

Implementation by the Department of Tourism of the BRRR recommendations of 2021/2022 of the Portfolio Committee on Tourism

19 September 2023

broadening horizons



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA



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Background

The Department and its entity SA Tourism briefed the Portfolio Committee on Tourism on their Annual Performance Reports of 2021/2022 respectively on 11 October and 18 October 2022.

- The Report on the Budget Review Recommendations was approved by the committee on 25 October 2022
- The Report was published in ATC no. 167 of 25 October 2022
- The report was subsequently published in the National Assembly Order Paper no 64 of 15 November 2022
- The Report was considered in the National Assembly on 15 November 2022 and agreed to as per minutes of the National Assembly dated 15 November 2022
- A letter in this regard was received from the Speaker on 24 November 2022



Generic recommendations for the Department of Tourism

9.3 It is recommended that the Minister of Tourism honours and attends all the meetings of the Committee as this is a statutory requirement that allows the Committee to exercise its oversight role effectively and for the Minister to account to Parliament accordingly

The Minister takes note and she has been attending committee meetings

It is recommended that the Minister of Tourism ensures that the Accounting Officer of the Department, The Board and Accounting Officer of SA Tourism:

9.4. Develop and maintain Audit Action Plans and implement these timeously to address audit findings.

The Department has developed a comprehensive Audit Action Plan which was signed by the Director-General on 02 September 2022 and communicated to the Executive Authority. The Audit Action Plan was also shared with the AGSA. The Action Plan is monitored through regular progress reports and management meetings .

Annexure (A) Audit Plan of the Department

Generic recommendations for the Department of Tourism

9.5. Monitor Performance and consequence management in relation to the reported findings on expenditure management as well as procurement and contract management at the Department

The Audit Action Plan of the Department is monitored through regular progress reports and management meetings. The Department also continuously monitor performance against implementation of actions emanating from previous audits and implements consequence management against wrong doing.

9.6 Impose Consequence management on all officials that flout government policies and legislations and implement preventative controls relating to Supply Chain Management and

9.7 Strengthen controls to prevent irregular , fruitless and wasteful expenditure and impose consequence management on officials who are involved in financial malfeasance.

The department has reviewed the Supply Chain and Assets Management Policies and Standard Operating Procedures (SOPs) to strengthen internal controls and enforced the implementation of the policy.

Generic recommendations for the Department of Tourism

9.8 Improve the quality of the financial statements

The quality of financial statements of the department are improved by the following processes:

- Senior Management reviewed the Annual Financial Statements information and signed-off
- Annual Financial Statements reviews are conducted by External Reviewers appointed by the Department
- Annual Financial Statements were presented to the External Audit Committee before final submission to the AGSA.

9.9. Enhance the achievement of targets and Service delivery objectives

The Department implements a Combined Quality Assurance Model for the management of Performance Information. The Model was developed as part of strengthening the Department's performance information management and restoring integrity in organisational performance information system as well as document management processes.

Generic recommendations for the Department of Tourism

9.10 Implement strategies to overcome challenges relating to underachievement of targets in the tourism portfolio.

Departmental performance is reviewed quarterly and at various levels of management and through various organisational governance structures. Remedial action plans identified and approved at Programme level are implemented and monitored.

9.11 Urgently submit and present to the Committee the audit Action Plans for the Department to ensure all the identified issues are addressed effectively and efficiently..

Annexure (A) attached



Generic recommendations for the Department of Tourism

9.12. Engage cabinet on developing a war room comprising all department that affect the mandate of the department of Tourism and/or an Inter-Ministerial Committee that will focus on crosscutting matters that effect tourism and ensure that government takes cognisance of the Travel and Tourism Index in their planning.

The Cabinet Cluster system facilitates the consideration of multi-sectoral issues such as tourism. The Department of Tourism is a standing member of both the ESEID and ICTS Clusters.

9.13 As recommended in the previous financial year, expedite the policy review process and table the Tourism Amendment Act in time to be processed and finalised by the 6th Parliament.

- Cabinet approved the Green Paper on the Development and Promotion of Tourism in South Africa for public comments on 30 August 2023
- The Green Paper was gazetted for Public Comments on 1 September 2023 for a period of 60 days.
- The updated document i.e. taking comments received during the 60 days will be submitted into the cluster system by the end of the current financial year.

Recommendations with regard to the Department of Tourism

9.14 Conduct follow up with regard to payments made to beneficiaries who did not qualify for the Tourist Guide Relief Fund and provide a comprehensive report on the recovery of the incorrectly disbursed funds.

- A high-level report has been shared by the Department with the Committee on 25 January 2022 and 8 March 2022
- The Department has been implementing a debt recovery processes for those individuals that were erroneously paid from the Tourist Guide Relief Fund (TGRF). The debt recovery process was implemented for tourist guides who, according to the AGs report, were erroneously /unduly paid whilst being employed by the state, municipality and/or municipal entity as well as who benefitted from both the TGRF and the UIF-TERS for the same period.
- Upon referring such beneficiaries to their accounting officers to implement their own rules, the matter was closed on the side of the Department. List of Accounting Officers sent to the AGSA



Recommendations with regard to the Department of Tourism

9.15 Work closely with the Minister of Police to develop effective strategies that enhance safety and security for tourist and explore the possibility of establishing Tourism Police to be deployed in tourism crime hotspots through out the country.

- The department is implementing a number of initiatives with SAPS as part of the implementation plan of the MoU signed between the two departments.
- The issue of the establishment of the Tourism Police is a matter for SAPS as it falls within their mandate.

9.16 Work with the Department of Employment and Labour to address the employment patterns in the tourism sector, ensuring citizens are given preference to foreign nationals.

Employment patterns and preferences through the determination of scarce skills is done by the Department of Employment and Labour.

9.17 Work with the Tourism Business Council of South Africa (TBCSA) to ensure foreign nationals already employed in the sector are paid according to the minimum wage applicable in the tourism sector.

Department of Employment and Labour has the mandate to set minimum wages, to monitor and enforce labour prescripts in the tourism sector.

Recommendations with regard to the Department of Tourism

9.18 Work with the National Public Transport regulator to ensure that tour operators licenses are issued timeously and that there is equity in the issuance of operating permits to advance transformation imperatives.

- The issuance of tour operating licenses is being addressed following the appointment of an interim NPTR Board to address the backlog in July 2022. Although challenges persist, it is expected that the system will stabilize as the NPTR progresses with its work. The NPTR would be guided by the relevant existing frameworks in pursuing equity goals .
- A National Public Transport Regulatory Board was subsequently appointed and the Department of Transport has confirmed that the backlog has been addressed. As part of the Red Tape Reduction work being lead by the Presidency a Tourism Operators Technical Committee consisting of Public and Private sector has been established to addresses matters relating to the tour operators licenses.
- TBCSA's, met with the Minister on her 4th day in office on the 10th of March and they tackled this issue immediately. The Minister of Tourism met with Minister of Transport, Minister Chikunga, in May to address this issue and she agreed on placing a moratorium on the harassment by law enforcement for tour operators awaiting their license renewals.
- In July this year, Minister Chikunga sent a letter to all MECs for Transport to stop unduly penalising tour operators who have applied for license renewals and are still awaiting their renewed licenses from the department. There are now around 400 licences that are still waiting to be uplifted.
- The Minister of Tourism appeals to tour operator companies, we have not yet uplifted or collected their license to do so and get back to business and I know that SATSA is assisting with this process.
- The Department of Tourism will continue to work with the Department of Transport and Operation Vulindlela and all role players to reduce red tape and create a conducive environment for ease of doing business for the sector.'

Recommendations with regard to the Department of Tourism

9.19 Ensure that all the Working for Tourism Infrastructure Projects are properly implemented *and prepare a progress report of each of them*

- The Department has sustained a dedicated focus on the continuous improvement of the implementation of infrastructure projects.
- The Department has provided regular reports on the implementation of infrastructure projects.
- The Department briefed the Committee on 1 March 2022.
- The DBSA briefed the committee on 7 June 2022
- An updated progress presentation on infrastructure projects was submitted to the committee for a meeting on 1 November 2022, but was not presented.
- The DBSA briefed the committee on 13 June 2023.
- The Department briefed the committee on 29 August 2023 on the 1-4th Quarter Performance Reports for 2022/23 and the progress of infrastructure projects were discussed.



Recommendations with regard to the Department of Tourism

9.20 Ensure that all the Tourism grading policy of the country is made free but compulsory and that this change in policy direction is captured in the new Tourism White paper in order to facilitate the standardisation quality assurance through out the sector

Options in respect of quality assurance through tourism grading are considered as part of the Policy Review Process including the implications of any proposed system such as cost implications and the feasibility of operating any proposed model.

9.21 Work with the Department of Home Affairs and other stakeholders to facilitate the introduction of Digital Nomad Visa in South Africa to modernise the tourism sector in the country to be on par with the rest of the world.

Department of Home Affairs is currently considering the introduction of a Digital Nomad Visa as part of their mandate. The President of South Africa, Cyril Ramaphosa, said in his February 2022 address to the nation that South Africa will offer this visa in the future, and is working closely with the Department of Home Affairs on the new legislation that would be required.

Recommendations with regard to the Department of Tourism

9.22 Work with the Department of Home Affairs to roll –out e-visas for many countries which form tourism markets for South Africa

The South Africa eVisa was launched in **February 2022** for travelers from 14 countries. The Department of Home Affairs (DHA) reported that the system was reviewed at the end of 2022 to deal with challenges and enhancements to the system. Accordingly, another 20 countries have been added into the e-visa system taking the tally to 34 countries. The ultimate goal is to roll-out e-visa system for all the countries that do not qualify for visa exemption and have diplomatic relations with South Africa.

9.23. Work with South African Local Associations (SALGA) and the Department of Co-operative Governance and Traditional Affairs (COGTA) on maintaining tourism infrastructure through out the country, including dealing with sewage spillage that has affected tourism in Durban.

The Department of Tourism does not have a mandate to deal with bulk infrastructure matters. Where there are serious issues of infrastructure neglect and failure that impacts on tourism facilities, we bring these matters to the attention of the relevant authority.

Recommendations with regard to the Department of Tourism

9.24 Ensure that the Incubation Programme implemented by the department goes hand in hand with programmes to formalise the informal tourism sector, particular in villages, townships and small towns/dorpies (VTSDS)

The Department implements the Long-term Enterprise Development Framework which includes incubation programmes. Incubators support the sustainable growth and development of emerging businesses focusing on VTSDs, with an emphasis on women, youth and people living with disabilities.

9.25 Explore implementing more programmes that will empower women in the Tourism Sector.

The department initiated a Women in Tourism Programme to drive the inclusion of women entrepreneurs in the industry. The initiative serves as a mechanism to drive programmes to support the development and empowerment of women in the tourism sector as well as provide networking opportunities.

The department is implementing the Executive Development Programme for Women, the WiT Business Development Programme for 225 women nationally, and the pilot business support programme in Limpopo assisting rural-owned and operated women projects in partnership with the UNWTO .



Recommendations with regard to the Department of Tourism

9.26 Explore possibilities of formalising/insourcing Tourism Monitors into formal departmental programmes

The Department does not have the financial resources to insource the Tourism Monitors into the Department.

9.27 Intensify the implementation of the Hospitality Youth programme

2517 participants were enrolled in all Provinces at the end of the FY of 2023. The scale through which the programme is implemented is subject to the EPWP budget allocation and the demand for various skills programme



Recommendations with regard to the Department of Tourism

9.28 Work with all vested stakeholders to ensure provision of ablution facilities at all tourism attractions throughout the country, especially those in rural areas

Individual product owners are responsible for compliance with the prescribed health and safety regulations. Within the current budget allocation the Department has worked with National and Provincial Parks, through the maintenance programme, to upgrade tourism facilities.

9.29 Facilitate the development of tourist attractions for the inclusion of previously disadvantaged communities, especially in rural areas.

The Department programmes have a focus on rural areas with high tourism potential.



Recommendations with regard to South African Tourism

The Minister of Tourism should:

9.30 Provide an urgent, full and separate briefing on the merger of SA Tourism and Brand SA in relation to Brand SA relocating to the department of Tourism from the Presidency, to assist the committee in understanding the implication on the broad mandate, budget and staffing.

9.32 If going ahead with the merger, ensure the Board of the new merged Entity is properly constituted and dispatches its role efficiently and effectively.

The Minister has given feedback on this matter at meetings of the Committee, answered questions in this regards and responded in detail on 5 September 2023.

The Minister consulted the Minister in the Presidency, Khumbudzo Ntshavheni, responsible for Brand SA.

In correspondence, dated 19 July 2023, Minister Ntshavheni advised that she has been granted approval to suspend the merger of the two entities. She has, however, assured that the work undertaken by Brand SA will not contradict the mandate of South African Tourism.

(Correspondence was submitted to the committee for the meeting of the 5 September 2023)



Recommendations with regard to South African Tourism

9.31 Provide the process followed in appointing the new Interim Board of SA Tourism and the Current legal standing of the Interim Board.

An Interim Board doesn't exist.

The current Board was appointed by the Minister in terms of 16 (3) (b) of the Tourism Act of 2014.



Thank you

