline the consequence management measures implemented.	The recommendation is noted. Working within the bounds of confidentiality, the department will endeavour to share information on the outcomes of Labour Relations cases as well as consequence management measures.
Strengthening intergovernmental relations		
10.2.24	The Department should work with provinces, municipalities and the House of Traditional Leaders to establish Village Tourism Forums that will work with organised institutional arrangements as proposed in the National Tourism Sector Strategy.	The recommendation is noted. The department is considering a plan to start the process working with local government to first revive or establish the Local Tourism Associations (LTO) and Regional/district Tourism Associations (RTO) where none exists. The Local and Regional Tourism Organisations will be a structure that will comprise of both public and private sector organisations, and will assist in the coordination and development of tourism at local and regional levels. The department will finalise the Terms Reference (ToR) in consultation with provinces at the beginning of the year. The ToR will guide the process, so that implementation can begin at the start of the financial year 2020/21. The LTO's should cover every municipality (even the rural municipalities) those with a high tourism potential. Success in this regard depends on the buying from local stakeholders.
10.2.25	The Department should work closely with the Department of Cooperative Government and Traditional Affairs (COGTA) to develop a Municipal Tourism Framework which will be signed as a Service Level Agreement between the Department of Tourism and COGTA to	The recommendation is noted. The department has already developed a framework on Local Government Tourism Support. Based on the conducted situational analysis informed by both desktop and primary research through district and metropolitan stakeholder consultative workshops held in

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<p>prioritise tourism as a Local Economic Development (LED) economic activity with appropriate budget to deal with the misunderstanding of tourism as an unfunded mandate.</p>	<p>all nine (9) provinces, the following Strategic Focus Areas are proposed as interventions for Local Government Tourism Support:</p> <ol style="list-style-type: none"> 1. Enhancement of Municipal Tourism Planning: <ul style="list-style-type: none"> • Roll-out training or workshops on Destination Planning Manual; • Develop standardised guidelines for the development of tourism sector plans; • Institutionalise value and significance of tourism in local government; and • Review of legislation that hampers tourism growth and development in local government. 2. Strengthen and broaden skills base of tourism human capital <ul style="list-style-type: none"> • Assess the current capacity within local government; • Develop Capacity Development Programme for local government; and • Facilitate Peer Learning Networks (exchange programmes, seminars, symposiums, conferences, and roundtable discussions (etc.).) 3. Strengthen research capability and capacity of municipalities <ul style="list-style-type: none"> • Development of tourism data repository and data management system; • Facilitate the collection of accurate statistics and data at local government; • Develop standardised indicators to measure tourism performance; and • Establishment of strategic partnerships between municipalities and institutions of higher learning for research and development purposes. 4. Strengthening of Municipal Tourism Institutional Arrangements <ul style="list-style-type: none"> • Facilitate establishment and resuscitation of tourism associations and forums; • Build capacity of the members of tourism associations; • Develop funding model for tourism structures; and • Develop policy framework for establishment of tourism structures. 5. Facilitate and coordinate rural livelihood generation programmes <ul style="list-style-type: none"> • Institutionalise value and significance of tourism within Traditional Authorities; • Facilitate empowerment programmes for rural tourism cooperatives; • Facilitate Community based tourism development; and • Resuscitate and establish community tourism associations. <p>Although proposed strategic interventions are generic, the Framework notes and appreciates the need to have focused, structured, and targeted interventions for particular municipalities. The Strategic Focus Areas are aligned to the priorities and aspirations of the NTSS.</p>

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<p>10.2.26 The Department and SA Tourism should work with the Department of Transport, Airports Company South Africa (ACSA), provinces, cities, and airlines to develop a National Airlift Strategy with clear routes and incentives, to attract new airlines and expand current capacity and frequencies to cities and towns across the country for domestic flights and South Africa for international flights.</p>	<p>It is envisaged that the above strategic focus areas will form part of the costed and budgeted SLA or MoU with COGTA.</p> <p>The department plans to utilise its current coordinating structures, processes, systems, and platforms to engage both COGTA and SALGA to formalise ongoing engagement. This is order to enable the sector's to actively participate in Integrated Development Planning (IDP) processes generally, and more specifically to aligned to the District Development Model (DDM) across all 44 Districts and 8 Metros, including the key three pilot regions of OR Tambo District, Waterberg District, and eThekweni Metro.</p> <p>Through these coordinating platforms, the department will also assist in enhancing the understanding of the economic significance of tourism, in an effort to raise the profile of tourism in local economic development and the inclusion of tourism related elements in SDF and IDP processes at both district and municipal levels.</p> <p>The recommendation is noted.</p> <p>The department works closely with the Department of Transport in ensuring that various modes of transport enable tourism. The department also participated in the Strategic Planning Committee of transport responsible for air transport strategy and provided inputs in the development of the draft Air Transport Strategy. The Committee consists of broad representation including Airports Company South Africa (ACSA). The department also solicited inputs from provinces, which were submitted to transport for consideration.</p> <p>The Department of Transport is working towards the finalisation of the draft Air Transport Strategy.</p> <p>SA Tourism is an integral partner at the air services structures, which is linked to <i>Ease of Access Work stream</i> of the NTSS. The role of SA Tourism is to provide destination marketing assistance through programmes that the entity is implementing across its global markets. The entity participates at monthly meetings of the following Committees:</p> <ul style="list-style-type: none"> • Routes Development Committee (KZN) • Cape Town Air Services (WESGRO) • Gauteng Air Service <p>The department and its entity in partnership with ACSA participate in air service development initiatives. This partnership has also identified the need for marketing</p>

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<p>10.2.27 The Department and South African Tourism should engage the Airports Company South Africa (ACSA), the Board of Airlines Representatives of South Africa (BARSA), and other relevant stakeholders to provide incentives that will reduce the cost air travel in South Africa</p>	<p>support for new routes to South Africa. Support to be provided to entice the airlines include:</p> <ul style="list-style-type: none"> • Destination training to trade • Familiarisation trips to Republic of South Africa, which includes flights, accommodation, ground handling and experiences. • Access to market team up with trade in country with prospective ready destination management companies in South Africa in order to collaborate and build itineraries suitable for the market. • Assist in advertising and promotion in the country of origin and in South Africa. <p>ACSA and the department have also been participating in various airline forums enticing airlines to choose South Africa as the destination of choice.</p> <p>The recommendation is noted.</p> <p>SA Tourism has an MOU with ACSA with the purpose of collaborating on destination marketing initiatives to promote South Africa as a destination of choice for both domestic and international markets. Key areas of collaboration include but not limiting to the following:</p> <ul style="list-style-type: none"> • Exchange of information, which includes statistics on traffic, financial, airline and passenger data. • Collaboration on joint marketing promotional activities. • Leveraging provincial structures at ACSA owned airports on destination marketing initiatives, with focus on route development and increasing passenger traffic. • Collaborate on identified strategic platforms i.e. Meetings Africa, Africa's Travel Indaba etc. <p>The department believes that increased travel through marketing and better and affordable product packages will ensure better prices for air travel domestically.</p> <p>The recommendation is noted.</p>
<p>10.2.28 The Department should work closely with the Department of Transport to unblock tourism related transport issues including licencing and permits of new tour operator vehicles, identifying roads which are the major tourism routes and prioritising these for upgrade and maintenance to avoid certain places being taken out of itineraries due to bad roads.</p>	<p>The department has been working closely with the Department of Transport to resolve the issue of backlog when it comes to operating licenses. Lately, the department is engaging the Department of Transport to explore the notion of amnesty to those without operating licensing ending in September 2020, until the Department of Transport can be able to deal effectively with the backlog.</p>

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<p>10.2.29 The Department, working with the National Treasury, the private sector, and other government departments should identify projects that can be developed and operated through the Public Private Partnership Tourism Toolkit, present the PPP investment portfolio to the Committee and provide biannual progress reports to the Committee on implementation.</p>	<p>In addition, the department is working closely with the Department of Transport to ensure that tourism plans are aligned with transport plans. The ultimate objective is to have an integrated tourism and transport plan, which furthers the objective of both sectors.</p> <p>The recommendation is noted.</p> <p>The department is currently working with the Department of Agriculture, Rural Development and Land Reform (DARDLR) and the Commission on Restitution of Land Rights (CRLR) on Settled Land Involving Tourism. This initiative began in July 2019. The Projects has the potential to be developed and operated through the PPP Tourism Toolkit. The department and the National Treasury will work with the following project promoters: DARDLR, Department of Environment, Forestry and Fisheries (DEFF), CRLR, SANParks, North West Parks Board, Ezemvelo KZN Wildlife, Gauteng Department of Economic Development. (SANParks does not have jurisdiction or parks in Gauteng, North West and Kwazulu-Natal, hence their specific mention).</p> <p>The starting point is project identification, which includes the willingness of stakeholders to work with the department, as well as securing community buy-in.</p> <p>The department manages a project pipeline of bankable tourism investment projects (i.e. Nationally Prioritised Tourism Investment Projects). The department then matches projects in the Portfolio with both domestic and international investors (investment promotion). The department has created platforms for provinces, municipalities, communities and products owners for project appraisal, assessment, packaging, as well as investment promotion, facilitation and aftercare. The Pipeline of Nationally Prioritised Tourism Investment Projects has to have the following key attributes amongst others:</p> <ul style="list-style-type: none"> • High impact projects with multiplier effects, i.e. which will be able to crowd in further investment including community benefits. • Projects with no fundamental problems such as disputes on ownership, unresolved land claims, etc., which could undermine investor confidence. <p>Projects with one or more core attraction(s) within the area (bias towards areas with high tourism potential).</p>
<p>10.2.30 The Department should engage the Department of Environmental Affairs on providing regulatory environment on intimate interaction with wild animals, canned hunting, and captive breeding of</p>	<p>The recommendation is noted.</p> <p>The department has started with deliberations with regard to wild life interaction and captive breeding with various stakeholders. This include the first deliberation with Professional Hunters Association of South Africa (PHASA). The discussion focused on</p>

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<p>animals to improve the deteriorating destination image for South Africa.</p>	<p>the contribution of wildlife to tourism in South Africa and the practices that are harming the reputation of the image of South Africa.</p> <p>Both parties appreciated the initial discussion and underline the need for further discussion to deal with misperceptions and the challenges posed by unscrupulous elements in the wildlife industry to the detriment of brand South Africa.</p> <p>However, the department's role is to share information about the feedback from the market and the authority on these matters is the Department of Environmental Affairs.</p>
<p>10.2.31 SA Tourism should work closely with the South African Local Government Association (SALGA) and the Department of Cooperative Government and Traditional Affairs (COGTA) to sensitize communities about the negative consequences of the violent service delivery protests in entrenching negative perceptions about South Africa as a safe tourism destination.</p>	<p>The recommendation is noted.</p> <p>The department has been working with SAPS to consider measures to put in place to address issues of tourist's safety. The National Tourism Safety Forum will also extend an invitation to both COGTA and SALGA to be part of the Forum. The Forum comprises of both public and private sector organisations including SAPS, and it coordinates issues related to tourist's safety.</p> <p>The department has recently signed a MoU with SAPS. Part on the Implementation Plan of the MoU is the issue of "Education and Community Awareness creation" The planned awareness will be done in all the nine provinces in 2020, and will target key stakeholders like Community Policing Forums, community patrollers, key identified stakeholder in the communities in charge of various local organisations, etc. Both COGTA and SALGA will be consulted to assist with the identification of the key community stakeholders to be invited as part of these education and awareness sessions. The sessions will consider issues of tourism safety and service excellence while also addressing challenges faced by communities, and how communities can get involved in tourism related initiatives.</p> <p>The recommendation is noted.</p>
<p>10.2.32 The Minister should engage the Office of the Auditor-General and Cabinet to consider commissioning a study on the impact of the reconfiguration of government departments after general elections to ascertain the inherent risks and liability incurred by the new departments.</p>	<p>The recommendation is noted.</p>
<p>10.2.33 The Department should work closely with the Department of International Relations and Cooperation (DIRCO) to intensify initiatives that support SA Missions</p>	<p>The recommendation is noted.</p> <p>SA Tourism provides the following to DIRCO as means of tourism support:</p> <ul style="list-style-type: none"> • Tourism training for Heads of Missions Designates and all deployees.

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<p>abroad for tourism development and promotion.</p>	<ul style="list-style-type: none"> • In country support for tourism initiatives for selected Missions. • Marketing collateral for tourism promotion • Tourism Indaba and Meetings Africa Hosting <p>The department has been working closely with DIRCO with regard to supporting Missions in their tourism promotion initiatives. However, in an effort for a more coherent and streamlined approach, the department has been working with DIRCO and SA Tourism in formulating a "Framework to Support South African Diplomatic Missions for Tourism Development and Promotion". The objectives of the framework are to:</p> <ul style="list-style-type: none"> • Enhance the promotion of SA at the preferred tourism destination (destination of choice) through utilising SA Missions. • Facilitate capacity building for officials in South African Missions abroad. • Facilitate the promotion of tourism as a trade and investment opportunity. • Support Missions in order to obtain market insights and intelligence relevant to the tourism sector.
<p>10.2.34 The Department, in consultation with other national departments, provinces, and municipalities, should develop an asset register of all tourism attractions in a state of disrepair, and provide an Action Plan for purposes of restoration and monitoring.</p>	<p>The recommendation is noted.</p> <p>The department currently manages and updates the National Tourism Database (NTDB), which boasts a diverse database of tourism elements, including attractions. Although this database is not exhaustive in its incorporation of all nationwide attractions, it is a firm baseline. The new and recently implemented National Tourism Information and Monitoring System (NTIMS) project driven by the department will develop a detailed and regularly updated database of all tourism attractions nationwide. The development of an integrated NTIMS and NTDB Action Plan will enable both the possible restoration and monitoring processes of such tourism attractions.</p>
<p>Improving the implementation of the Working for Tourism Projects (EPWP Projects)</p>	
<p>10.2.35 The Department should determine the financial losses of the Working for Tourism infrastructure projects that will be discontinued and the cost of resuscitating the projects that will be continued.</p>	<p>The recommendation is noted.</p> <p>The financial losses of projects that have been discontinued is part of the fruitless and wasteful expenditure. Build environment specialist will determine the cost of resuscitation of uncompleted projects, where the decision is to continue. The department has already embarked on a process to supplement internal capacity by prioritising key areas in which technical capacity must be established, albeit not internally.</p>

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<p>10.2.36 The Department should implement a policy of gradually insourcing the technical staff to create an internal capacity to implement capital projects</p>	<p>The recommendation is noted.</p> <p>The department is already developing a process to improve forward planning, project management and contract management to improve the project planning and implementation environment of the department.</p> <p>However, in sourcing of services may be in feasible in light of the limitation with regards to the wage Bill. Where services are attainable from other organs of state, the department will consider such to enhance capacity.</p>
<p>10.2.37 The Department should develop a project evaluation matrix and a tracking mechanism for the youth training programmes and infrastructure projects implemented by the Department through various departmental programmes, to enhance monitoring and evaluation and determining value for money and impact of all projects.</p>	<p>The recommendation is noted.</p> <p>The department has the following instruments in place to manage the implementation of youth training programmes:</p> <p>Service Level Agreements and Business Plan signed between the department and the implementing agents:</p> <ul style="list-style-type: none"> • Enforce compliance in line with the PFMA, SCM processes, Preferential Procurement and Broad-Based Economic Empowerment Act and departmental policies. • Monitor and evaluate projects delivery in accordance with the agreed scope of work, assessment of performance, report breach of contract based on project performance during implementation to management, seek legal advice on identified areas and SCM on procurement matters. <p><i>Progress Payment Report:</i></p> <ul style="list-style-type: none"> • Monthly report on the progress of project deliverables in line with the approved Business Plan and the SLA. • Assessment of achievements of project targets and procurement of goods and services by the implementers on the training venues and training materials, uniform, material and equipment, project administration and management costs, payment of learners' stipend, payment of UIF and COIDA as well as Graduations and project governance meetings. • Verify the utilisation of project funds, i.e. procurement is in accordance with valid evidence submitted (bank statements and invoices) • Verify if sub-contracted companies are appointed and deliver service in accordance with the submitted tender documents and procurement policies.

RECOMMENDATIONS BRRR	RESPONSES
<p>10.2.38 The Department should improve on forward planning, project management and contract management, develop and present an improvement plan to the Committee to ensure that projects are implemented on schedule in order to enhance the achievement of annual performance targets.</p>	<ul style="list-style-type: none"> Recommend the requested progress payment to project claims as per approved business plan tranches upon compliance. <p><i>Financial Checks</i></p> <ul style="list-style-type: none"> Ensure that goods, services and works are procured (by Implementing Agents) in a manner that promotes competition, fairness and results in the achievement of the strategic priorities as well as best value for money to the department. Verify if financial are in good standing, records are in place and compliant with governing instruments as per PPR. <p>The recommendation is noted.</p> <p>The department is already developing a process to improve forward planning, project management and contract management to improve the project planning and implementation environment of the department. As a matter of practice, the department strives for continuous business processes improvements.</p>
<p>Improving marketing</p>	
<p>10.2.39 SA Tourism should track the impact of the Super Charge 5-in-5 Turnaround Strategy in bringing tourism into a growth trajectory that will achieve the 21 million arrivals by 2030, and present that analysis to the Committee.</p>	<p>The recommendation is noted.</p> <p>Progress against the Super Charge 5-in-5 Plan will be presented to the Committee. The Strategic Plan 2020/21-2024/25 will replace the Super Charge 5-in-5, and will include the planned strategies to achieve the 21 million arrivals by 2030.</p>
<p>10.2.40 SA Tourism in partnership with the Tourism Business Council of South Africa should intensify domestic marketing campaigns that introduce South Africans to South Africa in order to activate domestic tourism and increase the culture of travel amongst South Africans.</p>	<p>The recommendation is noted.</p> <p>SA Tourism has renewed the MOU with TBSCA, and the key areas of collaboration include:</p> <ul style="list-style-type: none"> International and national (domestic) marketing activities in accordance with the APP approved by the South African Tourism Board. Focus on addressing seasonality and geographical spread, Tourist Spend and increased bed nights / long stays.

RECOMMENDATIONS BRRR	RESPONSES
<p>10.2.41 South African Tourism should include sporting events such as the Soweto Derby, religious activities such as annual pilgrimages, and political activities such as the January 8 Statement in working with the private sector to create domestic tourism packages.</p>	<p>The recommendation is noted.</p> <p>Currently <i>the Sho't Lef</i> marketing and promotion includes sporting and lifestyle events around the country through trade packages. These include soccer, cricket and horseracing. In the 2020/21 financial year, the programme will be further expanded to include religious events by collaborating with the SMMEs and Tour Operators in different regions of the country. Other activities, particularly big political events like January 8 Statement are seen as big opportunities. Industry players, particularly emerging black-owned businesses have already identified the entrepreneurial opportunities (including creation of side events, cuisine, guided tours etc.) associated thereto. The most critical issue is not to overprice during these periods as it discourages travel and creates a perception of an expensive destination.</p>
<p>10.2.42 SA Tourism should develop a China Tourism Strategy tailor-made to the Chinese leisure and business tourism markets with associated requisite components such as signage, cuisine, language, accommodation, payment systems, WiFi, air connectivity, and tour operators.</p>	<p>The recommendation is noted.</p> <p>SA Tourism is working with the department and the TBCSA to devise a new South Africa-China Country Strategy and are contributing the tourism section of said strategy. The strategy deals with all of the items mentioned in the recommendation. Whilst the work on a country strategy has commenced, SA Tourism has already started to deal with some of the functional items mentioned.</p> <ul style="list-style-type: none"> • Signage: This forms part of the core strategy and department will liaise with all key tourism points to ensure that signage will be available in Mandarin. • Cuisine, accommodation, Wi-Fi and tour operators are being dealt with in face-to-face tourism training sessions with the private sector. Currently approximately 750 South African companies have been trained on how to ensure an optimal tourism experience to Chinese visitors. • SA Tourism has signed a deal with TenCent (the holding company of WeChat) that will bring high visibility to South Africa in the China market. The agreement with TenCent include a visitor experience component that is inclusive to QR codes at tourism activities and key points, mapping of all tourism activities in South Africa and ensuring that Chinese visitors can use WeChat Pay when visiting the country. • Credit card machines in South Africa without additional configuration now accept UnionPay (the biggest credit card in South Africa). • SA Tourism does research in the China market on a continuous basis and produces a brand tracker report twice a year. This report measures South Africa's performance in the China market and give guidelines on marketing, visitor experience, etc. <p>The Department's efforts have been on strengthening country-country relations based on our understanding of China as a country. Relations come first and are a great</p>

RECOMMENDATIONS BRRR	RESPONSES
<p>10.2.43 SA Tourism should develop an India Tourism Strategy that takes into consideration all the peculiar requirements of this strong emerging market.</p>	<p>The recommendation is noted.</p> <p>The department will embark on a South Africa- India Country Strategy once the Framework for the South Africa-China Country Strategy has been finalised. The current strategy for SA Tourism does, however, already take cognisance of the peculiarities in the market and deploy in order to serve those very specific needs:</p> <ul style="list-style-type: none"> • SA Tourism produces a brand tracker study twice a year that measures the desires and needs of the Indian travellers. The results of this is being shared on a constant basis by South African Tourism with the private sector and YTD 635 private sector product has been trained on how to optimally service and market to the Indian traveller. • SA Tourism in India constantly engage with the Indian trade to ensure that they are aware of the experience offerings in South Africa that will appeal to their customers and very specific sales campaigns are deployed in market to assist them in selling South Africa. The office has tailored trade engagement in India to answer to the specific needs of the Indian trade to ensure that South Africa remains a profitable destination to sell. • Content provision highlights the offering for Indian travellers in South Africa and is deployed on various media platforms, e.g. print, television and digital. • SA Tourism has identified new product - focusing on SMM and transformation and taking into account geographical spread - that is supremely suitable to the Indian traveller and would ensure a high level of satisfaction from visitors. <p>The Department focuses on strengthening relations and ease of access, with India on priority list of the Department of Home Affairs for e-visa pilot.</p>
<p>10.2.44 SA Tourism should intensify interventions that facilitate conversions of the Visiting Friends and Relatives</p>	<p>The recommendation is noted.</p>

RECOMMENDATIONS BRRR	RESPONSES
<p>(VFR) into a leisure market, and present the comprehensive plan to the Committee</p>	<p>In February 2019 the VFR deep dive research was conducted to determine travel patterns and insights of a domestic VFR traveller. Based on the results, day visit leisure activities promotions were incorporated in the Sho't Left radio campaign. These will still be marketed and promoted in the 2020 campaign.</p>
<p>10.2.45 SA Tourism should continue to engage the private sector to be part of the Tourism Month activities in providing reduced domestic packages and transport services to facilitate travel amongst the citizens.</p>	<p>The recommendation is noted.</p> <p>The <i>Sho't Left</i> 360 campaign (it's Your Country, enjoy it. Because nothing's more fun than a Sho't Left) includes adverts on TV, radio, billboards and on social media. The aim of the adverts is to inspire South Africans to take a holiday trip around South Africa. SA Tourism partners with provinces and trade to assist in showcasing their specific destinations and providing price points that are relevant and affordable for South Africans. SA Tourism partnered with 665 trade throughout the country who provided up to 50% discount travel packages that were promoted and booked between the 23 - 29 September 2019.</p> <p>These packages highlighted experiences throughout South Africa. Sho't Left Travel Week was advertised on media platforms as stated above and all deals could be found on the Sho't Left website. 10% of people that saw the advert made inquiries with the trade that was listed on the website. Several Tour Operators and one airline extended their discount offerings beyond the Sho't Left Travel Week period.</p>
<p>10.2.46 SA Tourism should conceptualise and implement strategies that will exploit the weakness of the South African currency in relation to international markets to entrench the position of the country as a value for money destination.</p>	<p>The recommendation is noted.</p> <p>Our current marketing strategies implemented across all our global markets entrench the position of the country as a value for money destination. These will be intensified in line with the new target of 21 million visitors by 2030, through collaborative efforts with the private sector through our MOU with TBCSA.</p>
<p>10.2.47 Given that Africa's Travel Indaba is the global meeting point for tourism professionals and the leading trade fair for inbound and outbound markets in Africa, it is recommended that the Minister of Tourism engages the Board of SA Tourism to introduce the Annual Africa's Tourism Conference and associated seminars alongside Africa's Travel Indaba, in partnership with the country's universities; academic societies such as the Society of South African Geographers; research</p>	<p>The recommendation is noted.</p> <p>The current structure of Africa's Travel Indaba provides platform where various discussions and speaker events are held to share knowledge, inspire participants and provide an opportunity to network. These included the BONDAY (Business Opportunity Networking Day) conference that is held for exhibitors a day before the show, hosting a variety of speakers and insightful content. Business conversation panels are hosted with global and local industry experts addressing tourism trends and topics.</p>

RECOMMENDATIONS BRRR	RESPONSES
<p>10.2.48 SA Tourism should engage influential sports personalities in developing golf tournaments in all small towns with golf facilities to grow domestic tourism.</p>	<p>The recommendation is noted.</p> <p>SA Tourism engages influential personalities in some of the key programmes, i.e. Sho't Left 2019 through (Partnering with Casper Nyovest on his Fill Up Event in Rustenburg) as part of promoting the festive season campaign. SA Tourism will explore other events including sporting event in expanding the reach.</p> <p>Currently the Sho't Left marketing and promotion includes sporting and lifestyle events around the country through trade packages. These include soccer, cricket and horseracing. In the 2020/21 financial year the programme will be further expanded to include religious events by partnering with the SMMEs tour operators in different regions of the country.</p>
<p>Quality assurance</p> <p>10.2.49 The Tourism Grading Council of South Africa should reimagine quality assurance in South Africa and convert the Tourism Grading Scheme from a voluntary to a compulsory but free quality assurance system.</p>	<p>The recommendation is noted.</p> <p>A number of imaginable policy revisions are possible with respect to the practice of quality assurance and grading in SA. Voluntary vs Compulsory, Annual vs Longer term certification and Free vs Levied are all aspects to consider in a policy review.</p> <p>A number of these iterations will have notable financial investment and human resource requirements in order to execute. The predisposition of the financial burden on the State will need to be deliberated before any decisions are taken.</p> <p>Currently the TGCSA generates approx. R25m in fees annually from grading activities and that income would need to become part of government support if free grading is introduced. Should compulsory grading be introduced, a requirement for a large, nationwide enforcement function will need to be implemented and funded by state funds. These are some of the consideration to be discussed with reference to possible policy enhancements.</p>
<p>10.2.50 The Tourism Grading Council should strengthen its monitoring capacity to</p>	<p>The recommendation is noted.</p>

RECOMMENDATIONS BRRR	RESPONSES
<p>eradicate illegal use of grading plaques and present a monitoring plan to the Committee</p>	<p>From the policy perspective, the Department is currently undertaking a review of the country's quality assurance framework. The review entails a benchmarking exercise from various countries focusing on quality assurance models, their administration and the type of participation.</p> <p>The review process will critically analyse both voluntary and compulsory grading approaches, their pros and cons including institutional arrangements supporting both approaches. The review will also reflect on the legal instruments enabling the implementation of both approaches. In light of technological developments, the review will also explore the possibilities of consumer driven technology-based quality assurance model which has gained traction with consumers lately (this could include use of technology to do customer based monitoring of illegal use – e.g. RQ and Bar codes scanning).</p>
<p>Effectiveness of the South African Conventions Bureau (SANCB)</p>	
<p>10.2.51 The South African National Conventions Bureau should engage the Office of the Auditor-General to find ways of dealing with the adverse audit findings to prevent recurrence.</p>	<p>The recommendation is noted.</p> <p>The SANCB in conjunction with the Southern African Association for the Conference Industry (SAACI), the official industry association for the business events industry, had engagements with the Office of the Auditor-General on Wednesday, 18 December 2019 regarding the audit finding from the 2018/2019 financial year. The engagement focused on how to address the personal information data protection issues related to delegate's personal information not being able to be shared as source information for the KPI's audit. An alternative verification source was agreed on by both the AGSA, SAACI and the SANCB to ensure that the findings are not repeated during with 2019/2020 audit.</p>
<p>10.2.52 The South African National Conventions Bureau should implement innovative bidding strategies that incentivises event owners in targeting smaller towns for small size business tourism events</p>	<p>The recommendation is noted.</p> <p>The SANCB presented its National Association Action Plan to the Portfolio Committee on Tourism on Tuesday, 26 November 2019. The Action Plan focusses on spreading national association conference to Villages, Towns and Small Dorpies (VTSD) around South Africa.</p> <p>A criteria was developed in conjunction with the South Africa associations to drive the following outputs:</p> <ul style="list-style-type: none"> • Generate regional distribution. • Promote local procurement. • Promote pre and post tour experiences.

RECOMMENDATIONS BRRR	RESPONSES
	<ul style="list-style-type: none"> • Develop our local association community. • Generate leads for bidding opportunities. <p>By hosting these conferences in VTSD's the economic benefits will be spread benefiting local communities and empowering suppliers local in smaller towns.</p>