

## Report of the Portfolio Committee on Tourism on its activities undertaken during the 6th Parliament (May 2019 – March 2024).

### Key highlights (Achievements)

#### 1. Reflection on committee programme per year and on whether the objectives of such programmes were achieved

- 1.1 Holding the Executive accountable** - the 6<sup>th</sup> term was affected by multiple changes in the Executive authority of the Department. There were changes in ministers, with each minister bringing new dynamics in the governance of both the Department and South African Tourism. Despite all the challenges, the Committee was able to assist the Department of Tourism in audit outcomes from 2021-2023 through insisting on the appointment of the Chief Financial Officer who enhanced financial systems and eradicated financial misstatements; implement youth and women programmes; and maintain unqualified audit outcomes.

On South African Tourism, the Committee was occupied with issues of financial malfeasance and maladministration whereby, for example, a Chief Financial Officer and an Acting Chief Executive Officer were brought in to facilitate a transaction of almost R1 billion in sponsoring Tottenham Hotspur Football Club based in England. The Committee was able to stop the transaction.

The Committee experienced non-compliance from the Executive whereby a former minister refused to attend Committee meetings. The Committee had to engage Legal Services of Parliament and issued a subpoena to enforce compliance by the minister.

Given a plethora of maladministration and poor governance at the Department of Tourism and South African Tourism, the Committee took a resolution to not appropriate budget to South African Tourism for the 2023/24 financial year. The decision was reversed as the Appropriations Committee had not been duly involved in the process. However, this served as a strong message to government as the Leader of Government Business and the Speaker were eventually involved in the matter. The challenge for the Committee is that this was a novel action by Parliament to exercise its power to withhold appropriating budget to a government entity.

On 28 February 2024, Cabinet announced the appointment of a fully-fledged Board for South African Tourism. The selection of Board members appears to adhere to the requirements of the Tourism Act and the Committee commends this representation. The Committee hopes that the establishment of this structure will bring stability to the Entity.

- 1.2 Tourism Transformation Council** – the Committee recommended that the Council be reorganised as a wholly autonomous entity, and it be jointly funded by the private sector and the line Ministry. In May 2020, the Council was registered with the Companies and Intellectual Property Commission as an autonomous NPO. During this term the Council was in the process of finalising several job profiles, the Joint Funding Agreement (that will determine the transitional arrangement of the TTCSA to autonomy), operational policies and systems and settling at its business offices. In August 2021, the Joint Funding Agreement was signed by the Tourism Business Council of South Africa, TOMSA, the Council and Department of Tourism to set up a joint private-public sector financial

vehicle for the operationalisation of the Council. While all this was at play, the Council's tenure ended in May 2022. At the end of 2023, a new Council was yet to be appointed.

- 1.3 Brand South Africa and South African Tourism** – an announcement by Government was made on reconfiguring all state entities to avoid duplicate mandates among other things. This raised the possibility of a merger between Brand SA and South African Tourism, as the entities share similar mandates; a vision supported by the Committee as it meant sustainable use of public funds. The Committee implored the Minister of Tourism to engage the Minister in the Presidency on this possible merger and how it will likely affect tourism operations. Upon further engagements between the two Ministers, the Minister of Tourism advised the Committee that the discussion on a merger between the two entities is no longer being considered by the Presidency.
- 1.4 E-visa** – the Committee emphasised the importance of ease of access, specifically in relation to e-visas for inbound source markets. It advised the Department of Tourism to engage its counterpart, the Department of Home Affairs, to ensure that this is addressed rapidly. Recovery measures post-COVID further necessitated the need for the extension of the e-visa programme to more countries. In September 2021, the Department of Home Affairs announced its implementation of the electronic visa system (e-visa) in 15 countries.
- 1.5 Amendment of Tourism Act** – the Act was not amended due to delays with the finalisation of the review of the White Paper on the Development and Promotion of Tourism. The Act was planned for amendment during the term of the 5<sup>th</sup> Parliament, however, changes in political heads at the Department and the decision to first review the White Paper saw this task carried to the 6<sup>th</sup> Parliament. However, the Green Paper was only finalised towards the end of 2023. The amendment of the Act will thus have to be considered during the term of the 7<sup>th</sup> Parliament.
- 1.6 Villages, Townships, and Small Dorpies** – the Committee adopted a new approach to tourism development and marketing focusing on Villages, Townships and Small Dorpies (VTSDs). It raised its concern with the continued focus and concentration of tourism development and marketing in main centres such as Cape Town, Durban and Johannesburg. It encouraged the Department and South African Tourism to direct future funding to projects in these areas. As a result the National Convention Bureau intentionally directed event bidding to VTSDs, resulting in events being hosted in smaller towns, thus ensuring geographic spread and economic development.
- 1.7 Tourist Safety** – the Committee, in collaboration with the PC on Police, hosted a joint workshop in 2019 on tourist safety and security, with the aim to find lasting solutions to crime against tourists. Incidents of crime against tourists, both domestic and international, affect South Africa's brand as a safe travel destination and have an impact on the country's economy. An outcome of the workshop was the development of a Tourism Safety Strategy by the Department of Tourism. The Department was encouraged to work closely with the South African Police Services (SAPS), Provinces and the Tourism Business Council of South Africa towards the establishment of tourism safety forums, the training of tourism monitors and other lasting solutions to the challenge of crime.
- 1.8 Delays with Tour Operator Licences** – the Committee requested the Minister of Tourism to address the backlog on tour operator licensing which has been a barrier to growth for travel services and has seen many businesses being unduly penalised, losing their fleet and closing down due to not receiving their documentation on time. Engagements between the Department, the Department of

Transport and its entity the National Public Transport Regulator resulted in the NPTR meeting with aggrieved tour operators in 2023 and continues to work to clear the backlog and ensure that licenses are issued to tour operators.

- 1.9 COVID-19 Pandemic – Impact and Tourism Recovery** – the COVID-19 pandemic brought the tourism sector to a standstill and affected the lives of both businesses and travellers globally. On 23 March 2020, a 21-day lockdown was announced in South Africa to contain the spread of the virus. Subsequently, a Risk-Adjusted Strategy was introduced which meant that the lockdown was indefinitely extended as per the prevalence and extent of infections in the country. Relief measures by the Department for the sector included the introduction of a Tourism Relief Fund, at R200 million, to be used towards fixed costs, operational costs, supplies and other items by businesses. The Fund was administered and disbursed by South African Tourism. A Tourism Relief Fund, R30 million, for registered freelance tourist guides was also provided by the Department. The Fund was directed to guides who operate independently. The Department facilitated the development of the tourism sector protocols in assisting the safe opening of the sector according to the COVID-19 Risk-Adjusted Strategy. Another recovery measure was the introduction of the Tourism Sector Recovery Plan published in April 2021.
- 1.10 Tourism Infrastructure Projects** – the Committee continued to raise its concerns with the Department on the implementation of its tourism infrastructure projects. The Department continued to struggle with challenges related to poor planning, delays in the appointment of service providers, and contract management. To mitigate these challenges the Department on 20 November 2020 signed a Memorandum of Agreement (MoA) with the Development Bank of Southern Africa (DBSA) appointing it as an implementing agent of its infrastructure projects. The MoA has been signed up till the 31 March 2023, however, it can be extended where required. This will likely be the case as some projects' deadlines extend beyond 20204. Progress, thus far, on some of the projects has been positive and indicates that the projects will be completed within the set time frames.
- 1.11 Participation in international fora and events** – the Committee participated and attended a number of international fora to advance the importance and contribution of tourism in the economy of the country. These include Africa's Travel Indaba; Meetings Africa; BRICS Summit; Netball World Cup and others.

## **2. Committee's focus areas during the 6<sup>th</sup> Parliament**

- **Governance and institutional stability at South African Tourism** - throughout the 6<sup>th</sup> Parliament the Committee was seized with addressing governance challenges at the Entity of the Department of Tourism, South African Tourism. In line with the oversight work of the Committee, the Auditor-General found in the 2023/24 financial year that South African Tourism did not have a Board of Directors between June 2022 and August 2022 which created a vacuum from an oversight perspective. There were multiple changes in terms of the composition of the Board, starting with an Interim Board appointed in September 2022 followed by the Board being appointed in October 2022. The multiple changes to the Board exacerbated the instability across oversight functionaries for the Entity. The oversight over the entity was being exercised by the three-member Board appointed in April 2023. The Committee did not concur with the composition of the Board and recommended to the Minister that the number be increased from three to five. However, this was never acceded to by the Minister. In line with the consistent recommendation of the Committee, the Auditor-General recommended that the executive authority appoint a Board so that key vacant positions in the entity can be filled.

There were persistent governance challenges at South African Tourism. This does not auger well for the next audit period. The challenges since the beginning of the current financial year have been as follows:

- Eight of the 12 South African Tourism Board members resigned between 6 and 8 April 2023, after which the Board was dissolved on 21 April 2023.
- An Interim Board came into effect on 21 April 2023.
- The former Acting Chief Executive Officer (CEO), who was also the Chief Marketing Officer (CMO), resigned on 5 May 2023.
- The Chief Operations Officer (COO) was appointed to act as the CEO with effect from 6 May 2023. The Committee raised concerns about the arrangement.
- The Chief Quality Assurance Officer (CQAO) was appointed to act as the CMO with effect from 7 May 2023.
- The acting Chief Executive Officer was removed from the position based on the investigation triggered by a whistle-blower.
- During this period the Entity also had an acting Chief Financial Officer (CFO), who sadly passed away in August. To fill the vacant post, Ms. Nombulelo Guliwe, a former CFO of the entity, was appointed in September as an interim CFO.
- To address leadership instability, the Board further appointed Ms. Guliwe as the acting CEO. Thus, she is currently both the acting CEO and interim CFO. The Committee has raised its concerns with both the Minister and SAT Board on this state of affairs.

- **Addressing the impact of COVID-19** – the COVID-19 pandemic had a crippling impact which led to constrained tourism growth in South Africa. COVID-19 decimated the economy of South Africa resulting in 3 million job losses in 2020. Of the 3 million jobs lost in South Africa, 470 000 of them were shed by the tourism sector. A total of about 76 percent of employees retained in the sector were not receiving full salaries, with only 37 percent of employees having received a 100 percent salary by February 2022. The impact of the global pandemic was indiscriminate as it heavily affected small, medium, and large tourism businesses alike. The informal tourism businesses were severely impacted given the size of operations and disposable funds. The Committee recommended that government should implement sector relief programmes to cushion tourism businesses from the devastating impact of COVID-19. To this end, the Department implemented the Tourism Relief Fund and Tourist Guides Relief Fund for registered freelance tourist guides.

Government in partnership with the private sector developed a Tourism Sector Recovery Plan (TSRP) to address the impact of COVID-19. The TSRP was later gazetted as a Tourism Master Plan in 2023. The 7<sup>th</sup> Parliament may conduct close oversight on the implementation of this masterplan. The focus should be on how the new Tourism Master Plan overlaps with the National Tourism Sector Strategy (NTSS).

- **Domestic Tourism and geographic spread** - the strategic focus on tourism oversight in the 6th Parliament was on Villages, Townships & Small Dorpies (VTSDs) in particular. The reason for this approach is that poverty, unemployment, and inequality are more expressed at the VTSDs. As a result of this Committee analysis and approach, the Department and South African Tourism, in their 2019 -2024 Strategic Plans and subsequent Annual Performance Plans, intensified programmes aimed at addressing poverty through tourism in the Villages, Townships & Small Dorpies (VTSD). The focus on VTSDs was a deliberate approach, and the allocation of budget was shifted to these areas that were previously neglected.

- **Intergovernmental relations** – the 6<sup>th</sup> Parliament realised that tourism is a multi-faceted sector that depends on a number of stakeholders to succeed. At a legislative level, the Committee facilitated the establishment of the Legislature Tourism Oversight Forum (LETOFO). The purpose of LETOFO was to align and strengthen oversight over tourism development and marketing by the parliamentary Portfolio Committee on Tourism in partnership with the Provincial Portfolio Committees responsible for tourism. The Committee conducted oversight on government programmes that create synergy in tourism development within South Africa as a destination. This was achieved through close coordination and collaboration amongst a wide range of stakeholders. However, a lot of work still needs to be done to achieve well-coordinated tourism development and marketing.
- **Skills development and relevance of training programmes** – the private sector and government provide a wide array of tourism skills development programmes. These remain greatly uncoordinated. The quality of tourism graduates and their readiness for the job market also remains a challenge. The Committee recommended to the Department of Tourism that other government Departments should be engaged in advancing skills development in the sector. Important amongst these, was a recommendation to include the TVET colleges in offering coordinated and appropriate tourism skills development.
- **Access and airlift** – the visa regime remains restrictive to the growth of the tourism sector in South Africa. The Committee worked with the Department to ensure that relevant Portfolio Committees and government entities such as the Department of Home Affairs provide ease of access to South Africa as a tourism destination and improvement in visa restrictions. In the 6<sup>th</sup> Parliament, the Committee convened a meeting with the Board of Airline Representatives of South Africa (BARSAs) ; Airports Company of South Africa (ACSA) and the Tourism Business Council of South Africa (TBCSA) to discuss how airlift can be improved for the country. The 7<sup>th</sup> Parliament is urged to ensure that airlift is included in the Strategic Plans and Annual Performance Plans of the Department of Tourism and South African Tourism.

### 3. Key areas for future work

- **Tourism Amendment Bill** – the Committee has identified legislative gaps in the tourism sector and will prioritise the amendment of the current Tourism Act (Act No. 3 of 2014). The Committee seeks to make amendments regarding the Sharing Economy; Tourism Grading Scheme; the Tourism Levy; Broad-Based Black Empowerment and Tourist Guides. The Committee thus seeks to maximise tourism funding, introduce compulsory grading, and determine the Regulations for the Sharing Economy within the tourism sector.
- **Transformation** – the overarching oversight focus of the Committee is on the transformation of the tourism sector. The Committee has realised that transformation in the tourism sector has remained stubbornly and dreadfully slow since the dawn of democracy in 1994, and more work still needs to be done to entrench transformation in the sector. The Committee will deliberately engage all relevant stakeholders inside and outside government to facilitate projects, programmes and collaborations that will expedite transformation, thus changing the growth trajectory of the tourism sector.
- **Domestic Tourism** – the Committee acknowledges that tourism development has been neglected in Villages, Townships, Small Towns and Dorps (VTSDs). The focus will be on developing domestic tourism with a special focus on the VTSDs. The focus will also be given to the National House of Traditional Leaders to facilitate the entrenchment of tourism in villages.

- **Inbound Tourism** – international tourism remains the pillar of the tourism industry in South Africa. The Committee will focus on sustaining the already existing tourism facilities and facilitate the growth and protection of inbound tourism to South Africa.
- **Funding for tourism** – the Tourism Vote remains underfunded by the National Treasury. This is despite the sector being identified as one of the economic pillars of the country. The Committee will engage National Treasury on maximising funding for the sector. The Department and South African Tourism will be urged to commission an econometric study to quantify the funding requirements for the sector.
- **Brand image** – South Africa has suffered serious brand reputational damage in the recent past. The Committee will focus on rallying together all stakeholders to protect the South Africa country brand as a viable destination for investment and as a preferred tourism destination. This needs the whole government approach, media, and society. The brand disablers that need immediate attention include crime which has created a negative perception of the country as an unsafe destination; canned animal lion hunting and human-animal interaction which have caused reputational damage on the environmental acumen of the country; xenophobia/ Afrophobia which has branded the country as unwelcoming for fellow Africans; negative media reporting; and communication around government policy of land expropriation without compensation.
- **Airlift** - airlift has been identified as one of the challenges stifling tourism growth in South Africa. It remains expensive to fly within South Africa as some airports are only served by one airliner and scheduled flights are erratic. Some cities such as Cape Town and Durban have developed airlift strategies that could be used as benchmarks on how to integrate public and private sector partnerships in unlocking airlift. The Committee will work closely with the Department of Transport, the Airports Company South Africa (ACSA), provinces, and other stakeholders to unlock the airlift for South Africa. The Committee also realises that it is expensive to fly within the African continent due to several reasons, including liberalisation of the African skies, restricted travel amongst African states, and poor coordination amongst states. The Yamoussoukro Declaration has not been ratified by all African states which continues to make travelling within Africa expensive. The Committee will engage the government to include the finalisation of the ratification of the Yamoussoukro Declaration by all African Union Member States.
- **Complexities of tourism as a concurrent function** - Tourism is listed in Part A of Schedule 4 of the Constitution of the Republic of South Africa (Act 108 of 1996) as a functional area of concurrent national and provincial legislative competence, whilst Part B of Schedule 4 lists local tourism as a local government competency. This classifies tourism as a concurrent function, and the Constitution enjoins the three spheres of government to perform specific functions to ensure tourism growth and development. However, some spheres of government, especially the local government, still consider tourism as an unfunded mandate. The Committee will focus on engaging relevant government departments and pertinent organisations, such as the South African Local Government Association (SALGA) to prioritise tourism at both provincial and local government levels.
- **Establishment of an integrated Tourism SMME Strategy by the Department** - this should be done to ensure that the Department provides integrated support services to existing and potential tourism enterprises in the country. This will result in successful emerging tourism enterprises and lead to job creation and inclusive economic growth that will benefit all the people of South Africa.
- **Improving skills development in the sector** - in the next five years, the Committee may conduct oversight on the Department of Tourism, South African Tourism, Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA) and the

Tourism Business Council of South Africa (TBCSA) to ensure that tourism training programmes are well coordinated and address the current industry needs through the development of an Integrated SMME and Skills Development Plan. TVET colleges could be involved to coordinate training among all the interested and affected parties in the tourism sector.

- **Expediting transformation** – the Committee may ensure that the Department and South African Tourism implement programmes to fast-track transformation, including disbursing funds for the Tourism Equity Fund that was halted by court interdicts.
- **Working for Tourism projects** – while the Development Bank of Southern Africa (DBSA) has been appointed by the Department as the implementing agent for most of the Working for Tourism Programme projects, the Committee may monitor how the Department is building internal capacity for the implementation of future projects; the Memorandum of Agreement (MoA) with the DBSA will be coming to an end and the Department has to advise how it will ensure the sustainable development of future infrastructure projects and their effective monitoring. The 7<sup>th</sup> Parliament may ensure that the Department has established internal capacity to implement infrastructure projects as stipulated in the MoA.
- **Reports developed by the Department** – the Department produces several reports quarterly based on their Annual Performance Plan. However, after numerous requests these have not been made available to the Committee as part of quarterly reporting. The 7<sup>th</sup> Parliament should request access to these reports, which can be attached as annexures for all quarterly reports tabling.
- **Tourism and climate change** – tourism destinations are dependent on the natural environment for most tourist experiences and several global and local events (e.g. floods, drought) have shown how vulnerable the tourism sector is to climate change. In addition to the sector contributing to carbon emissions through inbound and outbound flights, local municipalities have also evidenced their unpreparedness for such events. The 7<sup>th</sup> Parliament should encourage government to develop a Tourism Climate Change Strategy for South Africa to plan and deal with the future consequences of climate change in the sector.
- **Oversight visits** – the 7<sup>th</sup> Parliament will need to prioritise oversight visits, especially infrastructure projects that have stalled over the years and are finally being completed by the DBSA. Some of these projects have been in the system for too long and need to be completed for the sector to grow and introduce new products. The Committee will also need to undertake follow-up visits to sites that were previously visited during the 6<sup>th</sup> Parliament to observe if identified issues have been addressed and recommendations implemented by the relevant stakeholders.
- **Merger of Brand SA and South African Tourism** – the 7<sup>th</sup> Parliament may continue to pursue championing for the merger of Brand SA and South African Tourism as these two entities perform and sometimes duplicate similar activities.
- **Improvement of internal audit function** – oversight should be intensified over the Department of Tourism and South African Tourism to ensure improvement of audit outcomes and that issues are dealt with internally before being identified by the Auditor-General.
- **Public participation** – the 6<sup>th</sup> Parliament observed that most challenges at community level arise from poor public participation in the implementation of infrastructure projects. The 7<sup>th</sup> Parliament is encouraged to ensure proper public participation in all infrastructure projects implemented by the Department of Tourism.

- **Follow up on forensic reports** – the Department of Tourism has been slow in facilitating prosecution of departmental staff and companies that were found to have committed financial malfeasance and maladministration in the implementation of infrastructure projects. The 7<sup>th</sup> Parliament is advised to follow up on various cases that have been opened by the Department of Tourism with various law enforcement agencies. There should also be follow up on forensic reports commissioned by South African Tourism through the Special Investigation Unit (SIU) staff seconded to the Entity.
- **Destination Development** – the 7<sup>th</sup> Parliament is advised to conduct close oversight on destination development as this will assist the growth of tourism in South Africa. The programmes implemented by the Department of Tourism on destination development should be closely monitored.

#### 4. Key challenges emerging

- **Emergence and impact of COVID-19** - the advent of the novel corona virus (Covid-19) decimated the economy of South Africa resulting in three million job losses in 2020. Small, medium, and large tourism businesses were heavily affected, and informal tourism businesses severely impacted. Due to the rising cost of living and job losses, South African consumers were under immense pressure. Global conflict also had an impact on travel and tourism through rising fuel costs. There was less confidence in global travel, health protocols and safety. Overall, the sector was operating at between 30-40 percent capacity in comparison to 2019. Domestic travel led the sector recovery as leisure tourism increased in December 2021, corporate and government travel began to increase in February 2022, and events and conferencing was boosted. The tourism sector lost 470 000 jobs due to COVID-19 with only 37 percent of employees receiving 100 percent of their salaries in February 2022. International arrivals are showing a slow increase from a low base.

As a response, the Tourism Sector Recovery Plan was developed. This document was later adopted by Cabinet in 2023 as a Tourism Master Plan. The Tourism Relief Fund and Tourist Guides Relief Funds were also established. The sector is recovering at a good pace and the impact of COVID-19 is slowly waning away. However, the pandemic was a lesson that the country needs to develop its domestic tourism market as it led the sector in its recovery.

- **Delays in policy and legislative review** - the constant changes in executive authority (Ministers) in the Department of Tourism led to delays in the review of the White Paper on Development and Promotion of Tourism in Sout Africa (1996) and the amendment of the Tourism Act (Act No.3 of 2014). The 6<sup>th</sup> Parliament was therefore hamstrung by these delays to address the identified legislative and policy gaps in the sector.
- **Collapse of governance at South African Tourism** - the work of the Committee in the 6<sup>th</sup> Parliament was mainly focussed on addressing the collapse in governance at South African Tourism. In line with the oversight work of the Committee, the Auditor-General found in 2023 that South African Tourism did not have a board of directors between June 2022 and August 2022 which created a vacuum from an oversight perspective. There were multiple changes in terms of the composition of the board, starting with an interim board appointed in September 2022 followed by the three-member Board being appointed in October 2022. The multiple changes to the board exacerbated the instability in governance and operations of the Entity. The Committee did not concur with the composition of the three-member Board and recommended to the Minister that the number be increased from three to five. However, this was never acceded to by the Minister.



There were also challenges in staffing with the Entity operating mainly with acting executive staff and staff placed inappropriately in certain acting positions. The summary of governance issues since 1st April 2023 are as:

- Eight of the 12 South African Tourism Board members resigned between 6th and 8th April 2023, after which the Board was dissolved on 21 April 2023.
  - An Interim Board came into effect on 21 April 2023.
  - The former Acting Chief Executive Officer (CEO), who was also the Chief Marketing Officer (CMO), resigned on 5 May 2023.
  - The Chief Operations Officer (COO) was appointed to act as the CEO with effect from 6 May 2023.
  - The Chief Quality Assurance Officer (CQAO) was appointed to act as the CMO with effect from 7 May 2023.
  - The acting Chief Executive Officer was removed from the position based on the investigation triggered by a whistle blower.
  - The position of the Acting Chief Executive Officer is currently held by the interim Chief Financial Officer (CFO), who is serving in both posts.
- **Unsatisfactory audit outcomes** - regarding the Department of Tourism, the Committee was satisfied with it obtaining an unqualified audit opinion with findings on non-compliance with legislation in the 2022/23 financial year. The Committee noted that there was no improvement in the audit findings given that the Department had received a financially unqualified opinion with findings on compliance with key legislation in the previous financial year. However, the Department was commended for submitting annual financial statements that were free from material misstatements. This was an improvement from the prior year as the Department had made material adjustments to achieve an unqualified audit opinion.

The Committee was concerned that South African Tourism received an unqualified audit opinion with findings on compliance with key legislation in the 2022/23 financial year. This means that the audit outcomes remained unchanged from the 2021/22 financial year, with serious recurring findings. The Entity failed to address the findings made by the Auditor-General and the Committee in the previous audit period. This points to failure in governance and incapacity in delivering effective operations at the Entity.

- **Implementation of infrastructure projects** – once the MoA with the DBSA comes to an end, will the Department have the internal capacity to implement and monitor its infrastructure projects.
- **Need to demystify tourism as a concurrent function** – the constitution categorises tourism as a concurrent function. The local government represents the third sphere of government and plays a major role in the tourism sector. In addition to the responsibility of the national and provincial government to pass, design, and implement tourism legislation, policies and strategies, the local government is at the coal face of promoting and supporting tourism at a local level. The local government, however, does not fulfil its constitutional mandate.

- **Tourism Transformation Council South Africa** – at the end of the 6<sup>th</sup> Parliament, a new Council had not yet been established. This has ramifications for the monitoring of transformation trends in the tourism sector.

## 5. Recommendations

- **Tourism Amendment Act** – the 7<sup>th</sup> Parliament Portfolio Committee on Tourism should ensure that the Tourism Act (Act No. 3 of 2014) is amended. As identified by the 6<sup>th</sup> Parliament, the Committee may make amendments regarding the Sharing Economy; Tourism Grading Scheme; the Tourism Levy; Tourist Guides; Broad-Based Black Economic Empowerment; and the composition of the South African Tourism Board in case the Board is dissolved. The Committee may pursue maximisation of tourism funding, introduce compulsory grading, and determine the Regulations for the Sharing Economy within the tourism sector (e.g. Airbnb; Uber; etc.).
- **Governance and institutional stability** – the 7<sup>th</sup> Parliament Committee is urged to conduct a focussed oversight on the governance and institutional stability of South African Tourism in terms of a full constitution of the Board, separation of powers between the Board and staff of the Entity, following up on the Auditor-General’s findings and ensuring that the Entity is fully and appropriately staffed to enable it to execute its legislated mandate. Oversight over the Department of Tourism should also be enhanced to improve governance and audit outcomes.
- **Operationalisation of tourism infrastructure projects** – the Department implemented several tourism infrastructure projects during the 6<sup>th</sup> Parliament. These projects have the potential of becoming viable community-based tourism enterprises. The 7<sup>th</sup> Parliament may conduct oversight over all these projects to ensure that they receive operational support from the Department/ private sector.
- **Transformation** – transformation remains a huge challenge in the tourism sector. Tourism is mostly developed in big cities and towns and largely monopolised by international conglomerates. The 7<sup>th</sup> Parliament should continue fighting for the plight of emerging Black owned tourism establishments.
- **Domestic tourism** – the 7<sup>th</sup> Parliament is urged to elevate domestic tourism to the same level as international tourism to ensure that the country has a thriving local tourism market that is able to sustain the industry during international shocks, such as the recent COVID-19.
- **Affordability and geographic spread** – the 7<sup>th</sup> Parliament should continue working towards ensuring geographical spread through advocating for tourism development and marketing of tourism products in Villages, Townships and Small Dorpies (VTSDs). The Committee should also advocate for affordable holidays by South Africans within their own country. This is critical as most products are priced for the international markets.
- **Sensitising local government to its constitutional mandate** - The Committee may engage the South African Local Government Association (SALGA) and the provincial sphere of government to demystify the concept of tourism as a concurrent function to ensure that there is seamless tourism development throughout the country.

- **TOMSA Levy collaboration** – the 6<sup>th</sup> Parliament realised that the tourism budget is inadequate, whilst an average of 53 percent of the budget vote is transferred to South African Tourism. The TOMSA Levy collections have grown in a staggering rate over the recent years. The 7<sup>th</sup> Parliament should closely conduct oversight on how South African Tourism and the TOMSA Levy maximise cooperation in marketing the country.
- **Airlift** – the country is currently experiencing difficulties at national, regional, and international levels. The 7<sup>th</sup> Parliament is urged to tackle the challenge of airlift working with airlines, private and public sector partners. This will assist in increasing the number of airlines flying to South Africa and decrease the cost of domestic flights.
- **Technology in the tourism sector** – the 7<sup>th</sup> Parliament is urged to conduct oversight on the degree to which technology is used to modernise tourism offerings and experiences for South Africa to be on par with other matured tourist destinations. This includes developing booking platforms that advance transformation in the sector.
- **Tourism tax** – given the insufficient funds appropriated to the tourism Vote, the 7<sup>th</sup> Parliament should explore the possibility of introducing a tourism tax that will directly be linked to tourism services. This may replace the TOMSA Levy collected by the private sector through legislating ringfenced tourism tax collections that go directly to the Department of Tourism.
- **Tourist safety** – the 7<sup>th</sup> Parliament should continue advocating for deployment of more Tourism Monitors in tourism crime hotspots and the establishment of the Tourism Police in the country.

## 1. Introduction

The Portfolio Committee conducts oversight over the National Department of Tourism and its entity South African Tourism. The Committee in the 6<sup>th</sup> Parliament conducted successful oversight over Vote 38. The work of the Committee was incisive, and the Department and its Entity cooperated with the Committee on most of the issues raised. The Committee conducted oversight as a unit, placing the interest of the tourism sector above party politics. This assisted the Committee to conduct its work effectively.

### 1.1 Department/s and Entities falling within the Committee's portfolio

#### a) Department of Tourism

Core mandate/strategic objectives

The core mandate of the Department is enshrined in the Constitution of the Republic of South Africa (Act 108 of 1996). The policy mandate is drawn from the government programme of action and sector policies.

(i) Constitutional Mandate

Tourism is listed in Part A of Schedule 4 of the Constitution of the Republic of South Africa (Act 108 of 1996) as a functional area of concurrent national and provincial legislative competence, whilst Part B of Schedule 4 lists local tourism as a local government competency. This classifies tourism as a concurrent function, and the Constitution enjoins the three spheres of government to perform specific functions to ensure tourism growth and development.

(ii) Legislative Mandate

Tourism is governed by the Tourism Act of 2014 (Act No. 3 of 2014) which enjoins the Minister of Tourism to perform specific tasks to drive tourism policy and strategic direction. The Act seeks to promote the practicing of responsible tourism for the benefit of the Republic and for the enjoyment of all its residents and foreign visitors; provide for the effective domestic and international marketing of South Africa as a tourist destination; promote quality tourism products and services; promote growth in and development of the tourism sector; and enhance cooperation and coordination between all spheres of government in developing and managing tourism. The Committee identified a myriad of gaps and challenges that should be addressed through a new Tourism Amendment Act to ensure that the sector catches up with the technological developments, sharing economy, quality assurance, and provides an enabling regulatory environment for the sector.

(iii) Policy Mandate

The tourism sector is governed by several policies, including:

(a) The National Development Plan

The National Development Plan (NDP) as the blueprint of government recognises tourism as one of the main drivers of employment and economic growth. The target of the NDP is to create an additional 11 million jobs by 2030, and tourism plays a huge role towards attaining that goal. The NDP envisions tourism as a major source of revenue and employment for the country through the investment in infrastructure, product, and service development. It envisages rising employment, productivity, and incomes as a way to ensure a long-term solution to achieve a reduction in inequality, an improvement in living standards, and ensuring a dignified existence for all South Africans. Notably, the NDP does not have a specific chapter dedicated to the tourism sector. However, the role of tourism in the Plan, and the broad overview of the sector are directly and implicitly conjugated with various sectors in several chapters.

(b) The New Growth Path

Tourism is acknowledged in the New Growth Path (NGP) as one of the six economic pillars of South Africa. Tourism is recognised as a labour-intensive sector, with a wide value chain that cuts across various economic sectors. The NGP is intended to address unemployment, inequality and poverty in a strategy that is principally reliant on creating a significant increase in the number of new jobs in the economy. The NGP thus envisages tourism as a vehicle to expedite transformation and inclusive tourism growth that nurtures participation of all South Africans in the mainstream economy.

(c) The White Paper on the Development and Promotion of Tourism in South Africa

The White Paper on the Development and Promotion of Tourism in South Africa (1996) provides the policy direction, framework, and guidelines for tourism development in the country. The White Paper is a pioneering policy that has provided a strong base for other policies and the legislative framework in South Africa since the attainment of democracy in 1994. The White Paper recognises that tourism has been inadequately resourced and funded; a myopic private sector; limited integration of local communities and previously neglected groups into tourism; inadequate tourism education, training and awareness; inadequate protection of the environment; poor service; lack of infrastructure, particularly in rural areas; a ground transportation sector not geared to service tourists; lack of inclusive, effective national, provincial and local structures for the development, management and promotion of the tourism sector; and growing levels of crime and violence on visitors. The Portfolio Committee has used these policy observations to conduct oversight over the Department of Tourism, South African Tourism, and other relevant stakeholders to ensure the implementation of the White Paper. Despite huge strides made by the Department in implementing the White Paper, the sector still faces several challenges imposed by endogenic and exogenic factors in the operational environment that should be immediately addressed.

(d) The National Tourism Sector Strategy

The National Tourism Sector Strategy (NTSS) was developed for the first time in 2011 in collaborative partnership with the Tourism Business Council of South Africa (TBCSA). The implementation commenced in the 2011/12 financial year. The NTSS was effectively implemented in a number of areas, although challenges were experienced with some targets that were not achieved and exceeded. This, in conjunction with the new trends and technological advancements, necessitated the review of the NTSS. The important factors that necessitated the NTSS review include the emerging trends at the macro and micro environment; changes in the policy and legislative environment, such as the National Development Plan (NDP, 2012), the Tourism Act, No. 3 of 2014, and technological trends. The new NTSS was commissioned in 2015 but was only finalised in 2017. The revised NTSS spans a period of ten years (2016 - 2026) and is based on five strategic pillars, namely, effective marketing; facilitating ease of access; the visitor experience; destination management; and the broad-based benefits. The vision is to be a top world responsible tourism destination, a safe, rapidly, and inclusively growing tourism economy that leverages South Africa’s competitive edge in nature, culture and heritage, underpinned by Ubuntu and supported by innovation and service excellence. However, some of the issues in the NTSS cannot be addressed at a strategy level and require a legislative review process to assist with strategy implementation.

(e) The Medium-Term Strategic Framework (2019 -2024)

The current government Medium Term Strategic Framework (MTSF), which is grounded on the National Development Plan, spans 2019 – 2024. Inherently, there are seven core priorities of the MTSF, and the Department is pursuing three. The applicable government outcomes are:

- Priority 1: Building a capable, ethical and developmental state;
- Priority 2: Economic Transformation and Job Creation; and
- Priority 7: A better Africa and world.

**b) Entities**

Name of Entity	Role of Entity
South African Tourism	Chapter 3 of the Tourism Act (Act No.3 of 2014) provides the following as functions of the South

Name of Entity	Role of Entity
	<p data-bbox="758 228 1037 253">African Tourism Board:</p> <ul data-bbox="758 289 1835 662" style="list-style-type: none"> <li>• Market South Africa as a domestic and international tourist destination;</li> <li>• Market South African tourism products and facilities internationally and domestically;</li> <li>• Develop and implement a marketing strategy for tourism that promotes the objectives of the Act, and the National Tourism Sector Strategy (NTSS);</li> <li>• Advise the Minister on any other matter relating to tourism marketing; and</li> <li>• With the approval of the Minister, establish a National Convention Bureau to market South Africa as a destination for business events by: <ul style="list-style-type: none"> <li>○ Co-ordinating bidding for international conventions; and</li> <li>○ Liaising with other organs of state and suitable bodies to promote South Africa as a destination for business events.</li> </ul> </li> <li>• Report to the Minister on the work performance of the National Convention Bureau.</li> </ul> <p data-bbox="758 695 1881 751">The Board must perform any function imposed on it, in accordance with a policy directive of the Minister, and not in conflict with the Act.</p> <p data-bbox="758 784 1881 841">The functions of the Tourism Grading Council have been delegated by the Minister to the South African Tourism Board.</p> <p data-bbox="758 873 1881 930">According to Chapter 4 of the Tourism Act, a function of the Tourism Grading Council is to implement and manage the national grading council for tourism, as contemplated in Section 28.</p> <p data-bbox="758 963 1881 1052">The South African Tourism Board must oversee the functioning of the Tourism Grading Council, and the Board is, in this respect, accountable to the Minister for the proper implementation and management of the national grading system.</p> <p data-bbox="758 1084 1898 1235"><b>NB:</b> The Committee in the Sixth Parliament made recommendations to the Minister of Tourism that the Grading Council of South Africa (TGCSA) should be independent, and that the grading system should be free but compulsory. These recommendations were not positively considered, and the 7<sup>th</sup> Parliament is urged to pursue this matter further. This will assist in ensuring that all tourism establishments in the country are graded and quality of the tourist experience is assured.</p>

## 1.2 Functions of Committee:

Parliamentary committees are mandated to:

- Monitor the financial and non-financial performance of government departments and their entities to ensure that national objectives are met.
- Process and pass legislation.
- Facilitate public participation in Parliament relating to issues of oversight and legislation.

The Portfolio Committee on Tourism fulfils its mandate by discharging its oversight role over the National Department of Tourism and South African Tourism, which is its marketing entity. The Committee conducts oversight visits and holds public hearings to ensure public participation and corporative governance as enshrined in the Constitution.

### **1.3 Method of work of the Committee**

The tourism sector is a system with a myriad of peculiar and interdependent facets that require a coordinated approach. This calls for parliament, government, and the private sector to work collaboratively for mutual success. In realising this need for cooperation, the Committee in the Sixth Parliament adopted an Un-cooptable, Non-antagonistic, Co-operative and Reciprocative Oversight approach. The intended outcomes of this approach were “RRR”, namely, Rebranding, Repositioning and Renewal of the tourism sector in the South African economy.

#### **1.3.1 The integrated approach (*The Spokes of the Bicycle Approach*)**

The Portfolio Committee on Tourism realised that the tourism sector will be better coordinated if the relevant Portfolio Committees of Parliament and associated government departments are involved. The Committee therefore held focussed joint committee meetings and colloquia to rally all relevant government departments around the common course for tourism growth and development. The Committee identified a number of parliamentary portfolio committees that were to be incorporated in the oversight work over the past five years as depicted in Figure 1. The Committee identified the Portfolio Committees that will work in an integrated manner and anchored by the Portfolio Committee on Tourism in what it calls “The Spokes of the Bicycle Approach”. The identified Portfolio Committees included:

- (i) **Cooperative Governance and Traditional Affairs** - on the identification and support of tourism enterprises at Villages, Townships and Small Dorpies. This entails incorporation of tourism in Local Economic Development Plans (LED) and Integrated Development Plans (IDPs) with an adequate budget, capacitation of politicians and staff at a local government level, and development of appropriate bylaws that promote and protect tourism at a local level. Additionally, ensuring that local government provides the necessary service delivery and zoning to facilitate tourism development, formation of tourism institutional arrangements at a local level, the maintenance of local attractions and tourism infrastructure, and other related matters.

**Figure 1: 6<sup>th</sup> Parliament Tourism Oversight Philosophy**

- (ii) **Culture** – on tourism and the Strategy; the maintenance of development of and cultural

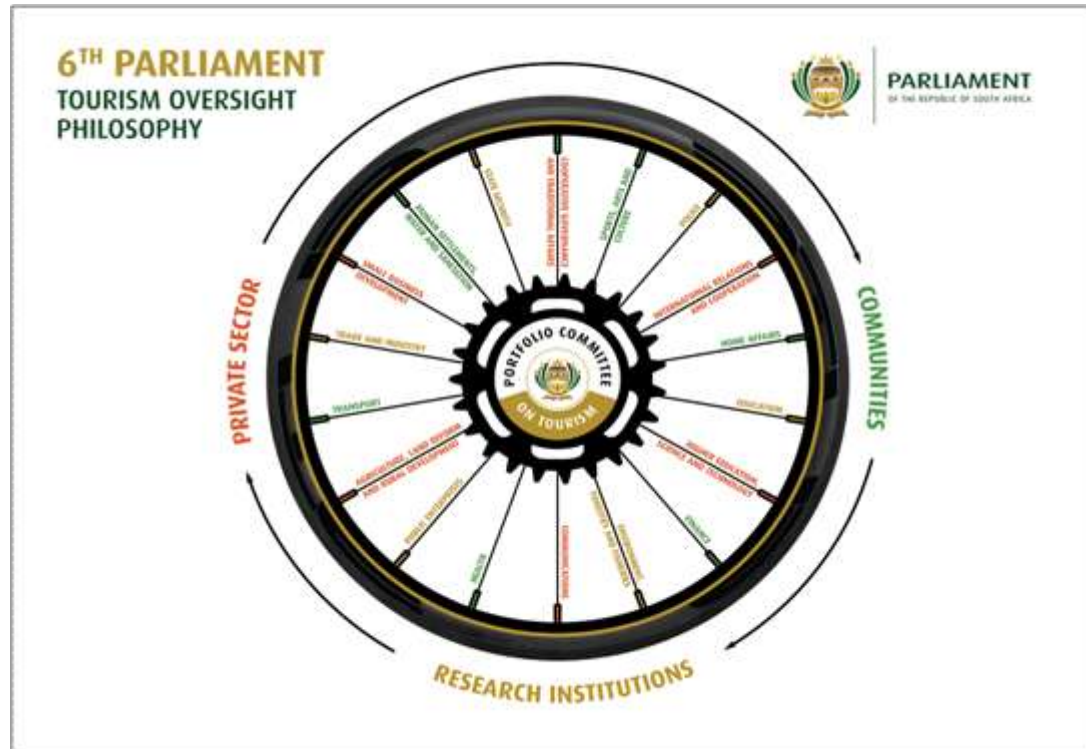
South African Agency importance of tourism coordination at municipal the

- (iii) **Police** for tourism and Plan for a rapid tourists under incidences of crimes

providing various safety measures for tourists, including visible policing and patrols by South African Police Services, Metro Police and Safety Monitors of the Department of Tourism at tourist attractions, and other related matters.

- (iv) **International Relations and Cooperation** – on partnerships in promoting International Tourism, dealing with negative destination brand perceptions, travel advisories by international countries, and implementation of International Agreements. Develop an Action Plan on the integration of South African Missions abroad to extend the international reach of marketing activities, especially in countries where South African Tourism does not have country offices. Create a positive brand image for destination South Africa, tracking and implementation of tourism bilateral agreements with various countries, and other related matters.

- (v) **Home Affairs** – on the Visa Regime (e.g. e-visas); immigration regulations; trans-border tour guiding and developing an Action Plan on creating ease of access to South Africa through improving the visa regime by introducing e-Visas, extending Visa exemptions for identified markets, implementing biometric visa systems, i.e. implementing the E-gates at major entry points and collecting and collating tourism statistics, and other related matters.



**Sports, Arts and Heritage and Cultural** interface between Mzansi Golden Economy development and cultural attractions; and Village Tourist Guides guides.

Heritage Resources (SAHRA) – on the Heritage Sites for development and both provincial and levels, particularly about maintenance of tourism sites/attractions.

– on safety and security developing an Action response mechanism for distress after unfortunate crime; identifying tourism hotspots; developing and



- (vi) **Basic Education** – on the introduction and packaging of school tours; UMALUSI on tourism curriculum design for schools; and developing an Action Plan on the elevation of tourism as one of the subjects of choice in schools, collaboration on tourism awareness and education programmes, including the National Tourism Careers Expo, re-introduction of school tours and packaging school tours products and developing quality tourism curriculum for schools, and other related matters.
- (vii) **Higher Education, Science and Technology** – on curriculum design; research on the village tourism development product; research on tourism and market trends; Sector Education Training Authority (CATHSSETA) on skills and training in the tourism sector; development and promotion of science related tourism such as scientific attractions including observatories such as the SKA; scientific landmarks; science museums; Human Science Research Council (HSRC) on their tourism research compendium, and other related matters.
- (viii) **Finance** – on the budget allocations to the tourism sector in the Estimates of National Expenditure; dealing with foreign currency exposure; maximising the collection of the Tourism Levy; and developing an Action Plan on recognising the value of the tourism sector in the economy of South Africa through its contribution to the Gross Domestic Product, Foreign Direct Investments, export nature of the tourism sector, total employment, and domestic tourist spend; quantifying the adequate funding needed to fund the tourism function in South Africa; appropriation of adequate funding to the tourism Vote; procurement of tourism goods and services by the government and payment of tourism accounts within 30 days; compliance with procurement laws in foreign offices; ring-fencing budget for special tourism projects in villages, townships and small towns, and other related matters.
- (ix) **Environment, Forestry and Fisheries** – on Wildlife Interactions, canned hunting, balancing Tourism Development and Environmental Management; impact of Environmental Impact Assessment (EIA) Regulations on Tourism; World Heritage Sites and tourism development, particularly local community involvement through concessions and other means; Wildlife and Environment Society of South Africa (WESSA) on their Blue Flag Beaches Programme with coastal municipalities and their value for tourism; and developing an Action Plan on the empowerment and involvement of local communities residing around the National Parks in the tourism value chain; making concessions for emerging tour operators and local communities affordable; safeguarding the future of South Africa as a sustainable tourist destination through regulation of canned hunting and animal interaction; creating affordable access for South Africans to National Parks, and other related matters.
- (x) **Communications** – on the impact of the Fourth Industrial Revolution (4IR) on tourism; developing an Action Plan on making internet access affordable to emerging tourism entrepreneurs to enhance tourism development and the tourist experience; facilitating digital tourism development such as Augmented Reality and Visual Reality, and other related matters.
- (xi) **Health** – on Medical Tourism; impact of disease outbreaks on tourism and readiness of the country post the Corona Virus outbreak; developing an Action Plan on the development and adoption of Norms and Standards (safety protocols) to prevent the spread of communicable diseases at tourist attractions, such as the corona virus; the development and implementation of Medical Tourism, and other related matters.
- (xii) **Public Enterprises** – on the role and impact of State-Owned Enterprises in tourism development; developing an Action Plan on the identification and servicing of new lucrative international routes by South African Airways; integration of South African Airways on

marketing strategies; importance of SAA on servicing the African market and other existing core markets; stabilising electricity supply to prevent load shedding that negatively affects the tourism industry, and other related matters.

- (xiii) **Agriculture, Land Reform and Rural Development** – on the Government Comprehensive Rural Development Programme (tourism aspect of the programme and impact of outstanding land claims on tourism); Land Claims Commission (LCC) on settled claims and unresolved claims that impact on tourism projects, particularly those on/around protected areas and National Parks; developing an Action Plan on dealing with the impact of the land reform programme on the tourism sector; identification and realisation of agritourism as a potential niche market in South Africa; impact of captive animal breeding and animal interactions on South Africa's tourism brand, and other related matters.
- (xiv) **Transport and its entities** – on the National Aviation Strategy; facilitating permits for tour operators; public transport system; road infrastructure; signage; developing an Action Plan on addressing the National Airlift Strategy to open up destination South Africa and servicing small town airports to improve the geographical spread of tourists; lobbying for the ratification of the Yamoussoukro Declaration to expedite the implementation of the open skies policy by African countries; the role played by the Airports Company South Africa (ACSA) in facilitating tourism; harmonising the airport taxes to reduce the price of air tickets thus encouraging travel; facilitating the renewal of tour operator licenses by the National Public Transport Regulator (NPTR); and generally improving the road infrastructure to deal with its negative impacts on tourism routes and attractions, especially in rural areas, and other related matters.
- (xv) **Trade and Industry** – on tourism trade and investment opportunities and compliance with sector codes; developing an Action Plan on recognising tourism as an export sector, thus improving lobbying for more budget appropriation by the National Treasury; the impact of the B-BBEE sector codes on transforming the tourism sector; procurement of tourism goods and services by the government; and the importance of tourism in the positive trade balance of the country.
- (xvi) **Small Business Development** - on tourism SMMEs support programmes; funding for tourism SMMEs; developing an Action Plan on advancing the role of small tourism businesses in the economy; the support available to small tourism businesses and the possible collaboration with the Department of Tourism on the development of tourism SMMEs, and other related matters.
- (xvii) **Human Settlements** – on township tourism; small dorpiess; and regional tourism development; developing an Action Plan on the importance of reliable supply of quality water in the tourism industry; tourism gentrification (socio-spatial impacts of urban tourism); neighbourhood change and the prospects of Township/Slum Tourism, and other related matters.
- (xviii) **Water and Sanitation** – on bulk water supply for tourism development; developing an Action Plan on the importance of reliable supply of quality water in the tourism industry; tourism gentrification (socio-spatial impacts of urban tourism); neighbourhood change and the prospects of Township/Slum Tourism, and other related matters.
- (xix) **State Security** – on tourism safety and security matters; developing an Action Plan on the intelligence on crimes perpetrated against tourists; organised crime disguised as crimes against tourists; the intelligence on xenophobic crimes and its impact on the destination brand image, and other related matters.

This, however, does not mean the other Portfolio Committees were excluded. In addition to the parliamentary portfolio committees and government departments, the Committee will engage all stakeholders, including the private sector, universities, research institutions, communities, and social partners.

With regard to the private sector, the following institutions were identified for constant engagements:

- (xx) **Tourism Business Council of South Africa (TBCSA)** – on the Private Sector Perspective on Tourism Development and marketing.
- (xxi) **Federated Hospitality Association of Southern Africa (FEDHASA)** – on their tourism transformation activities.
- (xxii) **National Accommodation Association of South Africa (NAA-SA)** – on the state of accommodation and implementation of the grading system; and successes and the challenges.
- (xxiii) **Southern African Association for the Conference Industry (SAACI)** – on improving and maintaining the standards of efficiency and professionalism for the conference and events industry in South Africa.
- (xxiv) **Southern Africa Tourism Association Services Association (SATSA)** – on inbound tourism products and their activities in South Africa and across the region.
- (xxv) **Southern African Vehicle Rental and Leasing Association (SAVRALA)** – on their tourism-related activities.

The extensive oversight over the Department of Tourism and South African Tourism will include, but is not limited to broad issues such as the budget vote as allocated in the Estimates of National Expenditure; Strategic Plans; Annual Performance Plans; Quarterly Reports on financial and non-financial performance; B-BBEE Charter Council on transformation; National Conventions bureaus on business tourism; Tourism Grading Council of South Africa on the national grading scheme; integration with other sector departments and collaboration with the private sector.

### **1.3.2 Villages, Townships & Small Dorpies (VTSDs)**

The strategic focus on tourism oversight in the 6<sup>th</sup> Parliament was on Villages, Townships & Small Dorpies (VTSDs) in particular. The reason for this approach is that poverty, unemployment, and inequality are more expressed at the VTSDs. According to the Poverty Trends Report for 2006 to 2015 released by Statistics South Africa in 2017, 30.4 million people (55.5 percent of the population) are living in poverty. This comprises children, Black Africans, females, and people from rural areas. According to this report, poverty is highest in Limpopo and the Eastern Cape, comprising people with little or no education as the main victims in the ongoing struggle against poverty, and lowest in the Western Cape and Gauteng.

The Statistics South Africa Community Survey conducted in 2016 revealed that currently, geographical patterns of poverty on the map of South Africa still correspond to the apartheid “homelands”, barren rural regions far from cities, packed with people but with little infrastructure, no development and few jobs. Municipalities with high percentages of people living in poverty are today often found in regions that were once homelands. The report indicates that migration from the rural areas to the cities is an important feature of recent South African history. Apartheid laws confined the poor to the rural areas. Once those laws were lifted in the late 1980s, poor people began to move to the cities, where they often stayed poor. Townships therefore have a high concentration of poor Black people. This empirical information on poverty in South Africa needs a

direct response from the Department of Tourism. The Department, in its 2019 -2024 Strategic Plan should intensify programmes aimed at addressing poverty in the Villages, Townships & Small Dorpies (VTSDs). The focus on VTSDs should be a deliberate approach, and the allocation of budget should be commensurate to the challenges experienced by the VTSDs.

(i) Rebranding, Repositioning and Renewal

The tourism growth in South Africa has experienced a setback, due to several factors. The apartheid era excluded black South Africans from participating in recreation and tourism activities. The apartheid system enacted by the erstwhile government also excluded Black people from owning tourism businesses and participating in the tourism economic value chain. There were separate tourist facilities and amenities, ranging from beaches to hotels and restaurants, and this resulted in Black people becoming effectively excluded from the industry. This did not only exclude Black people from participating in the tourism economy, but also entrenched the lack of culture of travel amongst Black South Africans.

The dawn of democracy in 1994 ushered in a new socio-political and socio-economic trajectory in South Africa. Tourism has since been entrenched in the constitution as a functional area of concurrent national, provincial, and local government competence. The government is now promoting inclusive tourism policies and strategies that encourage participation by all South Africans. Scholars agree that one of the main goals of tourism development is to formulate and implement tourism policies that provide high-quality tourist experiences that can maximise the benefits to destination stakeholders without compromising the short and long-term environmental, social, and cultural integrity of destinations.

However, the post-1994 policies and strategies have not been able to transform the tourism sector.

(a) Rebranding

In the recent past, the tourism industry in South Africa has been tarnished and stifled by several challenges. These include, but are not limited to, a decrease in international arrivals; lack of transformation; a restrictive visa regime and visa processing issues; safety and security concerns; inappropriate wildlife interaction; and concerns about the country's policy of land expropriation without compensation. Rebranding entails how these challenges can be used as opportunities to grow the tourism sector.

There is a need for interventions at a country, regional, and international levels to rebrand South Africa. These should include decisive actions on easing and modernising the visa regime, public relations activations to deal with negative perceptions of crime and safety, and generally enhancing destination competitiveness. This needs a whole government approach with all relevant government departments and the private sector playing their respective roles.

(b) Repositioning

Rebranding opportunities become repositioning opportunities. This may be done through areas such as improving airlift, providing a world-class visa regime, competitive tourist packages, and value for money and a cost-effective destination. Tourism development and marketing in South Africa has always prioritised international tourism at the expense of domestic tourism. In recent years, the Department of Tourism has always transferred an average of 53 percent of its budget to South African Tourism for marketing. This 53 percent budget has increased the gap and made the sector more untransformed. This is because the marketing function of South African Tourism brings tourists to the country who still engage in the traditional tourism activities similar to the apartheid era. The tourists use establishments that are owned and operated by the previously advantaged sectors of society.

In repositioning tourism, the Committee adopted a philosophy that the budget of the Department of Tourism should strive to create and support new entrants in the tourism sector and reinvigorate the existing failing projects without compromising the potential of the existing tourism businesses. In this regard, the Department of Tourism and South African Tourism should use their allocated budget, and work with other stakeholders to categorise and provide appropriate support to the following categories of tourism enterprises:

- World class developed attractions;
- Developing attractions; and
- New attractions.

A focussed approach on repositioning tourism development should therefore facilitate strategies that deal with the gap between the developed, developing, and new tourism enterprises in the country.

#### (c) Renewal

Renewal will be a culmination of effective implementation of repositioning and rebranding strategies. Given the imbalances of the past and the perceptions around tourism, the sector needs an injection of rigorous strategies that will facilitate a new trajectory of a positive growth path. This rests on enhancing intergovernmental relations. The Committee strengthened inter-governmental relations, cooperation and support by various government departments and relevant portfolio committees. The Committee adopted what it called the “Spokes of the Bicycle Approach” where it advocated for every relevant department, which contributes to a tourism mandate, to have focused programmes to create a conducive environment for tourism development and growth. Renewal also entails a pact with the private sector, working closely with the Tourism Business Council of South Africa to carve new partnerships between government and industry.

### **1.3.3 The Legislative Tourism Oversight Forum**

The 6<sup>th</sup> Parliament Portfolio Committee on Tourism realised that the modus operandi of tourism oversight, in the past, had limited the growth of the tourism sector in the country and compromised South Africa as a preferred tourism destination. It was, therefore identified as a critical success factor, that the Legislative Sector at national and provincial level, and municipal councils, should collaborate and cooperate on some identified issues to strengthen oversight. Given that the tourism sector has a myriad of issues that need urgent attention, the Committee adopted a Legislative Tourism Oversight Forum (LETOFO) framework that intends to involve provincial legislatures and municipalities as an integral part of its oversight work. This is meant to harness the energies of all tourism stakeholders to ensure that South Africa takes its rightful place in the global community and that all barriers to tourism growth are eradicated. The LETOFO included the Chairperson of the Portfolio Committee of Tourism in Parliament and all Chairpersons of provincial portfolio committees and municipal council chairpersons responsible for tourism. This mirrored the MinMec arrangement of the Executive arm of the state.

### **1.4 Purpose of the report**

The purpose of this report is to provide an account of the Portfolio Committee on Tourism’s work during the 6<sup>th</sup> Parliament and to inform the members of the new Parliament of key outstanding issues pertaining to the oversight and legislative programme of the Department of Tourism and its entity.

The report also provides an overview of the activities the Committee undertook during the 6<sup>th</sup> Parliament, the outcome of key activities, as well as any challenges that emerged during the period under review and issues that should be considered for follow up during the 7<sup>th</sup> Parliament. It

summarises the key issues for follow-up and concludes with recommendations to strengthen operational and procedural processes to enhance the Committee’s oversight and legislative roles in the future.

## 2. Key statistics

The table below provides an overview of the number of meetings held, legislation and international agreements processed, and the number of oversight trips and study tours undertaken by the Committee, as well as any statutory appointments the Committee made, during the 6<sup>th</sup> Parliament:

Activity	2019/20	2020/21	2021/22	2022/23	2023/24	Total
Meetings held	20	29	19	27	18	113
Legislation processed	0	0	0	0	0	0
Oversight trips undertaken	1	0	0	3	1	5
Study tours undertaken	0	0	0	0	1	1
International agreements processed	0	0	0	0	0	0
Statutory appointments made	0	0	0	0	0	0
Interventions considered	0	0	0	0	0	0
Petitions considered	0	0	0	0	0	0

## 3. Stakeholders

The Committee worked with several stakeholders that enhanced the oversight over the Department of Tourism and developments in that sector at large. The stakeholders involved can be grouped as follows:

- Government departments
- Government agencies
- Private sector
- Tourism associations
- Labour organisations
- Tourism institutes
- Institutions of higher learning

## 4. Briefings and/or public hearings

The Committee met several stakeholders during the oversight visits and meetings with the Department and SA Tourism. Some of the issues raised included, but were not limited to, tourist safety; establishment of a tourism oversight forum (LETOFO); state of transformation in the tourism sector; market investment framework and markets for investment; implementation of tourism programmes in rural areas; process of bidding for events and extending it to peri-urban destinations; making grading free but compulsory; tourism development in villages, townships and small

dorpies; intergovernmental relations; strengthening brand equity; coordinating marketing activities; enhancement of the airlift; effective and efficient implementation of tourism infrastructure projects; improvement of basic infrastructure at tourist sites and destinations such as signage; improving the country's visa regime to ensure efficient access by both international and regional markets; more efficient management of budget to ensure expenditure correlates with performance; efficient use of TOMSA levy in the marketing of the country; improved collaboration between SA Missions and South African Tourism; effective operations of South African Tourism international operations; improving transformation trends in the sector; review of Tourism White Paper and amendment of tourism legislation to cater for new market trends; efficient disbursement of Tourism Equity Fund; enhance niche tourism development opportunities; strengthening domestic tourism as an important market for economic development and growth; sustainable tourism development; improve audit findings; capacitate tourism staff for the implementation of infrastructure projects; align strategies; ensure funding of tourism at municipal level; align marketing plans with provincial tourism authorities; ensure the sustainability of community-based tourism projects; improve women representation at senior management levels; ensure the inclusion of people with disabilities at all levels of employment in institutions; improve governance at both institutions.

During the 6<sup>th</sup> Parliamentary term, the following Committee meetings were held to respond to some of the above challenges:

#### **4.1 2019/20**

For the period 2019/20, the Committee held the following meetings:

- 4.1.1 Tuesday, 13 February – State of the Nation Address impact on the tourism sector
- 4.1.2 Tuesday, 27 February – Briefing by the Department of Tourism on *Second Quarter and Third Quarter Performance Reports of 2018/2019*.
- 4.1.3 Tuesday, 6 March – Briefing by South African Tourism on *Second Quarter and Third Quarter Performance Reports of 2018/2019*.
- 4.1.4 Tuesday, 2 July – Election of Committee Chairperson and adoption of Committee Programme.
- 4.1.5 Wednesday, 3 July – Briefing by the Department of Tourism on *2019/20 Annual Performance Plan*.
- 4.1.6 Thursday, 4 July – Briefing by South African Tourism on *2019/20 Annual Performance Plan*.
- 4.1.7 Tuesday, 9 July – Consideration of *Draft Committee Report on Budget Vote No. 33 – Tourism*.
- 4.1.8 Tuesday, 20 August – Consideration of *Draft Committee Legacy Report and Tourism Sector Analysis*.
- 4.1.9 Tuesday, 27 August – Joint Consultative Workshop on *Tourist Safety and Security in South Africa*.
- 4.1.10 Tuesday, 3 September – Briefing by South African Tourism on *Fourth Quarter Performance Report of 2018/19*.
- 4.1.11 Tuesday, 10 September – Briefing by Department of Tourism on *Fourth Quarter Performance Report of 2018/19*.
- 4.1.12 Tuesday, 17 September – Committee Internal Work (*Consideration of Draft Concept Paper on Tourism Oversight Forum; Committee Programme; Preparations for World Tourism Celebrations*)
- 4.1.13 Tuesday, 8 October – Briefing by Auditor-General of South Africa on *Tourism Audit Outcomes*; Briefing by Department of Tourism on *2018/19 Annual Performance Report*.
- 4.1.14 Wednesday, 9 October – Briefing by South African Tourism on *2018/19 Annual Performance Report*.
- 4.1.15 Tuesday, 15 October – Consideration of 2018 *Draft Committee Budgetary Review and Recommendation Report*; Consideration of *Draft Howick Oversight Report, 2019*.
- 4.1.16 Tuesday, 22 October – Briefing by Department of Tourism of *National Tourism Sector Strategy*.
- 4.1.17 Tuesday, 29 October – Briefing by Tourism B-BBEE Charter Council on the *State of Transformation in the Tourism Sector*.
- 4.1.18 Tuesday, 5 November – Briefing by Tourism Grading Council of SA on the *Tourism Grading System* in the country.
- 4.1.19 Tuesday, 12 November - Briefing by Department of Tourism on *Rural Tourism Strategy Implementation Programmes*.
- 4.1.20 Tuesday, 19 November - Briefing by South African Tourism on its *Marketing Investment Framework*.

- 4.1.21 Tuesday, 26 November – Briefing by South African National Convention Bureau on the *bid process and the geographic spread of business events*.
- 4.1.22 Tuesday, 3 December – Committee launch of the *Legislature Tourism Oversight Forum (LETOFO)*.

## **4.2 2020/21**

For the period 2020/21, the Committee held the following meetings:

- 4.2.1 Tuesday, 4 February – Briefing by the Department of Tourism on its *2019/20 Second Quarter Performance Report*.
- 4.2.2 Tuesday, 18 February – Committee Internal Considerations (*Impact of SONA on Tourism sector; Committee Programme*).
- 4.2.3 Tuesday, 25 February – Briefing by the Chinese Consul-General on the *impact of the COVID-19 impact and its implications for the tourism sector*. Briefing by the Department of Tourism: *National Registrar of Tourist Guides on compliance with legislation and other programmes*.
- 4.2.4 Tuesday, 3 March – Briefing by National House of Traditional Leaders on the *state of tourism in rural areas*.
- 4.2.5 Tuesday, 10 March - Briefing by Brand South Africa on its *mandate, activities, and programmes in relation to tourism development*.
- 4.2.6 Tuesday, 17 March – Briefing by South African Tourism on its *2019/20 Second and Third Quarter Performance Reports*. Briefing by EMS Foundation on the *breeding of lions in captivity* and the associated reputational risk for the tourism sector.
- 4.2.7 Tuesday, 4 May – Briefing by Department of Tourism on the *impact of the COVID-19 pandemic to the tourism industry* and the mitigating measures initiated by the Department.
- 4.2.8 Tuesday, 11 May – Briefing by Department of Tourism requesting the *withdrawal of 2020/21 Strategic Plan and Annual Performance Plan* for both the Department and its entity South African Tourism.
- 4.2.9 Tuesday, 26 May – Briefing by Department of Tourism on its *2020/21 Annual Performance Plan*.
- 4.2.10 Wednesday, 27 May – Briefing by South African Tourism on its *2020/21 Annual Performance Plan*.
- 4.2.11 Tuesday, 2 June – Consideration of Draft Committee *Report on Budget Vote No. 38 – Tourism*.
- 4.2.12 Tuesday, 9 June – Briefing by the TBCSA on the *COVID-19 Risk Adjusted Strategy*.
- 4.2.13 Tuesday, 24 June – Legislature’s Tourism Oversight Forum meeting on the *State of Tourism in Rural Areas*.
- 4.2.14 Tuesday, 9 July – Briefing by the Department of Tourism on the *2020/21 Adjusted Budget*.
- 4.2.15 Tuesday, 14 July – Briefing by South African Tourism on *2020/21 Special Adjustments Budget*.
- 4.2.16 Thursday, 16 July – Consideration of Draft Committee Report on *Adjustment Budget Vote No. 38 – Tourism*.
- 4.2.17 Tuesday, 28 July – Briefing by the Department of Tourism on its *2019/20 Third and Fourth Quarter Performance Reports*.
- 4.2.18 Tuesday, 18 August – Briefing by the South African Women in Tourism on *Women in Tourism Programmes*.
- 4.2.19 Tuesday, 25 August – Briefing by South African Tourism on its *2019/20 Fourth Quarter Performance Report*.
- 4.2.20 Tuesday, 1 September – Consideration of Draft Committee Report on Strategies to expedite *transformation in the tourism sector*.
- 4.2.21 Tuesday, 6 October – Briefing by Department of Tourism on its *2020/21 First Quarter Performance Report*.
- 4.2.22 Tuesday, 13 October – Briefing by South African Tourism on its *2020/21 First Quarter Performance Report*.
- 4.2.23 Tuesday, 20 October – Briefing by CATHSSETA on its *training programmes in the tourism sector*.
- 4.2.24 Tuesday, 27 October – Briefing by the Board of Airline Representatives of South Africa on *airlift and aviation issues affecting the tourism sector*.
- 4.2.25 Tuesday, 3 November – Briefing by the *National Federation of Tourist Guides Association* on activities and issues affecting the tourism sector.



- 4.2.26 Tuesday, 10 November – Briefing by Department of Tourism on its *2019/20 Annual Performance Report*.
- 4.2.27 Wednesday, 11 November – Briefing by South African Tourism on its *2019/20 Annual Performance Report*.
- 4.2.28 Tuesday, 17 November – Consideration of Draft Committee *Budgetary Review and Recommendations Report*.
- 4.2.29 Tuesday, 24 November – Briefing by COGTA on the *State of Tourism at Local Government Level*.

### **4.3 2021/22**

For the period 2021/22, the Committee held the following meetings:

- 4.3.1 Tuesday, 2 February – Consideration and adoption of *First Term Committee Programme*.
- 4.3.2 Tuesday, 16 February – Briefing by Department of Tourism and SEFA on the *Tourism Equity Fund*.
- 4.3.3 Tuesday, 23 February – Briefing by the *Tourism Business Council of South Africa* on new developments in the tourism sector.
- 4.3.4 Tuesday, 2 March - Briefing by Department of Tourism on its *2020/21 Second and Third Quarter Performance Reports*.
- 4.3.5 Tuesday, 9 March – Briefing by South African Tourism on its *2020/21 Second and Third Quarter Performance Reports*.
- 4.3.6 Tuesday, 4 May – Briefing by Department of Tourism on its *2021/22 Annual Performance Plan*.
- 4.3.7 Wednesday, 5 May – Briefing by South African Tourism on its *2021/22 Annual Performance Plan*.
- 4.3.8 Tuesday, 11 May – Consideration of Draft *Committee Budget Report Vote No. 38 – Tourism*.
- 4.3.9 Tuesday, 1 June – Briefing by Banking Association South Africa on the *support provided by the banking sector to the tourism sector*.
- 4.3.10 Tuesday, 17 August – Briefing by Department of Tourism on its *2020/21 Fourth Quarter Performance Report*.
- 4.3.11 Tuesday, 24 August - Briefing by South African Tourism on its *2020/21 First Quarter Performance Report*.
- 4.3.12 Tuesday, 31 August – Briefing by Tourism Review Panel on the *Review of the White Paper on Tourism Development*.
- 4.3.13 Tuesday, 7 September – Election of Committee Chairperson.  
Briefing by *Tourism Transformation Council of South Africa* on its activities.
- 4.3.14 Tuesday, 9 November – Briefing by Department of Tourism on its *2020/21 Annual Performance Report*.
- 4.3.15 Tuesday, 16 November – Briefing by South African Tourism on its *2020/21 Annual Performance Report*.
- 4.3.16 Tuesday, 23 November – Consideration of Draft Committee *Budgetary Review and Recommendations Report*.
- 4.3.17 Tuesday, 30 November – Briefing by the Department of Employment and Labour on *employment patterns in the tourism sector and migration trends*.
- 4.3.18 Tuesday, 7 December – Consideration and adoption of *Committee 2022 First Term Programme*.

### **4.4 2022/23**

For the period 2022/23, the Committee held the following meetings:

- 4.4.1 Tuesday, 25 January – Briefing by Department of Tourism on *2020/21 Audit Outcomes* and audit improvement report on South African Tourism.
- 4.4.2 Tuesday, 1 February – Briefing by Department of Tourism on its *2021/22 First and Second Quarter Performance Reports*.
- 4.4.3 Tuesday, 8 February – Briefing by South African Tourism on its *2021/22 First and Second Quarter Performance Reports*.
- 4.4.4 Tuesday, 15 February – Consideration by the Committee of the *State of the Nation Address* implications for the tourism sector.
- 4.4.5 Tuesday, 22 February – Briefing by Department of Tourism on the *Centralised Database and Provincial Databases of Tour Guides*.
- 4.4.6 Tuesday, 1 March – Briefing by Department of Tourism on its *infrastructure projects*.
- 4.4.7 Tuesday, 8 March – Briefing by Department of Tourism’s *Audit and Risk Committee on the Department’s Audit Action Plan*.
- 4.4.8 Tuesday, 15 March – Briefing by the Tourism Business Council of South Africa on the *Current State of Affairs in the tourism sector*.
- 4.4.9 Tuesday, 22 March – Consideration by Committee of its *Draft Strategic Plan and Annual Performance Plan*.

- 4.4.10 Tuesday, 29 March – Consideration (ongoing) by Committee of its *Strategic Plan and Annual Performance Plan*.
- 4.4.11 Tuesday, 3 May – Briefing by Department of Tourism on its *2022/23 Annual Performance Plan*.
- 4.4.12 Tuesday, 10 May – Briefing by South African Tourism on its *2022/23 Annual Performance Plan*.
- 4.4.13 Tuesday, 17 May – Consideration by Committee of *Draft Tourism Budget Vote 38*.
- 4.4.14 Tuesday, 31 May – Adoption of Committee *2022/23 Annual Performance Plan and Strategic Plan*.
- 4.4.15 Tuesday, 7 June – Briefing by Department of Tourism on its *Infrastructure Projects and Memorandum of Agreement signed with the Development Bank of Southern Africa*.
- 4.4.16 Tuesday, 23 August – Briefing by Intercape Bus Service on *taxi violence and ongoing attacks on long-distance bus services*.
- 4.4.17 Tuesday, 30 August – Briefing by Department of Tourism on its *2021/22 Third and Fourth Quarter Performance Reports*.
- 4.4.18 Tuesday, 6 September – Briefing by South African Tourism on its *2021/22 Third and Fourth Quarter Performance Reports*.
- 4.4.19 Tuesday, 13 September – Briefing by Department of Transport on *national intervention to prevent attacks on long-distance bus operators*.
- 4.4.20 Tuesday, 20 September – Briefing by Department of South African Police Services on *national intervention to prevent attacks on long-distance bus operators*.
- 4.4.21 Tuesday, 11 October – Briefing by Auditor-General of South Africa on the *Tourism Portfolio audit outcomes*.  
Briefing by Department of Tourism on its *2021/22 Annual Performance Report*.
- 4.4.22 Tuesday, 18 October – Briefing by South African Tourism on its *2021/22 Annual Performance Report*.
- 4.4.23 Tuesday, 25 October – Consideration of the Draft Committee *Budget Review and Recommendations Report*.
- 4.4.24 Tuesday, 1 November – Briefing by Department of Tourism on *merger between Brand SA and South African Tourism* (postponed).
- 4.4.25 Tuesday, 8 November – Briefing by Department of Tourism on South African Tourism Board, *progress on Policy Review Process, SA Tourism and Brand SA merger* (postponed).
- 4.4.26 Tuesday, 15 November – Briefing by Department of Tourism on its *2022/23 First and Second Quarter Performance Reports, SA Tourism New Board, merger between SA Tourism and Brand SA and timeframes of Policy Review Process* (postponed).
- 4.4.27 Tuesday, 22 November – Briefing by Department of Tourism on *SA Tourism New Board, merger between SA Tourism and Brand SA and timeframes of Policy Review Process* (postponed).
- 4.4.28 Tuesday, 29 November – Briefing by South African Tourism on its *2022/23 First and Second Quarter Performance Reports*.

#### **4.5 2023/24**

For the period 2023/24, the Committee held the following meetings:

- 4.5.1 Tuesday, 7 February – Briefing by South African Tourism on *Tottenham Hotspur sponsorship deal*.
- 4.5.2 Tuesday, 21 February – Briefing by Department of Tourism on the Legitimacy of the *South African Tourism Board*.
- 4.5.3 Tuesday, 2 May – Briefing by Department of Tourism on its *2023/24 Annual Performance Plan*.
- 4.5.4 Tuesday, 9 May – Briefing by South African Tourism on its *2023/24 Annual Performance Plan*.
- 4.5.5 Tuesday, 16 May – Consideration of the Draft Committee *2023/24 Budget Report Vote 38 – Tourism*.
- 4.5.6 Tuesday, 23 May - Briefing by South African Tourism on its *2023/24 Annual Performance Plan*.
- 4.5.7 Tuesday, 30 May – Briefing by the Department of Tourism on the *White Paper on Tourism Review Process* (Green Paper).
- 4.5.8 Tuesday, 6 June – Briefing by the Department of Tourism on its *2022/23 First and Second Quarter Performance Reports* (postponed).
- 4.5.9 Tuesday, 13 June – Briefing by South African Tourism on its *2022/23 First Quarter Performance Report*.  
Briefing by the Development Bank of Southern Africa on the *Tourism Infrastructure Projects*.

- 4.5.10 Tuesday, 29 August – Briefing by the Department of Tourism on all its *Four Quarters Performance Reports*.
- 4.5.11 Tuesday, 5 September – Briefing by South African Tourism on its *2022/23 Quarter Three and Four Performance Reports*.
- 4.5.12 Tuesday, 19 September – Briefing by National Heritage Monument on the *Long March to Freedom Statues* at Century City. Briefing by Department of Tourism on its implementation of *BRRR and Oversight Reports*.
- 4.5.13 Tuesday, 10 October – Briefing by Department of Tourism on its *2022/23 Annual Performance Report*.
- 4.5.14 Tuesday, 17 October – Briefing by Department of Tourism on its *2022/23 Annual Performance Report*.
- 4.5.15 Tuesday, 24 October – Briefing by Department of Tourism on its *2023/24 First Quarter Performance Report*.
- 4.5.16 Tuesday, 31 October – Briefing by South African Tourism on its *2023/24 First Quarter Performance Report*.
- 4.5.17 Tuesday, 14 November - Briefing by South African Tourism on its *2023/24 Second Quarter Performance Report*.
- 4.5.18 Tuesday, 21 November - Briefing by Department of Tourism on its *2023/24 Second Quarter Performance Report*.
- 4.5.19 Tuesday, 7 December – Consideration of Draft Committee Minutes.

## 5. Legislation

For the period under review, no legislation was processed by the Committee.

### a) Issues for follow-up

The 7<sup>th</sup> Parliament should consider following up on the following concerns that arose:

- Introduction of Tourism Amendment Bill to Parliament.
- Monitoring of the Entity – staffing, procurement, performance vs spending etc.
- Alignment of the National Tourism sector strategy and the 2023 Tourism Master Plan.
- New mechanisms or corrections to challenges.
- Implementation of Auditor-General’s findings.
- Implementation and operation of tourism infrastructure projects.
- Prioritisation of domestic tourism.
- Appointment of new Tourism Transformation Council members.

## 6. Oversight trips undertaken

The following oversight trips were undertaken:

Date	Area Visited	Objective	Committee Observations	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
26 – 28 September 2019	Howick Falls and Mpophomeni, KZN	To honour an invitation extended by the Minister of Tourism for the Committee to attend the World Tourism Day	<ul style="list-style-type: none"> <li>• Poor maintenance of tourist attractions at Howick Falls.</li> <li>• Unattended</li> </ul>	<ul style="list-style-type: none"> <li>• Develop the Howick Falls Precinct Development Plan and</li> </ul>	The Committee received responses from the Umngeni Local	The Committee still awaits responses from the	Report adopted by the House (ATC No. 191104)

Date	Area Visited	Objective	Committee Observations	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
		<p>celebrations at the Nelson Mandela Capture Site. The granted approval included conducting oversight in Howick.</p>	<p>community requests to municipality for intervention in the maintenance of the area.</p> <ul style="list-style-type: none"> <li>• Urgent need to uplift security in Howick Falls precinct.</li> <li>• Poor communication between Umngeni Municipality and organised tourism businesses.</li> <li>• Unrealised potential for Mpophomeni Tourism.</li> </ul>	<p>provide the feedback report on the execution of the Plan, and report to Parliament every quarter.</p> <ul style="list-style-type: none"> <li>• Provide monthly progress reports to all affected tourism stakeholders, including Parliament.</li> <li>• Develop the Transformation Oversight Intensification Action Plan.</li> <li>• Feedback on the plan to declare Howick Falls as National Heritage Site.</li> </ul> <p>Avail RDP houses for the resettlement of the informal community currently residing in the Howick Falls precinct.</p>	<p>municipality and the Department of Tourism.</p>	<p>Umgungundlovu District Municipality and the province.</p> <p>A follow-up visit to the site is outstanding.</p>	

Date	Area Visited	Objective	Committee Observations	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
29 March 2022	The Spade Boutique Hotel and Spa, Khayelitsha, Cape Town	To assess township tourism development in the Western Cape.  To review the 5-year Strategic Plan and develop the Annual Performance Plan of the Committee.	<ul style="list-style-type: none"> <li>The facility is well established and operated professionally.</li> <li>The facility needs more exposure through marketing.</li> <li>The lack of visible policing in the vicinity of the facility poses danger to tourists.</li> </ul>	South African Tourism should assist in marketing the facility.	No response received.	Inclusion of the facility in the Hidden Gems marketing strategy of South African Tourism.	Strategic Plan and Annual Performance Plan were adopted by the Committee.
19-22 April 2022	Vhembe District, Limpopo	To assess the state of tourism infrastructure projects in the Vhembe and Mopani District Municipalities being implemented by the Department of Tourism.	<ul style="list-style-type: none"> <li>Road conditions are not conducive for tourism development.</li> <li>Poor road signage for tourism facilities.</li> <li>Poor coordination between government spheres in relation to tourism infrastructure projects.</li> <li>Neglect and vandalism of tourism projects</li> </ul>	The Minister of Tourism to: <ul style="list-style-type: none"> <li>Appraise Cabinet colleagues about the state of disrepair and poor maintenance of the roads in Limpopo province and urge the national, provincial and local road authorities to ensure that</li> </ul>	The Department tabled a response to the Committee on 19 September 2023.	A follow-up visit to the sites is outstanding.	Report adopted by the House (ATC No. 20220512)

Date	Area Visited	Objective	Committee Observations	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			such as Ngovhe Lodge.	<p>the roads falling in their jurisdictions are properly maintained.</p> <ul style="list-style-type: none"> <li>• Urge Cabinet counterparts to provide and improve road signage in the Limpopo Province, both green road signage and brown tourism signage.</li> <li>• Implement deliberate and conscientious interventions to foster and improve intergovernmental relations amongst the three spheres of government in tourism projects implemented in Limpopo Province.</li> <li>• Incorporate all the tourism projects implemented</li> </ul>			

Date	Area Visited	Objective	Committee Observations	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
				<p>in Limpopo Province in the District Development Model to harness full project support for all the projects implemented in the province.</p>			
31 November 2022	Robben Island Museum and Long March to Freedom Attraction Site, Canal Walk, Century City	<p>Assess the contribution of historical tourist attractions to heritage tourism development in Western Cape.</p> <p>Investigate the level of support provided to heritage tourism sites by various government departments and entities.</p>	<p>The Restaurant and Visitor Centre have been funded by the Department of Tourism as part of memorisation project. The improvement of the facility is necessary to enhance tourist experience at the Island. There is a need for price differentiation charges between local and international tourists. This may include specific periods where people are encouraged to access cultural and heritage attractions at</p>	<p>At a cooperative governance level, the Minister of Tourism should facilitate convening a joint session between the Department of Sports, Arts and Culture, Department of Transport, the Department of Environmental Affairs, and the Department of Tourism to work closely to look into other issues relating to the Oceans Economy.</p> <p>The Department</p>	No responses received from the Department of Tourism.	Need to follow up with the Department on recommendations made.	

Date	Area Visited	Objective	Committee Observations	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<p>reduced prices.</p> <p>On the guiding services, the facility should be able to keep up with the demand and carrying capacity. The Visitor Management Plan has to be developed to deal with all the related carrying capacity issues.</p> <p>There is a need for conducting extensive marketing campaigns and having a special regime for senior citizens, schools and other vulnerable groups and concessions. This will ensure that the number of domestic visitors to the Robben Island Museum increases.</p> <p>Regarding the Long March to Freedom, the Committee observed that the attraction site is underutilised at the moment. The full</p>	<p>of Tourism should ensure that tourist guides are given proper training to enable them to provide a proper narrative at the Heritage and Cultural Sites.</p> <p>The Minister should engage the Minister of Sports, Arts and Culture to ensure that the Department of Sports, Arts and Culture ensures that Robben Island Museum and other sites of significance are accessible and affordable to all South Africans throughout the country.</p> <p>The Department of Sports, Arts and Culture; Department of Basic Education; Public Works and Infrastructure; and Department of</p>			



Date	Area Visited	Objective	Committee Observations	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			potential of the attraction is not fully actualised.	<p>Tourism should convene and invite directors of National Heritage Project to address the joint session.</p> <p>The Minister of Tourism should engage the Minister of Sports, Arts and Culture to ensure that the concessions for operating the vessels that service the Robben Island Museum should embrace the Broad-Based Black Empowerment Act imperatives, and be more inclined towards Black women and youth.</p>			
18-21 April 2023	North-West Province	<p>To conduct oversight on:</p> <ul style="list-style-type: none"> <li>Investment projects funded by the private sector and where the Department plays a facilitation role;</li> </ul>	<p>Women in Tourism</p> <ul style="list-style-type: none"> <li>Illegal businesses should be managed through Municipal bylaws.</li> <li>Illegal</li> </ul>	<ul style="list-style-type: none"> <li>For the Department to explore the option of employing a senior person with expertise</li> </ul>	Still awaiting responses from relevant stakeholders.	A follow-up visit to the sites is outstanding.	Report adopted by the House (ATC No. 230519)

Date	Area Visited	Objective	Committee Observations	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
		<ul style="list-style-type: none"> <li>The implementation of infrastructure projects by the Department;</li> <li>Projects supported through the Green Tourism Incentive Programme; and</li> <li>Training and enterprise development programmes supporting Women in Tourism and youth.</li> </ul>	<p>accommodation establishments must be reported to SAPS.</p> <ul style="list-style-type: none"> <li>Lack of support for women-owned products.</li> <li>Poor road maintenance affects businesses.</li> </ul> <p>Infrastructure projects:</p> <ul style="list-style-type: none"> <li>Several issues were raised on the Legaga La Nkwe Game Lodge that must be addressed (e.g. EIA approvals not yet obtained; lack of community involvement; hunting and destination image).</li> <li>Issues observed about Manyane Game Lodge (e.g. vandalism; lack of community participation in project</li> </ul>	<p>in the built environment to assist it in managing the implementation of infrastructure projects.</p> <ul style="list-style-type: none"> <li>For the Department to engage the municipalities, provincial and national authorities responsible for proving signage to erect necessary tourism signage throughout the North West province, especially pointing to local tourism sites.</li> <li>For the Department to engage the North West provincial</li> </ul>			

Date	Area Visited	Objective	Committee Observations	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<p>conceptualisation ; forensic reports not tabled to Committee); certificates and ID documents of beneficiaries found on the vandalised site and training not appropriate to infrastructure projects; EPWP funds reallocated to buildings and not for community empowerment.</p> <ul style="list-style-type: none"> <li>• Issues raised on Lotlamoreng Dam (need for improved intergovernmental coordination and collaboration; heritage site declaration of Credo Mutwa site and Anglo-Boer War concentration camp; need for improved community participation)</li> </ul>	<p>government and the South African Local Government Association on the importance for municipalities to develop bylaws to regulate illegal tourism businesses and other factors that affect local tourism, such as noise levels around tourism establishments.</p>			

**7. Study tour undertaken.**

The following study tour was undertaken:

<b>Date</b>	<b>Places Visited</b>	<b>Objective</b>	<b>Lessons Learned</b>	<b>Status of Report</b>
25 June – 3 July 2023	Guangzhou City, Guangdong Sheng Province, China	The objective of the study tour was to empower members of the Committee with pertinent information and for them to gain an international perspective on strategies for domestic tourism development and growth, keeping accurate tourism statistics for planning and strategies on tourism recovery post-COVID-19 in the city of Guangzhou, China.	<p>Obtaining a South African visa is increasingly difficult, Visa applications, are met with delayed responses, by which time, in most cases, the purpose of the visit would have elapsed. This is affecting the number of tourists flowing to South Africa.</p> <p>A number of engagements were held providing a fresh perspective on how South African Tourism operates, especially in its international offices abroad.</p> <p>The Minister of Tourism should collaborate with the Minister of Home Affairs to resolve and simplify the visa regime for South Africa.</p> <p>In the long-term, the Minister of Tourism should ensure that the Department of Tourism and South African Tourism facilitate the growth of domestic tourism in the country, which is a dominant market in China and continues to keep the country's sector afloat post-COVID.</p>	Submitted to Committee Section

**8. International Agreements:**

No international agreements were processed by the Committee in the 6<sup>th</sup> Parliament.

## **9. Statutory appointments**

No statutory appointments were made. However, it should be noted that the Minister of Tourism appointed a three-member interim Board for South African Tourism in 2023.

On 28 February 2024, a fully-fledged Board for South African Tourism was announced by Cabinet.

### **a) Challenges emerging**

The following challenges emerged during the statutory appointments:

- Technical/operational challenges
  - The Committee was dissatisfied with the composition of the South African Tourism Interim Board.
  - The number of meetings held by the interim Board exceeded the stipulated number in the Act.
- Content-related challenges
  - The Board performed its duties and has made undertakings to follow up on issues raised by the Committee.

### **b) Issues for follow-up**

The 7<sup>th</sup> Parliament should consider following up on the following concerns that arose:

- That the current Board brings stability and addresses governance challenges at South African Tourism.
- The appointment of executive management, where there are vacancies.

## **10. Interventions**

No interventions were referred to and processed by the Committee in the 6<sup>th</sup> Parliament.

## **11. Petitions**

There were no petitions referred and processed by the Committee.

## 12. Obligations conferred on committee by legislation:

The Money Bills Procedures and Related Matters Amendment Act (Act 9 of 2009) mandates Parliament to develop the Budget Review and Recommendations Report (BRRR). The Act sets out the process that allows Parliament to make recommendations to the Minister of Finance to amend the budget of a national department. The BRRR also acts as a source document for the Standing/Select Committees on Appropriations/Finance when they make recommendations to the Houses of Parliament on the Medium-Term Budget Policy Statement (MTBPS). The comprehensive review and analysis of the previous financial year's performance, as well as performance to date, form part of this process. Several financial and non-financial recommendations were made by the Committee to the Ministers of Finance and Tourism throughout the tenure of the 6<sup>th</sup> Parliament.

### a) Challenges emerging

The following challenges emerged during the Budget Review and Recommendations Report process:

- Technical/operational challenges

The Recommendations of the Committee do not influence the Medium-Term Budget Policy Statement as the Budget Review and Recommendations Report is always adopted and published in the ATC a few days before the Minister of Finance delivers the MTBPS.

- Content-related challenges

Some of the Committee recommendations are not adequately addressed by both the Ministers of Finance and Tourism. This has resulted in the same recommendations recurring over several financial years without being resolved.

### b) Issues for follow-up

The 7<sup>th</sup> Parliament should consider following up on the following concerns that arose:

- The 7<sup>th</sup> Parliament should ensure that the Ministers of Finance and Tourism provide adequate responses to the BRRR recommendations.

## 13. Summary of outstanding issues relating to the department/entities that the committee has been grappling with

The following key issues are outstanding from the Committee's activities during the 6<sup>th</sup> Parliament:

Responsibility	Issue(s)
Department	Tabling of the Tourism Amendment Bill to Parliament

<b>Responsibility</b>	<b>Issue(s)</b>
Committee	Tracking of Committee resolutions and recommendations to the Executive

#### **14. Other matters referred by the Speaker/Chairperson**

All the matters referred to the Committee by the Speaker were dealt with in the 6<sup>th</sup> Parliament.

#### **15. Recommendations**

It is recommended that the 7<sup>th</sup> Parliament Portfolio Committee on Tourism:

- Lobby the Office of the House Chairperson for support for the Committee to conduct oversight in South Africa and abroad, as South African Tourism has offices in several international countries.
- Governance and operations at South African Tourism are stabilised (including staffing of senior executives, creation of conducive working environment and Board activities).
- The Tourism Amendment Bill is introduced and processed early in the 7<sup>th</sup> Parliament.
- Stakeholder engagement is enhanced to support the tourism sector.
- Follow up on the operation plans for infrastructure projects implemented by the Development Bank of Southern Africa on behalf of the Department of Tourism.
- Follow up on all cases opened by the Department of Tourism based on the forensic reports.
- Ensure the Department and South African Tourism implement all the recommendations made by the Auditor-General on yearly-basis.
- Centralisation of tourist guides database and harmonising of the level of appointment of Provincial Tourist Guides Registrars.

#### **16. Committee strategic plan**

The Committee developed a 5-year Strategic Plan and implemented it through the Annual Performance Plans over the tenure of the 6<sup>th</sup> Parliament. To address the Committee priority issues, the Committee set itself the following strategic objectives for the 6<sup>th</sup> Parliament:

- Ensure that the Department processes the amendment of the Tourism Act.
- Ensure that the Department speeds up transformation; enhance quality assurance through a free but compulsory grading system; and provide for improved regulation and professionalisation of tourist guides.
- Ensure that the Department implements the domestic tourism strategy.
- Ensure that the Department and South African Tourism integrate villages, townships and small dorpiés in their planning and budgeting.
- Increase the ability of the Committee to track whether issues raised by the AG are/ or have been addressed.
- Improve the effectiveness of the Committee to track the responses (consideration and acceptance) and implementation of Recommendations by the Department.

- Ensure that the Strategic Plan of both the Department and South African Tourism are aligned with the MTSF 2019 -2024.
- Ensure that the Department / South African Tourism implement and spend their budgets according to their Annual Performance Plans.
- Ensure that the Committee improves public involvement and participation in all its processes.
- Ensure that that the Department and South African Tourism improve their intergovernmental and stakeholder relations and create synergy in tourism development and marketing.

The Committee was able to implement most of the strategic issues planned for the term. However, some planned key performance indicators were not achieved due to external factors. The following key performance indicators were not achieved:

<b>Key Performance Indicator</b>	<b>Reason for variance</b>
Processing of the Tourism Amendment Bill	The National Department of Tourism did not introduce the Amendment Bill to Parliament throughout the term.
Development of the tool to track resolutions of the Committee	The Committee was informed to wait for the Tracking Mechanism that was being developed by the Committee Section.
Oversight visit to the Eastern Cape province	The Committee did not have ample time to visit all the nine provinces.

**17. Master attendance list**

The attendance list is attached as a separate document.