

Who is the NAA-SA?

The National Accommodation Association - South Africa is a non-profit national network of quality smaller accommodation providers around South Africa. With over 1,300 quality inspected members nationwide.



Association Representation

The NAA-SA is represented in three tiers.

Local, Provincial and National levels.

The Local Associations provide direct support structures.

The Provincial Associations are made up of the Local Associations and deal with provincial matters.

The National level deals with matters which effect the properties on a national and international basis.



BONDED



Associate Memberships

The NAA-SA are Associate Members of:-

Federated Hospitality Association of South Africa ("FEDHASA")

South Africa Tourism Services Association ("SATSA")

And we have a seat on the board of the Tourism Business Council of South Africa ("TBCSA").

Industry Size

According to the TGCSA - Tourism Grading Council of South Africa as at July 2010

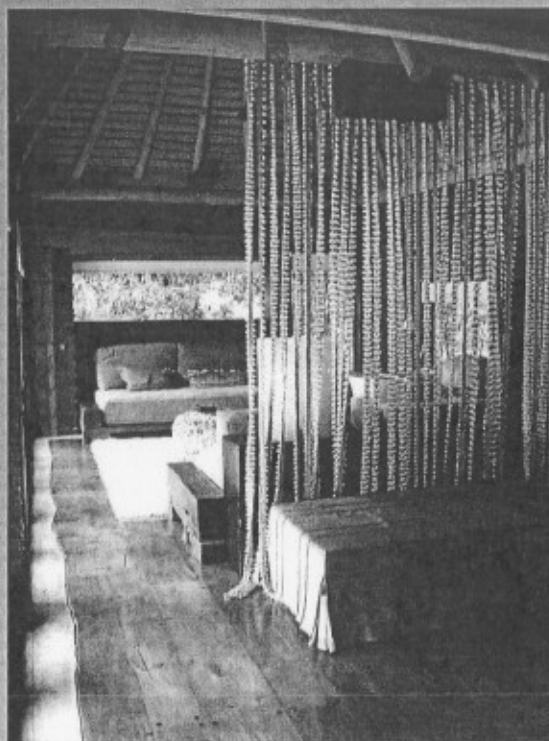
	Hotel Accomm	Non Hotel Accomm
TGCSA – Graded Establishments July 2010	43,518	67,698

The Non Hotel Accommodation industry are Generally self funded and the Hotel Groups are generally equity funded.

The Guest Houses that are graded are generally compliant.

However, there are many properties that don't have all the compliances in place as there are hindrances.

Those difficulties are due to inefficient local municipalities and access to funding.



Current Compliance Requirements

We as the NAA-SA request that all our members are compliant;

- Hospitality Insurance
- Fire Regulations,
- Samro Fees
- Sampro fees,
- TV licences,
- Public Health Certificate,
- Labour Law Compliance and the Basic Conditions of Employment Act
- Liquor Licence
- Provide management accounts
- Provisional Tax Payer
- Register with the Local and Provincial Tourism Authorities
- Get Graded with the TGCSA
- Comply with the Immigration Act by keeping a register of guests

Access to Information

Access to information to compliance issues and funding needs to be easier.

Whilst there are opportunities for access to funding;

the access to information on how to go about attaining funding is almost non-existent. DTI; TEP; NEF; IDC.

Most applicants don't meet the minimum qualifying criteria.

Most applicants aren't given enough information to make informed decisions



Access to Finance – Financial Institutions



When a Guest House Owner goes to the bank to borrow money to expand or become compliant, they first go to Home loans.

Home Loans don't quite understand the loan and then the Property owner is sent to commercial.

As it isn't quite a commercial venture they are either sent back to home loans or are advised to go to a Private Bank.

Some banks don't even want to finance Guest Houses as they don't understand the industry.

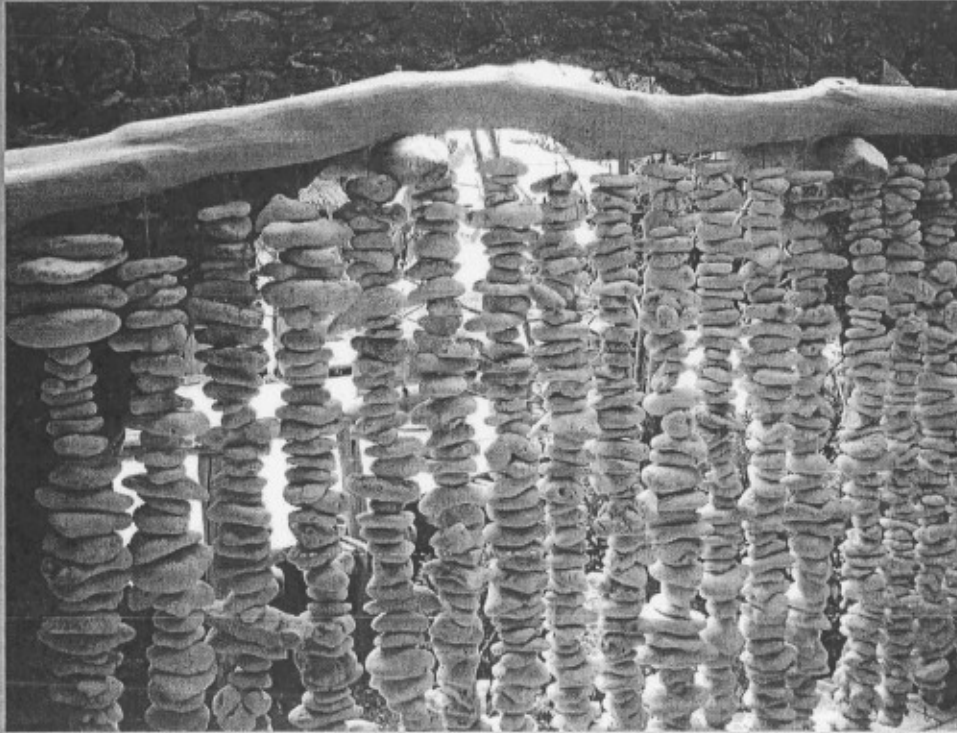


Employment

It is important to mention that most Guest Houses have an average of 5 rooms and employ on average 3 personnel.

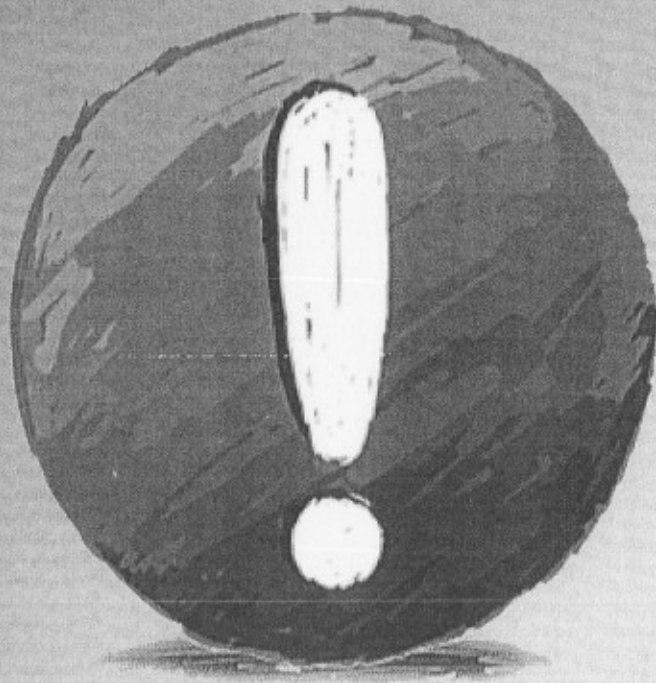
If the Graded Non Hotel Accommodation industry is 15% greater than the Hotel Industry, it is safe to say that we are one of the largest contributors to the job market in South Africa.

Sustainable Tourism



The Department of Tourism together with the SABS are in the process of finalizing a minimum criteria for Sustainable Tourism for Tourism industry.

The tourism industry has been set a challenge to become more responsible.



Green Initiatives

Use less electricity

- Light Fittings and Bulbs
- Install Solar Power Geysers
- Install Heat Pumps
- Install Inverters to store electricity

Separate Waste

- Purchase 4 Bins

Paper

Glass

Tins

Wet Waste

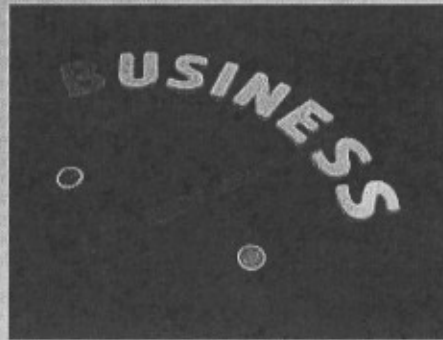
Use Water Efficiently

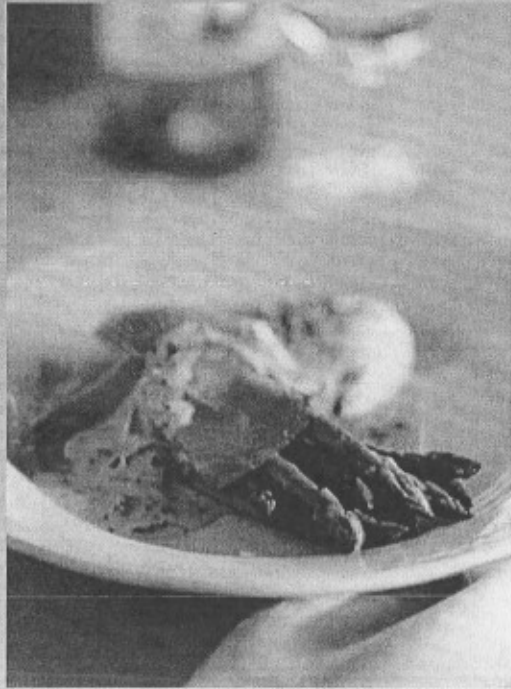
- Install Shower Heads that Save water and Electricity
- Grey Water Systems
- Rain Harvesting
- Water Collection Tanks

Sustainable Tourism Funding

We all want to play our part, to build a sustainable future, and recognize the fact that we can make a significant contribution to these initiatives.

Although there are rebates available for us to "Go Green" from certain public service companies, the time, effort and "red tape" make it almost non viable for any small business owner to contribute.





Cost of Going Green

For a small Non Hotel Accommodation property to become fully compliant with the new criteria that will be launched in April 2011, it will cost in the region of R250K+

Most property owners would be unable to finance this.

The worst of it all is the financial institutions attitude of

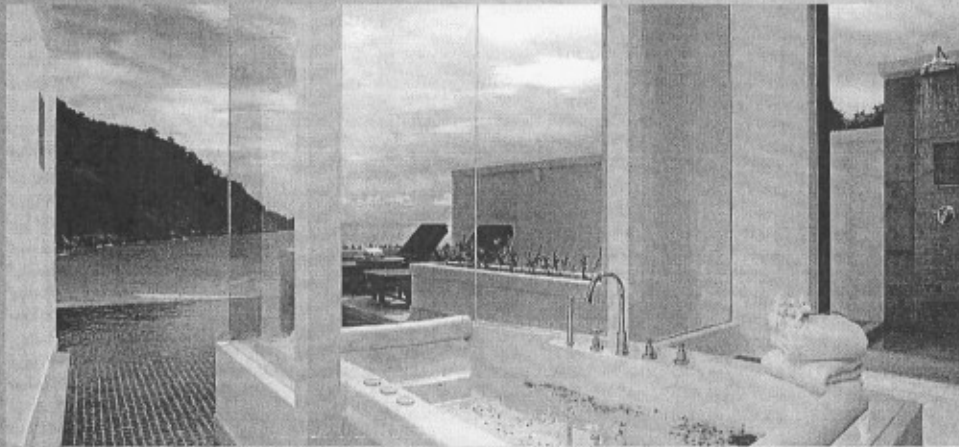
"We do not see the value in funding these initiatives"

General Funding Recommendations

Government and the Private Sector need to form stronger Public Private Partnerships (PPP), which allow for funding and financing to be made available through knowledgeable/ experienced industry programs.

We urge you to communicate with us the NAA-SA and other stakeholders in the Accommodation industry.

The NAA-SA represents a significant number of SMME's within our sector.





Role player mindset change

One of the most difficult challenges that the Non Hotel Accommodation Industry face is to be taken seriously.

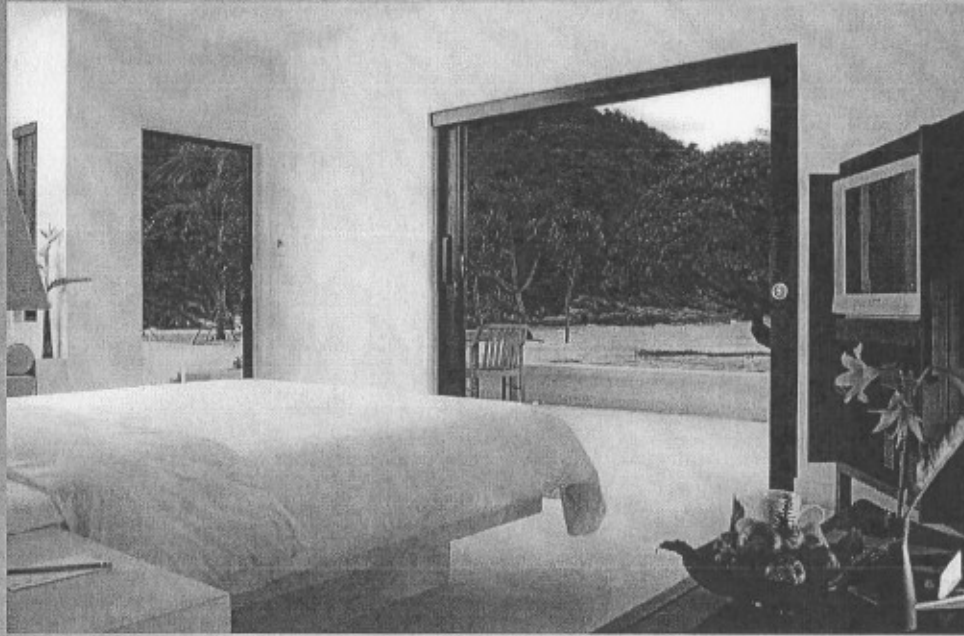
We recommend that Government Institutions together with the financial sector create a small division that understands our sector of the Hospitality and Tourism industry.



Responsible Tourism Funding

We recommend that Government and Government Institutions together with the larger banks in the banking sector create a small division that understands our sector of the Hospitality and Tourism Industry. We urge them to communicate with us.

Perhaps a special program needs to be introduced which encourages businesses to promote green initiatives throughout the sectors and the general population as a whole.



Responsible Tourism Financing Structures

We need to set structures to have access to finance in different categories:-

- >R50k
- >R100K
- >R150K
- >R200K
- >R250K+



Qualifying Criteria

Qualifying criteria need to be in place.

We urge all participants in the Sustainable and Responsible Tourism Programs as well as the DTI, IDC, TEP, NTD and Banks together with Tourism Associations such as ours the NAA-SA to communicate the way forward.

We have direct access and are the most effective means of communication.

Honorable Chairperson, Honorable committee members and esteemed Associates, on behalf of the NAA-SA we thank you for affording us the opportunity to present to the committee.

We look forward to further communication in the future.

Ms CAROLINE UNGERSBOCK
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Closing