



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

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**Keynote address by Tourism Minister Tokozile Xasa at the Local Government Tourism
Conference at Emperors Palace, Kempton Park, Gauteng on 3-4 April 2017**

“Tourism Planning is Everybody’s Business”

3 April 2017

The Minister of Cooperative Governance and Traditional Affairs (COGTA) - Mr Des van Rooyen
Deputy President of South African Local Government Association (SALGA) - Councillor Lindiwe
Ntshalintshali,
Ekurhuleni Metro Executive Mayor - Councillor Mzwandile Masina
South African Tourism CEO, Mr Sisa Ntshona
North West MEC of Tourism, Desbo Mohono
Representatives from local government
Captains of Industry
Members of the media
Ladies and gentlemen

It is an absolute honour to address this gathering in my first engagement as Minister of Tourism. And it could not have been a more fitting debut as you are the implementers of radical social transformation – the clarion call by our President in his State of the Nation Address this year. You are responsible for the visitor experience. You are at the coalface of tourism. You give expression to the National Development Plan – the blueprint to addressing the triple challenges of unemployment, poverty and inequality – through Tourism. And I applaud your commitment to this dynamic economic pillar. In his State of the Nation Address for 2017, President Jacob Zuma emphasised the need for radical economic transformation. “We mean fundamental change in the structure, systems, institutions and patterns of ownership, management and control of the economy in favour of all South Africans, especially the poor, the majority of whom are African and female, as defined by the governing party, which makes policy for the democratic government”, he said. The President also acknowledged the importance of tourism in the South African economy.

During his address of the National House of Traditional Leaders in March 2017, the President again touched on the many opportunities that are available in the tourism sector. Government acknowledges the critical role of traditional leadership institutions in our constitutional democracy and in communities, particularly in rural areas. This role is very important in relation to our rural tourism development strategies.

Our government appreciates the potential of tourism hence its identification as one of the key economic sectors. The understanding of tourism benefits to the economy is also gaining traction with our fraternal departments.

The success of this sector is evident in the growing numbers of international tourists who want to come to South Africa to enjoy the most amazing experiences at the incredible value for money that we offer: over 10 million last year, with 18% growth in overseas tourist arrivals. Success in domestic tourism will spread the economic and social benefits of the entire tourism value chain across

geographic regions of our country and throughout the year, creating more jobs and bringing meaningful benefits for local communities.

Our link to the people is through local government which is the sphere of government closest to the delivery of our mandate. It is through this vehicle that we can advance people power through tourism. Local government provides the core utilities and infrastructure on which the tourism industry is built such as roads, water, public transport and emergency services. And further operates attractions such as museums, art galleries, convention centres, tours and other amenities. Therefore local governments play a pivotal role in the economic and social development of their communities.

Tourism is packed with opportunities: growth in international and domestic tourism means more opportunities for local suppliers and providers of services to tourists, more opportunities for small businesses, for entrepreneurs and innovators, and for people from local communities to become actively involved in the wonderful world of tourism. We are not after short-sighted growth that is haphazard and aimless: we want sustainable growth that creates more opportunities for black people, especially people in rural areas, and for women, the youth and people living with disabilities. We want growth in tourism to lead to economic and social transformation for our country. All of us here today have one thing in common: we are all partners in tourism development, which makes it essential that we are all partners in planning for tourism growth and development.

We are at a very special juncture in the development of tourism in South Africa, a time when collaboration, partnerships and planning together is absolutely essential if we are to succeed in extracting the full value and benefits of tourism for all our people. Tourism is a half-exposed treasure chest. The lid is half-opened and not many of our people can get to the jewels. If we all work together, we can prise that lid open, so that the benefits of tourism, and the natural and cultural heritage of our country, can be shared by all the people in our country.

Studies conducted in the tourism sector show that transformation in the sector was happening at a slow pace. For example, in 2011, the Department commissioned an independent study to assess the state of transformation in the tourism sector. Amongst others, the study found that nearly 80% of Exempted Micro Enterprises (EMEs), Qualifying Small Enterprises (QSEs) and Large Enterprises (LEs) had failed to meet the targets for ownership, management control, employment equity, preferential procurement, enterprise development and skills development. The majority of workers in the tourism sector are women and women remain the backbone of the sector, but many are still confined to the kitchens, cleaning departments and front desks of many tourism establishments.

The Department has embarked on a process of reviewing the National Tourism Sector Strategy. This is a mid-term review aimed at ensuring that the department responds to current tourism trends. The review has been discussed at various intergovernmental forums including at cluster levels. It has also been discussed with various private sector stakeholders and individual departments. The next step will be the publication and gazetting of the strategy for public comments. We encourage your input and participation in this process. I would like to acknowledge the invaluable contributions to this process by the two former Ministers of Tourism that has enabled us to bring the process to this point.

The National Department of Tourism is working with our provincial and municipal counterparts to leverage South Africa's globally competitive natural and cultural advantages. This work is supported by the five pillars of the National Tourism Sector Strategy: improving the visitor experience; facilitating ease of access; effective marketing; enhancing destination management practices and bringing broad-based benefits to more of our people.

For Domestic Tourism, Statistics South Africa reported recently that domestic trips declined between 2013 and 2015 with day trips decreasing from 54.4 million in 2013 to 48 million in 2014 and 44 million in 2015. More work needs to be done address this decline. The NTSS is looking to grow these numbers through various South African Tourism programmes. Over the past year, South African Tourism has bolstered its efforts in working with all provinces. Some of the projects include the following: My1stShotleft with Micasa with all 9 provinces, Youth Tours in Tshwane - Gauteng Tourism, Tourism Month Campaign with all 9 provinces, Gogos on Tour with all 9 provinces, Trade Fam Hosting in Free State, Trade Fam Hosting in Karoo in the Western Cape, Trade Fam Hosting in Eastern & Western Cape, Tollgate Promotions with all 9 provinces in December as well as now for pre-Easter, Park Station Activation with all 9 provinces, Distributed discounted vouchers in all

provinces to high traffic areas at Park Station in Jhb and Media Hosting in Nelson Mandela Bay in the Eastern Cape.

To demonstrate this commitment, government recently allocated an additional amount of R494 million to promote tourism over the next three years. We have the following programmes in place:

It is estimated that the Oceans Economy has the potential to contribute R 177 billion to the GDP by 2033 compared to the R24 billion in 2010 and create one million jobs compared to the 360 000 in 2010. As part of Operation Phakisa, Tourism is responsible for Marine and Coastal Tourism and we have already identified the relevant stakeholders that we will be focussing on. The Department will implement the Oceans Economy initiative looking at enhancing the tourism potential of our beaches. Furthermore, the department has the Blue Flag Tourism project as a contribution to the Nine Point Plan and the Oceans Economy. The approved budget is R40 million over three years, 2016/17 – 2018/19, covering 50 beaches and employing 200 unemployed youth. The youth will be trained in beach safety (first aid, life-saving, beach security), environmental management and environmental education of the natural plant life, animals, the dynamics of the ocean and the beach, as being guides to visitors, checking on the quality of the sea water and cleanliness of the beach so that it complies with the international Blue Flag standards. In the process, the coastal district and local municipalities will also be engaged.

We are also supporting the role of local government through the Local Government Development and Support Programme, which is aimed at assisting policy makers and tourism practitioners. The programme focuses on tourism development in the context of local government; tourism market and research statistics; tourism legislation; tourism asset and infrastructure management and integrated tourism planning. More than 300 local government tourism practitioners and policy makers have been trained through this programme. The Department is also rolling out the Local Government Induction Programme as a platform for which government officials, communities, traditional leaders and product owners to interact and collaborate.

The success of tourism industry largely depends on integrated planning, with particular focus at local government level, given that the bulk of tourism activities and facilities are at the municipal space. In strengthening tourism planning at local level, the department developed the South African Tourism Planning Toolkit for Local Government in 2010. The toolkit was written as a living and evolving document that should respond to current tourism planning issues at local government.

The Capacity Building Initiative creates a tourism development platform at local level fostering interaction with all key stakeholders across the three spheres of government, community, traditional leadership, and product owners. The information shared with stakeholders is based on the needs assessment done at each of the identified rural nodes and it incorporates the SMME support initiatives from various departments, relevant reports and researched information from selected Universities.

The department has recently launched new an Enterprise Development Programme such as SMME incubators at strategic tourism nodes, tourism information portal to bridge the information gap between entrepreneurs and business opportunities, business development and market access support to 300 enterprises countrywide. This multipronged approach requires multiple public, private and civil stakeholders to take part in the provision of various support needs of businesses. The incubator enables enterprises to obtain business support services offered mainly from their location of their businesses.

Technological developments have taken hold in the global economy in the last two decades. Tourism has not been immune to the effects of technological evolution. Recently, the evolution of technology has brought about the sharing economy phenomenon which includes platforms such as Uber, Airbnb and Lyft. This bodes well in terms of opportunities presented.

The Department has launched an Interactive Online Information Portal accessible to multiple hand held devices. The portal carries information on business opportunities, contacts and details of support instruments. Mobile Applications, for Tourist Guides and Visitor Information Centres, was also developed.

The Department is implementing the Service Excellence Integrated Support Programme to provide structured support to products to improve their respective service levels. This is critical to defining the visitor experience.

Our National Tourism Information and Monitoring System project is aimed at developing a cohesive system for gathering information from tourism stakeholders and related industries that support tourism as a sector.

Other initiatives will include: Business advisory and support services, training and development e.g. service excellence, market access; and the Information platform (Enterprise Development Portal).

I want to focus on a key element related to the theme of this conference, and I hope that this will guide your discussions: transformation in tourism. Transformation of this sector is imperative in promoting inclusivity. Our department promotes sustainability and good governance, which includes initiatives to transform the sector, promote the practice of responsible tourism and the unlocking of tourism economic development at local government level. Tourism was the first sector to gazette the amended B-BBEE Code showing the commitment of tourism stakeholders to the empowerment and transformation in the sector. The B-BBEE portal was developed to provide a matchmaking platform between black owned suppliers and large enterprises.

The 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. Provincial chapters are being constituted. Last year we 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. About 20 women were placed at UNISA-SBL from July 2016 to attend the programme for a year, fully sponsored by Department.

The Department will also conduct tourism transformation Indaba to demystify B-BBEE and create a platform to share best practices and plans on how to transform the sector. The conference will be held in a previously disadvantaged area in end of 2017 to begin to “walk the talk of transformation” and reaching out to broader beneficiaries.

In conclusion, the programme for this conference was purposely organised to be both inspirational and practical. This morning you will hear from thought provoking speakers who will share best practice case studies from both a South African and International perspective. I hope that you will take the inspiration from these stories into your workshop sessions this afternoon. There are four interactive workshops that have been organised that will give you practical skills on making a business case for tourism in the IDP, developing a basic tourism plan, developing a bankable tourism project funding proposal and co-operative governance to enhance tourism integration. The workshops are intended to be the beginning of many creative tourism projects in your local communities. It is my fervent hope that you will leave this conference filled with excitement about the possibilities that new tourism projects have for local economic development. I would love to see the maximum use of municipal land and local tourism assets for the benefit of local communities, this work begins with all of you.

I thank you.

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