Presentation to the Portfolio Committee on Tourism

National Tourism Sector Strategy (NTSS) 2016- 2026

30 May 2018

broadening horizons

tourism
Department:
Tourism
REPUBLIC OF SOUTH AFRICA

NDP 2030

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Background

- The National Tourism Sector Strategy (NTSS) was approved by Cabinet in 2011 as a guiding document for tourism economic growth and job creation.

- The NTSS represented a 10 year blueprint for the sector with targets for 2015 and 2020;

- Implementation commenced in the 2011/12 financial year;

- Implementation was effective in some areas, more than in others – some of the set targets were achieved and exceeded;

- The NTSS was commissioned for a review in 2015;

- The review was necessitated by a number of developments such as:
  - Emerging trends at macro and micro environment;
  - Changes in the policy and legislative environment, such as the National Development Plan (NDP, 2012), and the Tourism Act, No. 3 of 2014;

- The process culminated in the revised version of the NTSS 2016 - 2026

Review Process

❑ The review process involved the following four phases:

Environmental Scan

Drafting/Reviewing of the Strategy & Stakeholder Consultation

Gazetting for public comments, consolidation of inputs & submission for approval

Awareness Creation

Stakeholder Consultations

- Partnerships are a cornerstone of a successful Strategy and consultation with stakeholders was conducted as follows:

  - The Minister appointed a Panel of Experts to oversee the review process, and recommend a coherent Strategy;

  - Panel of Experts recommended the Draft NTSS to the Minister for further consultations with industry stakeholders;

  - Provincial consultation workshops were held in 9 provinces;

  - Bi-lateral meetings were held with key Departments such as Home Affairs, Transport, DIRCO, Sport and Recreation as well as Arts and Culture;

  - The Strategy was subjected to a Cabinet process for consideration and recommendation prior to gazetting;

  - In March 2017, Cabinet approved the Draft NTSS for gazetting;

Stakeholder Consultations Cont.…

- The Strategy was published (for 60 days) in the government gazette for public comment;

- 15 written submissions were received from a range of stakeholders (national government, provinces, municipalities, associations and individuals);

- The above include a consolidated submission from Kwa-Zulu-Natal; and the TBCSA (incorporating member associations);

- The Minister also hosted a consultation session with industry stakeholders in August 2017 to solicit further inputs;

Written Submissions

- All inputs were considered and categorised in line with the 5 Pillars (as appropriate);

- Overall, the Draft NTSS 2016 - 2026 was well received as a comprehensive document that addresses conventional and topical issues related to tourism development and management planning;

- No objections were registered against the strategy or any of its provisions,;

- Inputs mainly sought to augment the proposals;

- The NTSS 2016 – 2026 was approved by Cabinet in December 2017

Strategy Framework

- The Strategy has two main sections i.e. Part A and Part B.
- **Part A Focuses on**:
  - Consideration of the Policy and Technological Environment;
  - Appraisal of Domestic and International Tourism Trends;
  - Articulating the Case for Tourism in South Africa and players in the Tourism Economy; and
  - Appraisal of Tourism Performance against the 2011 NTSS Targets.

- **Part B Outlines**:
  - Vision, Mission and Values;
  - Measurements and Targets;
  - Strategic Pillars;
  - Action Plans;
  - Critical Process, Support and Success Issues
  - Institutional Arrangements; and
  - Monitoring, Evaluation and Reporting.

NTSS 2016 – 2026 Targets

Indicators/Measure of Performance	2015 Baseline	2020 Target	2026 Targets (Est.)
Direct contribution to National GDP	R118 billion	R175 billion	R302 billion
Total contribution to National GDP	R375 billion	R548 billion	R941 billion
Number of direct jobs supported by the sector	702 824	802 526	1 million
Number of total jobs supported by the sector	1 551 200	1 766 970	2. 2 million
Increase tourism export earnings	R115 billion	R182 billion	R359 billion
Increase in capital investment	R64 billion	R89 billion	R148 billion

Other indicators : Growth in international tourist arrivals, domestic trips and spend in all categories

Source: WTTC: November 2016

NTSS 2016 – 2026 Targets Cont..

Indicator	Year											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Direct Contribution to GDP	118 638	128 519	138 354	149 157	161 358	175 469	189 984	207 284	227 816	250 68	275 018	302 241
Total Contribution to GDP	375 502	403 161	433 459	467 154	503 81	548 499	592 45	644 409	707 723	778 988	857 876	941 222
Direct Employment	702 824	729 551	743 167	754 356	774 748	802 526	826 006	853 385	889 132	924 92	961 271	1001.06
Total Employment	1 554.2	1 557.08	1 606.82	1 638.38	1 687.57	1 766.97	1 826.1	1 891.68	1 977.61	2 069.02	2 165.68	2 260.38
Visitor Exports	114 957	125 933	137 665	148 806	163 214	182 185	201 33	224 929	252 916	285 522	320 178	358 793
Capital Investment	63 661	69 047	72 940	78 308	83 578	89 456	95 108	101 812	111 204	121 591	135 159	148 681

Adapted from WTTC, November 2016

NTSS, Tourism Portfolio Committee, 30 May 2018

NTSS 2016 – 2026 Strategic Overview

VISION	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. *Tagline: A top world responsible tourism destination*
MISSION	To increase the direct contribution of tourism to the economy through partnerships, research based collaborative planning, and the implementation of agreed priority actions.
GUIDING PRINCIPLES AND VALUES	Trust and Accountability, Respect for SA's Arts, Culture and Heritage; Responsible Tourism; Service Excellence; Upholding the values of the Constitution; A commitment to Transformation: as well as Collaboration and Cooperation between all key stakeholders.

Overarching Goal and Five Strategic Pillars

Inclusive and Quality Growth of the South African Tourism Economy

- Effective Marketing
- Facilitating Ease of Access
- The Visitor Experience
- Destination Management
- Broad-Based Benefits

Pillar 1: Effective Marketing
Outcome Statement:

A coherent approach to promote South Africa to become top of mind destination and improved conversion rate

- Winning campaigns to attract international and domestic tourists with improved conversion rates;
- Improve market and segment prioritisation;
- Enhance the effectiveness of international marketing;
- Establish effective brand management of the South African Tourism brand;
- Expand and improve domestic marketing activities and travel facilitation programmes; and
- Attraction and hosting of events to improve seasonal and regional spread of tourism benefits.

Pillar 1: Effective Marketing Initiatives

- Institute an improved priority tourism market identification tool;

- Introduce a comprehensive set of marketing campaigns for priority markets with collaboration from industry;

- Develop and implement an International Tourism Relations Plan to leverage on Diplomatic Relations;

- Confirm and implement brand management protocol including specific crisis protocol;

- Implement a substantially enhanced and expanded Domestic Tourism Marketing Strategy; Implement the revised Domestic Tourism Growth Strategy based on new consumer insights and update to align with the expanded SA Tourism marketing strategy and the Domestic Travel Facilitation Programme;

- Analyse the current calendar of major events and their impacts; and

- Develop a strategy with reference to excellent global and local practice to support events that can improve regional and seasonal spread of tourism, particularly domestic tourism.

Pillar 2: Facilitating Ease of Access

- Addressing impediments that limit the ability of potential international tourists to travel to South Africa;

- Facilitate increased travel through the application of a tourist friendly visa regime and automated passenger movement and monitoring systems;

- Facilitate increased domestic travel through interventions in relevant infrastructure;

- Improve airlift access, particularly for priority markets; and

- Facilitating of ease of doing business to ensure the growth of the tourism economy (regulatory environment).

Pillar 2: Facilitating Ease of Access Initiatives

- Monitor and highlight any visa processing related challenges within priority markets for timeous response;

- Design, implement, monitor and maintain an Accredited Travel Company Programme;

- Participate in the Immigration Advisory Board;

- Monitor air service agreements, routes, carriers, air seats and load capacity from priority source markets and major air carriers connecting priority markets to South Africa;

- Ensure tourism requirements are specifically included in the implementation of the revised Air Transport Strategy; and

- Develop and implement a plan aimed at encouraging domestic air travel to increase connectivity, frequency and affordability.

Pillar 3: Visitor Experience
Outcome Statement:
Provide quality visitor experiences for tourists (both domestic and international) to achieve customer satisfaction and inspire repeat visitation

- Enhancements to elements of the visitor experience across all visitor touch points;
- Diversify and enhance tourism product offerings through the development of niches (e.g coastal and marine tourism, science tourism, adventure tourism)
- Upgrade experiences at World Heritage Sites (including National Heritage Sites as well as National and Provincial Parks);
- Enhance local destinations through cleanliness, aesthetics, and information improvements;
- Provide tourism experiences and facilities that cater for all domestic market segments;
- Increase bandwidth to support the activities of tourists and tourism businesses;
- Enhance tourist safety and ensure effective responses to incidents of crime against tourists;
- Facilitate tourist travel through improved private and public transport; and
- Improve tourism skills and service excellence.

Pillar 3: Visitor Experience Initiatives

- Work with WHS to improve the visitor experience through infrastructure provision, training and systems development;

- Implement a public employment programme for tourism that has a number of focus areas, starting with Blue Flag beaches and a focus on marine and coastal tourism;

- Test the viability of government partnering with industry to undertake the effective management and marketing of underutilised state owned tourist facilities such as resorts, campsites, etc;

- Identify State owned assets suitable for lower LSM holiday travel, and develop and implement a turnaround strategy;

- Determine and communicate the tourism industry's Wi-Fi needs by region, and motivate that this be prioritised within national plans;

- Review and revitalise tourism safety programmes including the Tourism Safety Initiative and expand as required;

Pillar 3: Visitor Experience Initiatives Cont.…

- Facilitate the development of a cadre of safety officers in the tourism sector who are able to address safety issues across varying contexts including crime protection and safety (this would be managed through the THRD Strategy);

- Identify actions to support tourist travel and industry performance (Set up a Tourism and Transport Forum);

- Ratify and implement a multi-stakeholder response to the implementation of the recommendations of the Tourism Human Resource Development (THRD) framework;

- Investigate the potential for the professionalisation of specific tourism occupations and trades. Specific occupations recommended include Chefs, Executive Managers, Professional Event Managers and Tour Operators.

Pillar 4 - Destination Management
Outcome Statement:
To provide for sustainable development and management of the tourism sector

The Pillar Focuses on:

- Destination management practices, activities and relationships that help organise the tourism system;

- Planning; development of standards, guidelines and regulations; research and definition of roles and responsibilities;

- Improving the focus and delivery of tourism marketing and development support provided by provinces and local government;

- Improving the quality of decision making, planning evaluation and monitoring;

- Improving understanding of, and enhancing support for tourism across national government;

- Introducing best practice approaches and risk management tools to enhance the sector's performance.

Pillar 4 - Destination Management Initiatives

- Develop clear proposals and guidelines, to be formally adopted, on best practice roles and responsibilities in tourism marketing and development across the spheres of government;

- Build capacity of provinces and local government in specific areas within confirmed definition of roles and responsibilities linked to priorities in the NTSS;

- Develop and implement a tourism performance dashboard based on current sources of data. At the same time, develop a competent predictive model, and explore inclusion of the visitor economy concept, which can forecast macroeconomic tourism performance;

- Determine international best practice for national tourism information systems based on brief of stakeholder information needs and scope for implementation;

- Develop and communicate the socio-economic case for tourism as an effective briefing tool for senior officials and Ministers;

Pillar 4 - Destination Management Initiatives Cont..

- Finalise the policy review of the Tourism Grading Council of South Africa (TGCSA) and introduce a new business model;

- Monitor industry and consumer satisfaction to inform enhancements to the grading system;

- Identify areas in which additional, specific standards or guidelines are required through industry engagement and monitoring of global developments;

- Provide information on technologies and resources for the expansion of resource-efficient infrastructure to support industry's implementation of responsible tourism;

- Expand universal access starting with major attractions; and

- Develop a supply side database which tracks industry trends and characteristics for planning and policy purposes;

Pillar 5: Broad-Based Benefits

Outcome Statement:

Promote the empowerment of previously marginalised enterprises and rural communities to ensure inclusive growth of the sector

- Strengthen the realisation of broad based benefits from tourism across the value chain;
- Achieve Broad Based Black Economic Empowerment (B-BBEE) targets;
- Implement skills programmes to enhance the skills of intended beneficiaries;
- Support sustainable Enterprise Development;
- Expand the benefits of tourism to niche areas, amongst others, rural areas and townships.

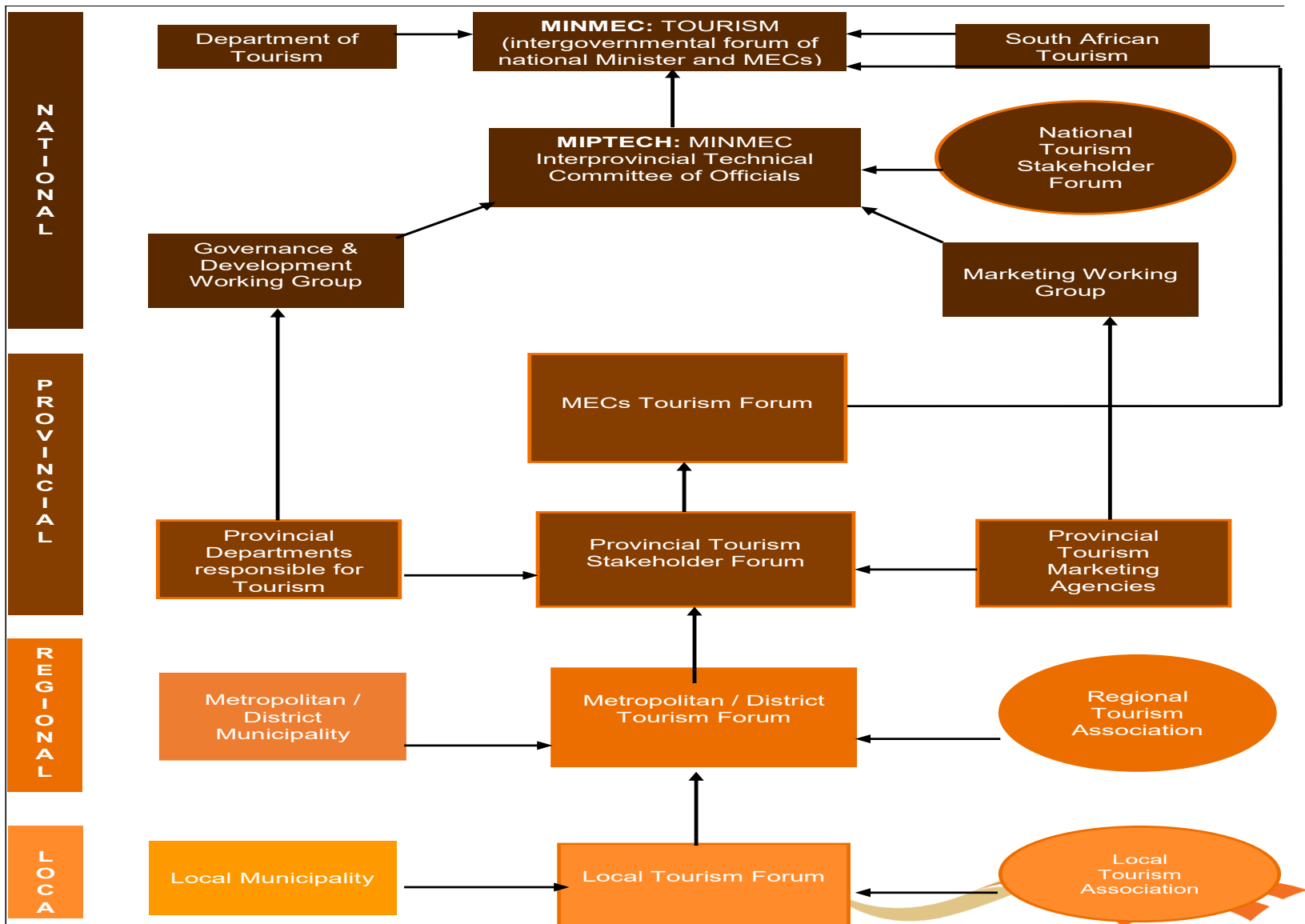# Pillar 5: Broad-Based Benefits Initiatives

- Review lessons learned from Tourism Enterprise Partnership (TEP) and other enterprise development initiatives and develop a set of proposals on financing and investment;

- Design and implement an improved tourism enterprise development programme including for suppliers into tourism businesses;

- Review the Rural Tourism Development Strategy - Link to the transformation and community beneficiation agenda; and

- Develop strategies of enabling rural stakeholders to access capacity development, training and mentoring opportunities.

Institutional Arrangements

- The NTSS 2016 – 2026 provides for institutional arrangements and structures to ensure coordinated implementation across the spheres of government;

- The Department of Tourism will coordinate the national layer of the institutional arrangements;

- Provinces to facilitate provincial structures as well as support the establishment of tourism coordinating structures at local level;

- Local government/municipalities to designate both human and financial resources to enable proper coordination at that level; and

- As the NTSS 2016 – 2026 is a sector and not a government tourism strategy, participation of private sector at all levels is crucial.

Institutional Arrangements Cont..

Monitoring, Evaluation and Reporting

- The Department of Tourism will lead, support, monitor and evaluate the implementation of the NTSS 2016 – 2026 and Provinces are also expected to lead at the provincial level;

- In respect of mechanisms for implementation, monitoring and reporting, the NTSS Delivery Forum (NTSF) has been retained;

- The NTSF will also deliberate on policy and topical issues affecting the sector as well as NTSS implementation;

- Participation in the Forum to include:
  - Senior executives of organised private sector associations;
  - Captains of industry;
  - Senior government officials (national sector departments);
  - Provincial departments and provincial marketing agencies;
  - Tourism heads / managers in the metropolitan municipalities; and
  - National government agencies.

Monitoring, Evaluation and Reporting Cont.….

- The NTSF will be supported by Five Work Streams aligned to the 5 Pillars of the NTSS as illustrated in slide 12;

- The Effective Marketing and Broad Based-Benefits pillars will be convened by SA Tourism and TBCSA respectively and the other three by the Department of Tourism;

- All Work Streams will report to the NTSF through their Conveners;

- The NTSF will refer matters to MINMEC through the Director-General and to inform issues for deliberation at Minister's high level engagement with industry leadership;

- The Department will compile an annual progress report on the implementation of the NTSS 2016 – 2026.

NTSS Implementation, Monitoring and Reporting Mechanisms

MINISTER'S ENGAGEMENTS

NATIONAL TOURISM STAKEHOLDERS FORUM

Effective Marketing Work Stream

- Marketing
- Branding
- Events
- Domestic Tourism

Convener: SA Tourism

Participants:
- TBCSA
- Brand SA
- Department of Tourism
- DIRCO
- GCIS
- Tourism communicators
- Provincial Marketing Authorities
- Metropolitan Municipalities
- Stakeholders who served in the Branding, Marketing & Events Work Streams (Feb 2016)

Ease of Access Work Stream

- Aviation
- Immigration
- Regulatory Environment

Convener: Department of Tourism

Participants:
- DHA
- DoT
- TBCSA
- AASA
- SATSA
- Provincial Departments
- Stakeholders who served in the Market Access/ Regulatory Environment Work Stream &
- Enhancing South African Ports of Entry Working Group (TIP, July 2014)

Visitor Experience Work Stream

- Bandwidth capability
- Intermodal transport;
- Tourist safety
- Tourism Skills & Service Excellence

Convener: Department of Tourism

Participants
- Department of Tourism
- SA Tourism
- Dept of Communications
- DEA
- DAC
- SAPS
- Provinces
- SAVRALA
- SATSA
- FEDHASA
- CATHSSETA
- Service Excellence Forum & THRDS national body as well stakeholders who served in the Tourism Skills Development, tourism signage, (TIP, July 2014)

Destination Management Work Stream

- Planning;
- Dev of standards; guidelines; etc
- Research;
- Definition of roles and responsibilities
- Dev of structures and processes that organise information

Convener: Department of Tourism

Participants
- CoGTA
- DEA
- Provinces(marketing agencies)
- SALGA
- SA Tourism
- Stakeholders who served in the Development of a Destination Development Plan Framework(TIP, July 2014)

Broad – Based benefits Work Stream

- Transformation
- Rural Development
- Enterprise Development including supplier development

Convener: TBCSA

Participants
- SA Tourism
- Representatives from Private Sector Associations
- Provincial Departments
- NEF
- SEFA
- Stakeholders who served in the Inclusive Growth Work Stream (Feb 2016) & the
- Development of a Tourism Development Funding Working Group(TIP)

Acronyms

Acronyms	Description
ATC	Accredited Travel Company
B-BBEE	Broad-Based Black Economic Empowerment
DIRCO	Department of International Relations and Cooperation
ESEID	Economic Sector, Employment and Infrastructure Development
GDP	Gross Domestic Product
ICTS	International Cooperation, Trade and Security
LSM	Living Standard Measure
MINMEC	Ministers and Members of Executive Councils
NDP	National Development Plan
NTSF	National Tourism Stakeholder Forum

Acronyms

Acronyms	Description
NTSS	National Tourism Sector Strategy
SA	South Africa
SA Tourism	South African Tourism
SPCHD	Social Protection, Community and Human Development
TBCSA	Tourism Business Council of South Africa
TGCSA	Tourism grading Council of South Africa
TEP	Tourism Enterprise Partnership
THRD	Tourism Human resource Development
TSA	Tourism Satellite Account
WHS	World Heritage Site
WTTC	World Travel and Tourism Council

Thank You