



**MINISTRY OF TOURISM  
REPUBLIC OF SOUTH AFRICA**

**Budget Vote Speech  
NCOP  
Minister of Tourism Mmamoloko Kubayi-Ngubane, MP  
Parliament of the Republic of South Africa, Cape Town  
Tourism Vote 38**

**01 June 2021**

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Honourable House Chairperson  
Deputy Minister of Tourism, Honourable Fish Mahlalela  
Chairperson of the Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism, Employment and Labour, Hon Rayi  
Members of NCOP  
Chairperson and Members of the SAT Board  
Director General, Acting CEO of South African Tourism and Senior Managers of the Department  
Distinguished guests  
Ladies and Gentlemen

Honorable members,

While the full impact of the COVID-19 crisis on tourism is yet to be determined, what is clear is that some of the scars to the tourism sector will be permanent. Projections have shown that full recovery of the sector can only be expected after 2023. Until then, the sector will remain in survival mode, with many tourism jobs and businesses being at risk. Globally, destinations are also trying to tackle the challenge of reigniting their tourism economies.

It is for this reason that our focus for this financial year will be on the tourism sector recovery. Our work will form part of the broad economic reconstruction and recovery as elaborated in the country's Economic Reconstruction and Recovery Plan (ERRP).

The Department working together with the private sector and other stakeholders, developed the Tourism Sector Recovery Plan (TSRP) in alignment to the ERRP. The Tourism Sector Recovery Plan is anchored on three interlinked pillars or strategic themes: protecting and rejuvenating supply, reigniting demand and strengthening enabling capability for long term sustainability. Under each theme, the plan outlines a set of actions, timelines of implementation of each action and the allocation of each action to an implementation agent. The main focus of our programmes in this financial year, will be on the implementation of the tourism sector recovery plan.

Our budget allocation for this financial year in the respective programmes and projects within the Department and the entity, SAT, was designed in line with the TSRP.

Honorable members

For the financial year 2021/22, the Department's budget allocation amounts to approximately R2.4 billion, of which R1.2 billion is for transfers to SAT. We will make every effort to ensure that we deploy these resources efficiently so that we can get more for less.

Honorable members,

The Destination Development Programme will be the main driver in the implementation of the protection and rejuvenation supply pillar of the sector recovery plan. This will support the protection of core tourism infrastructure and assets.

To effect the implementation of these projects, the Department entered into a partnership agreement with the Development Bank of Southern Africa in November 2020, to implement and manage the delivery of its infrastructure projects, including procurement processes.

In the next three years, R573 million will be spent on these infrastructure projects that are contained in the Infrastructure Programme Implementation Plan (IPIP). The first tranche of R 270 000 000 of the funds will be transferred to DBSA from the 2020/21 financial year budget. The second tranche of R 222 272 728 of the funds to be transferred from the 2021/22 financial year budget.

We have prioritised the implementation of just over 100 Tourism Infrastructure initiatives across the nine provinces. This work, together with the skills development programme, is largely funded through our Working for Tourism Expanded Public Works Programme.

We will continue to enhance our visitor experience, while seeking to advance broader ownership, especially by communities. With a focus largely of Villages, Townships and Small Dorpies (VTSD), thirty Community-based Tourism Projects will be implemented across various provinces. The objective of this work is to stimulate tourism growth and economic opportunities.

We will handover Compliance Certificates for Community Projects that have been completed and these include Lehurutshe Bird and Trophy Hunting owned by the Bakgatla ba Lencoe Trust in the North West Province, Isibhubhu project owned by King Goodwill Cultural Development Trust in Kwazulu-Natal and Muzi Pan Project owned by Kwa Jobe Community Trust in Kwazulu-Natal.

Work is also underway on maintenance and beautification of Provincial State-Owned Attractions. The focus of this work is on improving and upgrading experiences at key tourism sites such as at World Heritage Sites, National Heritage Sites, National Parks, Botanical Gardens and Rural / Township precincts. A first step in the process would therefore need to be a detailed maintenance assessment. We will also focus on Product Enhancement at Local Community Museums which will include Anton Lembede Museum at eThekweni Municipality in Kwazulu Natal; McGregor Museum in the Northern Cape; AmaHlubi Cultural Heritage in Kwazulu Natal; Sol Plaatjie Museum in the North West Province; and Lehurutshe Liberation Heritage Museum which is also in the North West Province.

We are also implementing infrastructure projects in the Indi-Atlantic Route as part of our Coastal and Marine Tourism initiatives. These includes the architectural designs and construction for Orange River Mouth (Northern Cape), Hole in the Wall (Eastern Cape) and Harold Johnson Nature Reserve (KwaZulu-Natal).

### **On Transformation**

Yesterday, we made an announcement of our intention to defend the court challenge regarding the constitutionality of the criteria that is used for the processing applications for the Tourism Equity Fund (TEF). Afriforum and Solidarity have made a court application challenging the legality and rationality of the 51% black owner/managed qualification criteria for the fund. The court has already interdicted the processing of applications until the case is concluded.

This has dealt a serious blow to the previously disadvantaged entrepreneurs who are now at risk of losing potential deals due to this delay. Through a combination of grant funding, concessionary loans and debt finance to support equity acquisitions and new and expansion developments in the tourism sector, TEF has brought hope to entrepreneurs who are yearning to participate meaningfully in the tourism sector.

TEF, together with a restructured Tourism Transformation Fund, will continue to form part of the tools through which we will transform the sector.

### **On Marketing**

We will intensify our marketing efforts to ignite demand especially for domestic travel which will be the anchor for the sector in the short to medium term. In this work, collaboration with provinces remains a priority so that we can align, coordinate and remove duplication of effort and resources in our quest to propel the sector recovery, especially on domestic tourism.

### **Merger of marketing entities**

Our Cabinet took a decision to consolidate our marketing agencies so that we can utilise our resources more efficiently and to have one through which we send our brand messages to the world. This process is underway and the relevant departments are tasked with the implementation of this process. We have taken steps to ensure that during this process, the work of SAT is not interrupted. In this respect, we have extended the term of the current board by another 12 months.

### **On policy review**

Last year we appointed a seven-member Advisory Panel, comprising of experts with diverse knowledge in the sector and the economy, to review all our existing policies and to provide guidance to the Minister on new policy proposals. As part of its work, the panel will bring into sharp focus, transformation, travel facilitation and regulatory barriers, tourism safety, quality assurance, tourist guiding, tour operators and travel agencies, technological development, product or infrastructure development and conferences bidding and support. Other focus areas include knowledge management, best practices, responsible tourism and sustainable tourism.

Our objective is to have a new policy framework that is comprehensive to guide the sector and be more responsive to the needs of the 21<sup>st</sup> century.

The panel is scheduled to complete the work by August this year.

Honorable members

The COVID-19 pandemic has worsened the social and economic challenges that find expression in the triple challenges of poverty, inequality and unemployment. We have a responsibility to ensure that economic activities that can help alleviate communities from these challenges are implemented and supported in communities, especially rural communities. Tourism economy can play a huge role in this effort.

We also have a responsibility to strive for the creation of an inclusive and non-racial society. The kind of society we strive to create was captured in the words of Chief Albert Luthuli on his Nobel acceptance speech as far back as 11 December 1961: "Our vision has always been that of a non-racial democratic South Africa, which upholds the rights of all who live in our country to remain there as full citizens with equal rights and responsibilities with all others. For the consummation of this ideal, we have laboured unflinchingly. We shall continue to labour unflinchingly."

I hereby table budget vote No. 38 from the Department of Tourism together with priorities for financial 2021/22.