



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

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Budget Vote Speech by the Deputy Minister of Tourism, Honourable Tokozile Xasa, in the National Assembly

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Transformation through Tourism – a catalyst for change

As we celebrate 22 years of our democracy, we celebrate the escalating growth that tourism has contributed to our country. This recognition resulted in the subsequent establishment of tourism being made into a stand-alone department in 2009. Tourism had come into its own!

The growth in this sector has been so steady, yet silently churning in the background while the rest of the economy has been volatile. Subsequently, it has been identified as one of the six key growth sectors in the New Growth Path. This is evidenced by its contribution to the GDP which measures 3.9% - more than most labour-intensive sectors, indeed, the crowning achievement was the successful hosting of the FIFA World Cup in 2010! What more validation could we ask for?

To reflect, in 1993, the country received just over 3.4 million international arrivals. Last year we welcomed 8.9 million visitors to our shores. While this reflects a good growth curve, the performance of the last two years was below the global average – as the Minister mentioned. Following high level intervention into the visa regulations, we have demonstrated that our democracy is healthy in that we are circumspect enough to carefully balance and not all let our economics overshadow our state security.

Tourism has become so much more than revenue. Apart from being hailed our economic gold, tourism is a great social unifier of what was also once a very elitist activity in this country. The very thing that set us apart from each other is the same thing that is now the catalyst for social cohesion. Since the dawn of democracy and the enactment of the Constitution 20 years ago this month, the way was paved for change in this landscape. Because as this is a people-driven sector, it stands to reason that we should put people first. And this meant advancing the transformation agenda.

To give expression to the National Development Plan, our focus is on inclusive economic growth and job creation. As mentioned in the President's State of the Nation Address, tourism has been identified as a vehicle for accelerated and sustained economic growth. The National Department of Tourism, together with its sector partners has made transformation an imperative. Through its robust programmes, it is committed to redressing past inequalities.

What does this translate to? Economic development is not possible without people development. By empowering our people, we give them the tools with which to participate in the economy in a meaningful way and take advantage of what South Africa has to offer.

I am proud to say that we were the first sector to establish BBBEE codes for the industry. This has therefore set the tone for redress. Let us take a look at how we have fared. As a social unifier, this sector birthed many niche markets which is indicative of social inclusion and cohesion. These markets include township tourism, culture and heritage tourism, sports tourism and social tourism. All these attractions contribute significantly to domestic tourism – which is the backbone of this industry. This serves to enhance South Africa and to position it as a destination of choice.

Domestic Tourism spurred by these niche markets is an area of high potential for growth from which tourism can benefit. More collaboration with these sectors is necessary to realise the socio-economic

impacts with regards to job creation, improved revenue for small business and community beneficiation.

In terms of gender parity, studies show that majority of workers in the tourism sector are women. Yet many of these women are still relegated to menial or junior roles within our tourism establishments. The establishment of the Women in Tourism Forum in 2014 is aimed at addressing the economic inequalities and challenges faced by women within the sector.

To address these disparities, we have, in partnership with the University of South Africa (UNISA) Graduate School of Business Leadership launched the Executive Development Programme (EDP) for Black women tourism managers. The programme is aimed at building strong business skills and leadership capabilities amongst black women in the tourism sector to lead key parts of tourism businesses and form a pool of future top leadership, entrepreneurs and industrialists in the sector. The pilot for the programme will run for a period of 12 months starting with an intake of 20 Black women in July 2016. The response to this has been overwhelming and I appeal to industry to partner with us to increase the subsequent intakes. I also want to further implore industry to absorb graduates of this programme and to enable them to flourish in your organisations.

Our department has been significantly instrumental in building capacity. We started by instilling a love for this industry at secondary school level. This gave birth to the National Tourism Careers Expo (NTCE) which serves as an intrinsic platform for introducing learners who are interested in pursuing a career in tourism. This newfound upsurge in tourism as a career has also resulted in more tourism graduates. To recalibrate the supply and demand ratio, we appeal to our partners to assist to absorb these graduates and enjoy a mutually beneficial relationship.

At this stage, not everyone has the opportunity to be introduced to the tourism sector via the school curriculum. To target the youth, we have developed a series of learnership programmes to bridge the skills gap in this sector as well as address the scourge of unemployment among the youth. And we have done so with much success. Allow to share a few with you.

The National Youth Chefs Training Programme qualification is recognized internationally. It ensures world-class service standards and promotes South African indigenous cuisine. In the 2015/16 financial year, the department has enrolled 577 learners. The programme will continue in 2016/17 and the budget for the programme over the two financial years is R63 million. Since its inception in 2011, this programme produced over 1400 graduates. 712 have been absorbed.

The Tourism Buddies programme is an experiential hospitality training programme targeting the unemployed youth to enable them to acquire skills and gain work experience to enhance employability in the hospitality and tourism sector. There are 2214 learners that have graduated. The budget for the programme is R140 million. Since its inception, this programme has produced 2654 graduates. 688 has been absorbed for 14/15 cycle.

The Sommeliers (Wine Servicing) programme specializes in all aspects of wine service as well as wine and food pairing. The role is much more specialized and informed than that of a wine waiter in fine dining today. There were 245 learners that graduated and the budget for the programme was R15 million. 121 are formally employed.

Food Safety is a scientific discipline aimed at handling, preparing, and storing food in ways that prevent food borne illnesses. This includes a number of routines that should be followed to avoid potentially severe health hazards. As a pilot project, 100 FET hospitality and tourism unemployed graduates were trained and have completed the programme with a 55% absorption rate. In the 2016/17 financial year, the department plans to recruit and place 500 learners in this programme.

A vital aspect of hospitality is service excellence as this has a huge effect on the visitor return rate.

Our programme on Service Excellence is increasingly becoming popular among the provinces and institutions because it equips attractions with skilled staff to render high quality services to tourists.

Transformation is not just about community beneficiation but also creating an enabling environment to redress social inequality in the multi-layered geopolitical landscapes. It means taking ownership of what we are custodians of – our beautiful country. The department realises the importance that entrepreneurship plays in job creation and transformation and is establishing a dedicated programme within the department to drive enterprise development. We are proud to announce that we will be

showcasing this as part of our Tourism Incentive Programme at the annual Tourism Indaba in Durban next week.

The Tourism B-BBEE Portal was also developed for black owned enterprises to accelerate SMMEs empowerment in the tourism sector, to facilitate matchmaking and monitor compliance to the Amended Tourism B-BBEE Sector Code. All of these initiatives will be further advanced in this financial year.

Transformation is also about inclusivity and removing access to barriers. Prior to the birth of our democracy, tourist activities have not been enjoyed by all South Africans. Our department, in collaboration with the other spheres of government and related government agencies, plans to develop an inventory of all government owned parks and resorts and discounted rates will be offered to designated groups. This Social Tourism initiative not only aims to boost domestic traveller numbers but more importantly to inculcate a culture of love for travel.

South Africa is renowned not only as a sought after leisure destination because of our vast array of products but also as a business and events destination. This robust industry includes meetings, incentives, conferences and exhibitions. Business tourism has a higher economic impact as travellers usually spend time on leisure activities pre or post their business event. Hosting these events not only generates revenue but also contributes to our knowledge economy. The National Conventions Bureau is expertly helmed by Amanda Kotze-Nlhapo, who recently was awarded the IMEX academy award for outstanding service to the meetings industry – for the Africa Middle East region. I wish to heartily acknowledge and congratulate Amanda! She and her team have already secured 66 international conferences between 2017 and 2022 as well as 45 bids pending outcomes.

Most importantly, transformation is about willingness to embrace change and I would like to sincerely thank all our partners – in trade, government and civil society – for their invaluable contribution in transforming this industry and subsequently making it the vibrant, dynamic sector that it is. I especially want to thank Team Tourism led by the Honourable Minister Hanekom for his visionary leadership. I look forward to continue our collaboration as we plot the way forward for the next twenty years.

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