

Importance of Intergovernmental Relations

Tourism Summit
17 – 18 September 2013

Tourism Director – General
Ambassador Makhubela

Department of Tourism
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REPUBLIC OF SOUTH AFRICA



Inspiring new ways



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Legislative Mandate

- ❑ The **South African Constitution** identifies tourism as a Schedule 4 Part A functional area of concurrent national and provincial legislative competence;
- ❑ **Tourism White Paper of 1996** outlines the roles and responsibilities of the three spheres of government with regards to tourism development and promotion in South Africa; and
- ❑ The **Tourism Act of 1993** provides for the promotion of tourism development (*However, it was limited in scope and also predated the Constitution*).

Legislative Mandate(Cont...)

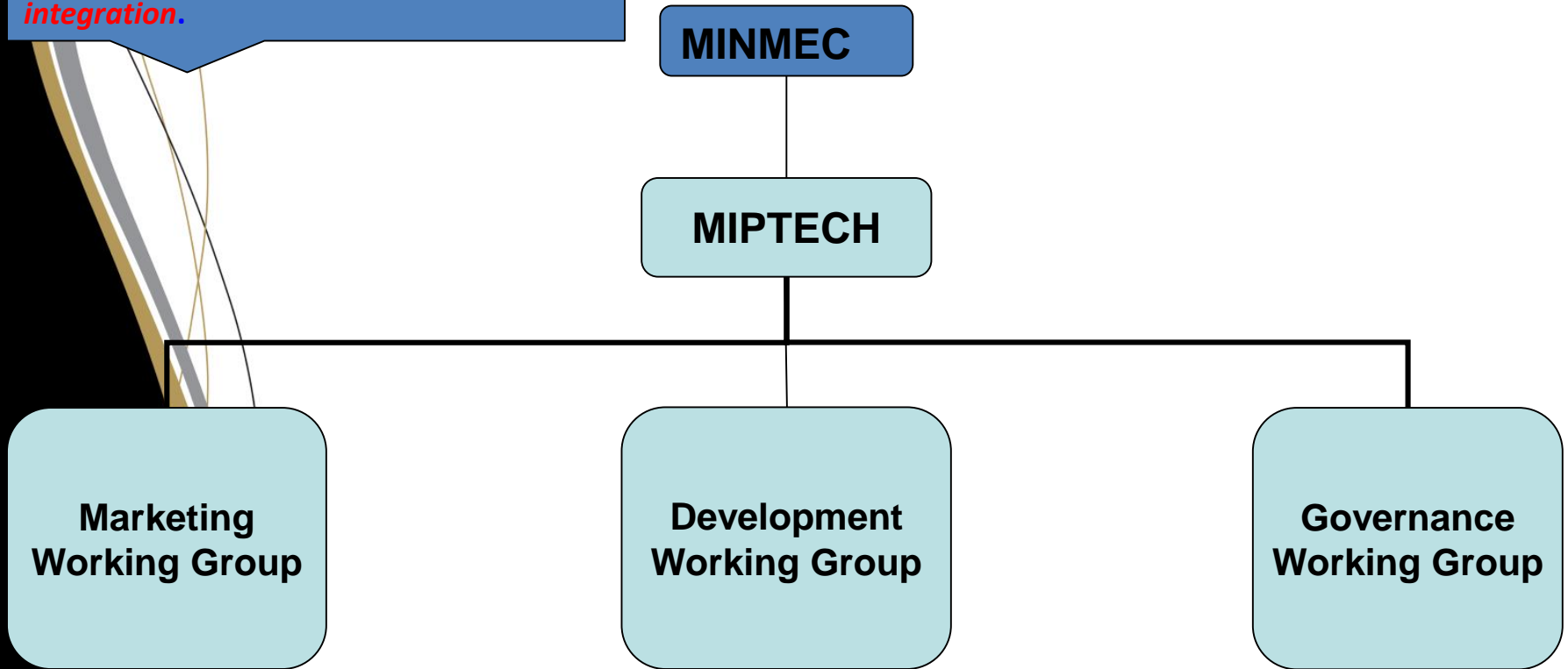
- ❑ According to the **Municipal Structures 'Act**, a municipality has powers and functions assigned to it in terms of section 156 of the Constitution including the responsibility to promote local tourism.
 - ❑ Most importantly, section 84 (1) (m) states that a District Municipality has powers to promote the development and promotion of local tourism.
 - ❑ *(N.B. Schedule 4 Part B of the Constitution also lists local tourism as one of the functional areas of local government and not just district municipalities, hence such mandate also applies to local municipality); and*
- ❑ The **Intergovernmental Relations Framework Act of 2005** promotes ongoing cooperation between the various spheres of government.

Other Frameworks and Strategies

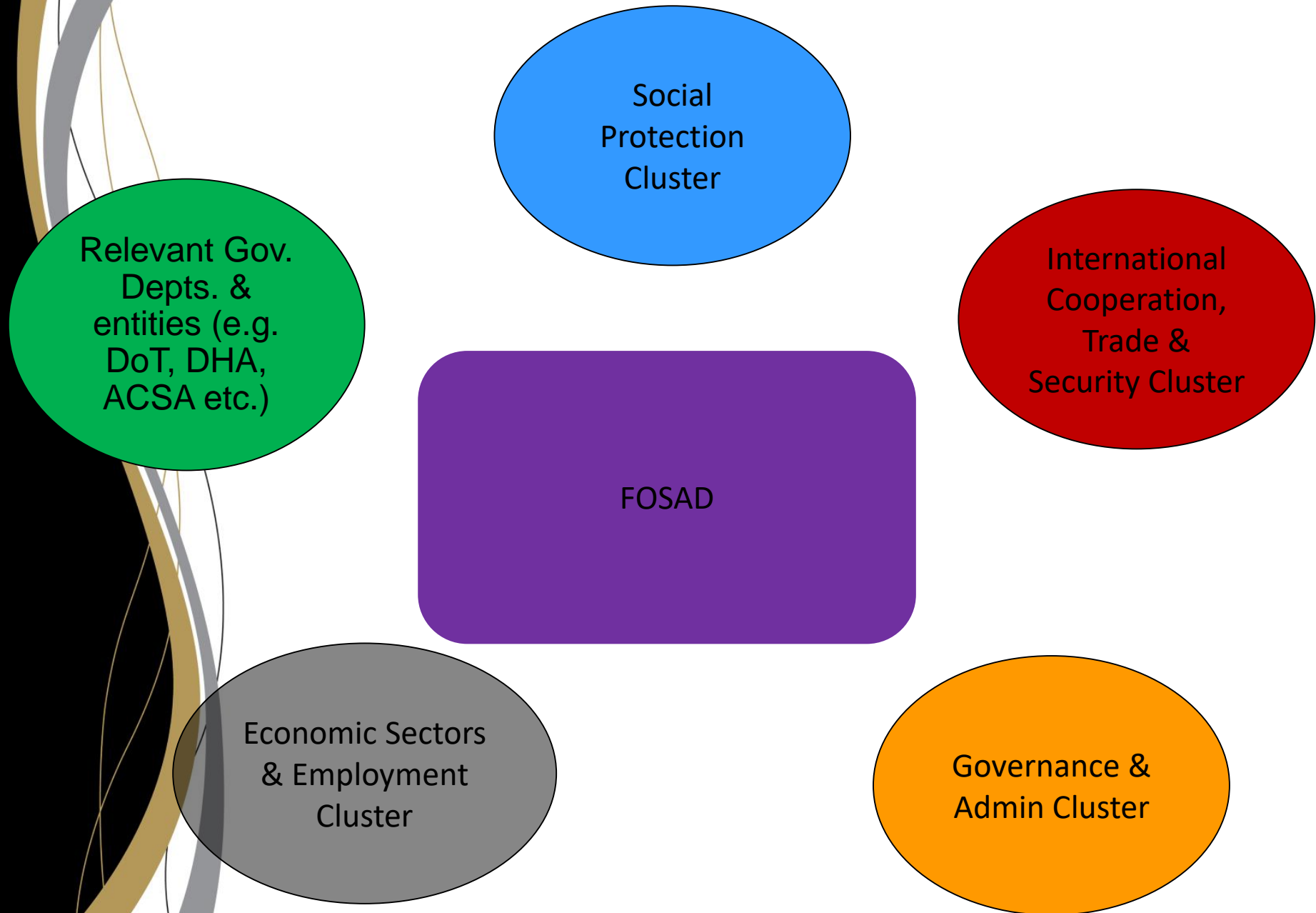
- ❑ The National Tourism Sector Strategy (NTSS) – linked to the Growth Path:
“To be a Top 20 Tourism Destination in the World by 2020”
- ❑ Domestic Tourism Growth Strategy:
“Growing Domestic Tourism for a Sustainable Tourism Economy”
- ❑ Niche tourism strategy; and others

Tourism Intergovernmental Coordination

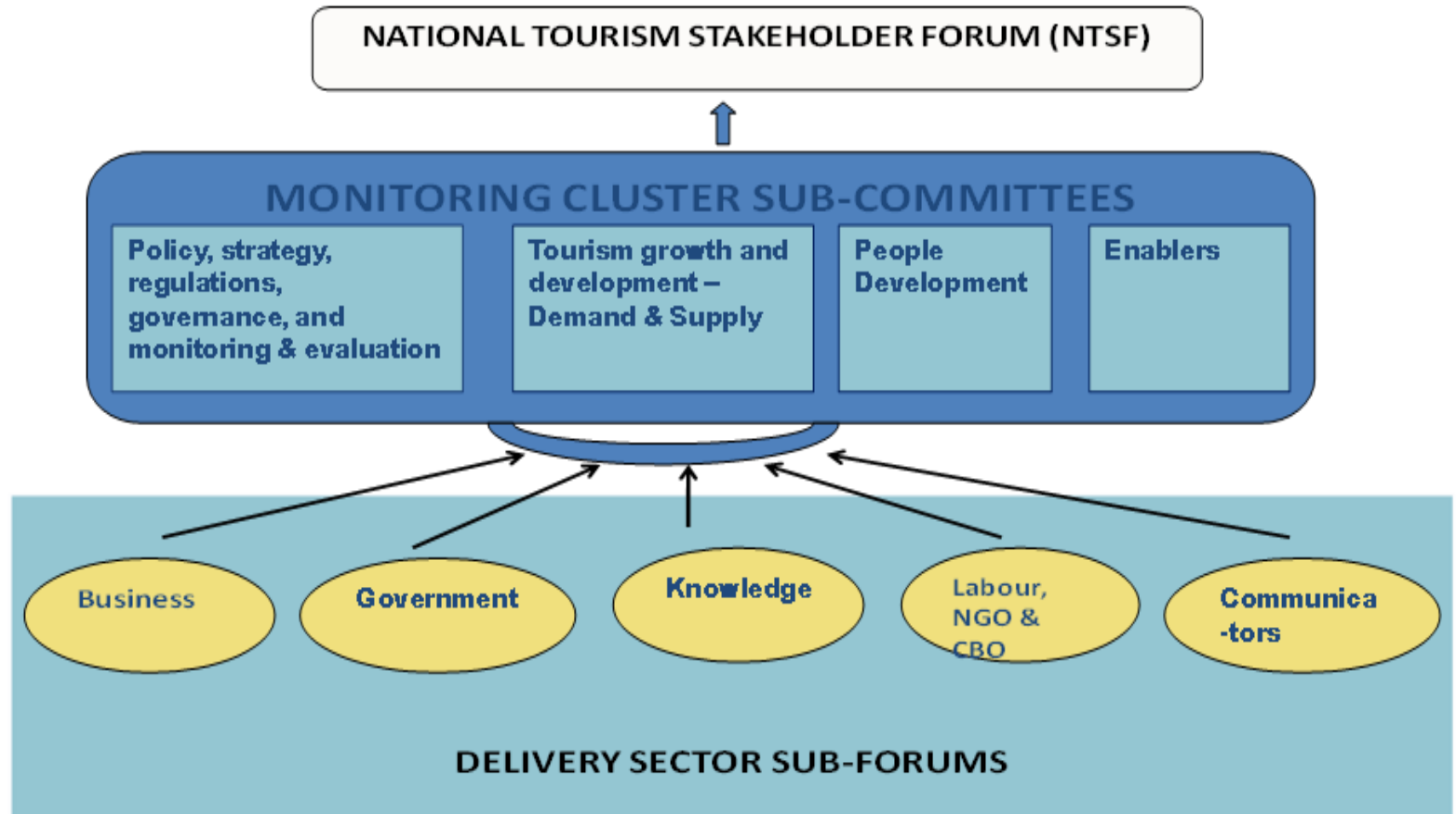
The structures below ensure, alignment and coordination of tourism policies and practices across the spheres of Government – National, Provincial and Local (represented through SALGA) – *vertical integration*.



Interdepartmental Coordination



NTSS Implementation Structures



Models for Provinces' Tourism Coordination Structures

☐ Legislative:

KwaZulu-Natal has the KZN Provincial Tourism Committee established in terms of Section 34 of the KwaZulu- Natal Tourism Act 1996 as amended in 2002.

☐ Non-legislative:

The Western Cape has also established the Western Cape Tourism Partnership.

Both structures are constituted by public and private sector representatives including representatives from the local sphere of government. Meetings are held on a quarterly basis and chaired by the MECs responsible for tourism.

Tourism Budget Programme Structure

- ❑ In 2012, NDT together with Provinces identified lack of uniformity across spheres of government when it comes to tourism programmes.
- ❑ In light of the above, the NDT, Provinces and the National Treasury developed the Tourism Budget Programme Structure, which identified tourism as a core programme with its own sub-programmes.
- ❑ The stand-alone programme will have three sub-programmes namely, Tourism Planning; Tourism Growth and Development and Tourism Sector Transformation.

*Currently, **Northern Cape, KwaZulu-Natal and Western Cape** have implemented the agreed upon Tourism Budget Programme Structure.*

Local Government Tourism Development and Growth Support Programme

- ❑ The Programme has four components, namely
 - ❑ Capacity building for tourism practitioners and policy makers;
 - ❑ Provision of technical support for tourism planning and development;
 - ❑ Facilitation of stakeholder dialogues and peer learning platforms; and
 - ❑ Facilitation of strategic partnerships for funding opportunities towards local government initiatives.
- ❑ As part of the facilitation of stakeholder dialogues and peer learning platforms **Local Government Tourism Conference** was also convened in February 2013, in partnership with SALGA and the Industrial Development Corporation (IDC).
- ❑ The Conference provided a platform for the three spheres of government to share best practices and strategic perspectives on developing and growing tourism – ***next conference will be in 2015.***

Domestic Tourism

- ❑ Maintains travel and tourism during difficult times globally (sustainability) – maintains the jobs;
- ❑ It stabilizes the cyclical and seasonal flows of inbound tourism;
- ❑ Provides an indirect way of building a product base for international tourism; and
- ❑ Creates a tourism culture in the country (critical for the success of all forms of tourism)

Domestic Tourism Performance in other Countries

- ❑ **China**, has an incomparably large domestic tourism market.
- ❑ Compared to inbound tourism flows which declined by 1% in 2012 with trips falling to 57 million, domestic trips increased to 2.5 billion (12%),
- ❑ Domestic trips are expected to maintain strong growth with the number of trips set to increase by 10%.
- ❑ Domestic tourism expenditure increased from RMB 1,93 trillion to RMB 2,20 trillion registering a 14% growth. (**Euromonitor, August 2013**).

The effective promotion, diversity of products, constant improvements in their national transport system, including increasing affordability of air tickets with the advent of low cost carriers, as well as the introduction of an extensive high speed rail network contributed to the growth in domestic tourism

Domestic Tourism Performance in other Countries

- ❑ **France** recorded, 202 million domestic trips in 2011, a 3% increase compared to 2010 and the number is expected to grow to 209 million (1%) by 2016.
- ❑ Domestic tourism grew at a faster rate than outbound tourism since many French households decided to spend their holidays in France.
- ❑ Domestic tourism expenditure increased by 58,7 billion EUR (2.7%) compared to 57,2 billion (4.9%) in 2010 (**Euromonitor, May 2012**).
- ❑ In the **USA**, domestic tourism grew by 3% in 2012 to exceed 1 billion trips for the first time
- ❑ This indicates that Americans returned to domestic holidays, with the strongest growth recorded in a decade despite the setback of Hurricane Sandy in October 2012.
- ❑ The number of trips is expected to increase by 8% reaching almost 1.1 billion by **2017(Euromonitor, August 2013)**.

Strong marketing strategies and national media campaigns have been effective in enhancing domestic tourism growth.

Domestic Tourism Performance(2012) in South Africa

- ❑ Total number of domestic tourism trips went down from 26.4 million in 2011 to 25.4 million in 2012 recording a declining growth of 3.8 %.
- ❑ Number of adult domestic tourists also went down from 13.9 million in 2011 to 12.5 million in 2012.
- ❑ Although the number of domestic adult travellers and trips has been on the decline, total domestic spend by these travellers has been on the increase;
- ❑ Domestic tourism expenditure(including the domestic portion of outbound tourism expenditure) went up from R76 553 million in 2008 to R101 297 in 2011. This was also an increase from R 99 072 million in 2010.

In 2011 domestic tourism accounted for about 58% of total tourism expenditure in South Africa as per the Tourism Satellite Account (TSA) released by StatsSA.

Domestic Tourism Success Factors

- ❑ The current financial resources allocated for marketing domestic tourism at a national level in the medium-term is (R42,4 million in 2013/14; R43,7 million in 2014/15 and R44 million in 2015/16);
- ❑ More resources need to be invested in both development and promotion of domestic tourism given the returns that it yields (including syndication across the spheres of government);
- ❑ Strong partnerships and collaborative initiatives with all stakeholders including media, industry stakeholders and communities to create awareness and offer affordable tourism packages is paramount; and

Domestic tourism will not grow by chance – like international tourism, it needs the requisite investment.

Domestic Tourism Support Initiatives

- ❑ Domestic Tourism Branch;
- ❑ Profiling of Regions for opportunities and challenges;
- ❑ Structured support packages for intervention (including PICC);
- ❑ Reciprocal participation relationship with provinces on tourism planning;
- ❑ Product development partnership initiatives including feasibility of budget resort;
- ❑ New campaign – *“Nothing is more fun than a Sho’t Left”*
- ❑ Visible commitment from Private Sector on the marketing of domestic tourism products – various media platforms.

Critical Success Factor

- ❑ Not every place in the country can become a tourism destination – need to use the limited resources optimally;
- ❑ Need to take sound tourism development decisions based on proper feasibility and viability (tourism is a business);
- ❑ Clear differentiation of roles between government and Industry (*government is not in the business of business but creates the environment thereof*);
- ❑ Acknowledgement of the need to complement one another and not compete at all cost (we are one destination);
- ❑ Putting resources against the priority (i.e. No such thing as unfunded mandated priority);
- ❑ Strong oversight by the legislatures at all spheres of government;
- ❑ Stronger partnership with industry and communities at all spheres of government; and
- ❑ Industry transformation.



THANK YOU