WHITE PAPER

THE DEVELOPMENT AND PROMOTION OF TOURISM IN SOUTH AFRICA

GOVERNMENT OF SOUTH AFRICA
DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND TOURISM

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Abbreviations

CBO	Community-based Organisation
DTI	Department of Trade and Industry
EU	European Union
FIT	Foreign Independent Tourists
GDP	Gross Domestic Product
GEM	Group for Environmental Monitoring
IPTC	Inter Provincial Technical Committee
ITTT	Interim Tourism Task Team
MINMEC	Committee of Members of Executive Councils responsible for tourism in the provinces and the Minister and Deputy-Minister of Environmental Affairs and Tourism in the central government
NGO	Non-governmental Organisation
RDP	Reconstruction and Development Programme
RETOSA	Regional Tourism Organisation of Southern Africa
SADC	Southern African Development Community
SATOUR	South African Tourism Board
SMMEs	Small, Micro and Medium-sized Enterprises
USP	Unique Selling Point
VFR	Visitors to Friends and Relatives

Definition of Terms

Cultural tourism	cultural aspects which are of interest to the visitor and can be marketed as such, including the customs and traditions of people,

	their heritage, history and way of life.
Ecotourism	environmentally and socially responsible travel to natural or near natural areas that promotes conservation, has low visitor impact and provides for beneficially active socio-economic involvement of local people
Emerging markets	population groups entering the market in increasing numbers as domestic tourists, especially those previously neglected.
Emergent SMMEs	small, micro and medium-sized enterprises owned and/or operated by the previously neglected population groups that are entering the market
Environment	includes natural, urban, human living and cultural environments
International tourist	a person who travels to a country other than that in which she/he has her/his usual residence, but outside her/his usual environment, for at least one night but less than one year, and the main purpose of whose visit is other than the exercise of an activity remunerated from within the country visited. Due to markedly different travel and expenditure patterns, a distinction is drawn between international tourists from the rest of Africa (called regional tourists) and those from other countries (called overseas tourists). See definition of tourist.
Previously neglected communities	population groups that were largely excluded from mainstream tourism activities.
Responsible tourism	tourism that promotes responsibility to the environment through its sustainable use; responsibility to involve local communities in the tourism industry; responsibility for the safety and security of visitors and responsible government, employees, employers, unions and local communities
Statutory Organisation/parastatal	an organisation established by an Act of Government
Stop-over visitor	a person who travels away from home for other than commuting purposes, staying less than 24 hours in the place visited
Sustainable tourism	development tourism development, management and any other tourism activity which optimise the economic and other societal benefits available in the present without jeopardising the potential for similar benefits in the future
The tourism industry	all recipients of direct spend incurred by tourists. This includes pre-trip expenditure on travel and booking, travel and en-route expenditure, and all spending at the destination
Tourist	a person who travels away from home, staying away for at least one night. A tourist can be a domestic tourist (for example resident of Johannesburg staying one night in Durban), a regional tourist (a visitor from Zimbabwe spending one or more nights in the Free State) or an overseas tourist (a resident of Germany staying one or more nights in the North-West Province). See definition of international tourist. A tourist travels for different purposes including

	business, leisure, conference and incentive.
Tourism	all travel for whatever purpose, that results in one or more nights being spent away from home
Traditional domestic markets	previously advantaged domestic leisure tourists

The policy formulation process

In October 1994, the Minister of Environmental Affairs and Tourism appointed the Interim Tourism Task Team (ITTT) with the mandate of drafting a tourism discussion paper as a basis for a future national tourism policy. Representing the business sector, labour movement, provincial governments, community organisations and the national government, the ITTT produced a Tourism Green Paper in September 1995. The Tourism Green Paper was widely distributed for comment, whereafter the European Union was approached to provide technical assistance to the Government of South Africa in developing a Tourism White Paper. An international tourism specialists was appointed by the European Union for this purpose, in October 1995. It was recognised that the process of arriving at a White Paper for tourism is as important as the White Paper itself. As such, a great deal of emphasis was placed on developing the White Paper in such a way as to facilitate maximum participation by all. To this end, the process involved a number of research methods and strategies as follows:

1. A number of ITTT meetings were held to monitor progress and provide comments on the process followed and the content of the document.
2. Ten workshops were held country-wide to discuss the Green Paper and obtain inputs for the White Paper. More than 500 persons participated in these country-wide workshops.
3. Nearly 100 expert interviews and one-on-one consultations were carried out with key stakeholders in the industry.
4. More than 100 written submissions were received and reviewed.
5. A number of strategic meetings were attended, including meetings of MINMEC, IPTC, Hotel Industry Liaison Group, the Strategic Tourism Security Workshop, Museum Workshop and the national tourism workshop held on 4 March 1996.
6. Local consultants were appointed by the lead consultant to assist in carrying out secondary research and analysis of the tourism industry as well as the development of strategies and implementation programmes.
7. The consultants drew upon a number of reports by SATOUR and other organisations, White Papers of other government departments and other relevant documents.

The White Paper provides a policy framework and guidelines for tourism development in South Africa. It will be followed by an implementation strategy which will contain a number of key actions in order to effectively implement the guidelines contained in the White Paper

PART I: ROLE OF TOURISM IN SOUTH AFRICA

1.1 Tourism potential

With a population of approximately 41 million and a land area of 1.27 million sq. km (nearly five times the size of the UK), South Africa's resource base for tourism is phenomenal. The country's tourism attractiveness lies in its diversity. Some of the features which make South Africa an incredibly attractive tourism proposition include: accessible wildlife, varied and impressive scenery, unspoiled wilderness areas, diverse cultures (in particular traditional and township African cultures), generally sunny and hot climate, no 'jet lag' from Europe, a well-developed infrastructure and virtually unlimited opportunities for special interest activities such as whale-watching, wild water rafting, hiking, bird-watching, bush survival, deep-sea fishing, hunting and diving. In addition, unique archaeological sites and battlefields, the availability of excellent conference and exhibition facilities, a wide range of sporting facilities, good communication and medical services, internationally known attractions (Table Mountain, Cape of Good Hope, Sun City, Kruger National Park, Garden Route, Maputaland) and unrivaled opportunities to visit other regional internationally known attractions (e.g. Victoria Falls and the Okavango Swamps) make South Africa an almost complete tourist destination.

Tourism has become a fiercely competitive business. For tourism destinations the world over, as indeed for South Africa, competitive advantage is no longer *natural*, but increasingly *man-made* - driven by science, technology, information and innovation. As such, it is not simply the stock of natural resources of South Africa that will determine her competitiveness in tourism, but rather, how these resources are managed and to what extent they are complemented with man-made innovations. In this regard, South Africa scores well on three important fronts. First, the already well-established network of national parks (covering some 6.3% of the surface area of the country) and private nature reserves are very much 'on trend' with the demands of the increasingly environmentally sensitive visitor. Second, some companies are already leaders in global 'best practice' in ecotourism, while others have created Disneyland-like attractions in South Africa, boosting the country's name internationally. Third, the recent successful political transformation in South Africa has virtually 'opened' the country's tourism potential to the rest of the world and indeed to the previously neglected groups in society. It is not surprising that the *World Tourism Organisation* in its 1995 review of African tourism considers South Africa to be "one of the most promising tourism destinations of the African continent". The *Horwath 1995 Worldwide Hotel Industry Review* concluded that South Africa's tourism potential "is outstanding, providing peace and harmony remain".

Notwithstanding all the abovementioned advantages, South Africa has not been able to realise its full potential in tourism. As such, the contribution of tourism to employment, small business development, income and foreign exchange earnings remains limited.

1.2 Role in the economy

Tourism currently plays a relatively small role in the economy of South Africa. The *Economist Intelligence Unit* estimates the value added of tourism in South Africa to be no more than 2% of

Gross Domestic Product (GDP) in 1994. *Kessel Feinstein* and SATOUR estimate that in 1995, tourism's contribution to GDP was in the vicinity of 4%, which is very low by any standard. The *World Travel and Tourism Council* estimated that in 1995, tourism contributed 10.9% to the GDP of the world economy; 10.5% to the US economy; 13.4% to the European economy; 12.3% to the British economy and 31.5% to the Caribbean economy. SATOUR estimates that 480,000 jobs are directly and indirectly created by tourism. Tourism is the fourth largest earner of foreign exchange in South Africa.

The potential for South Africa to grow its tourism industry, to triple its contribution to national income and to at least double its foreign exchange earnings by the year 2000, is very real. If contributed 10% to the GDP of South Africa, as it does in the US, the industry would generate some R40b annually and create 2 million jobs.

1.3 Recent performance

In 1995, South Africa received 4.48 million international visitors. Africa continues to generate the bulk of international arrivals to South Africa (73%) with Europe accounting for about 15%. North and South America, the Middle East, Australasia and the Indian Ocean Islands continue to be very marginal contributors, together accounting for not more than 12% of total international arrivals. In 1995, South Africa received just under 1,1 million overseas visitors (originating from outside Africa). In addition it is estimated that there are some 7.9 million domestic tourists who took a total of 17 million holidays in 1994. The potential for South Africa to increase both arrivals and expenditures from all three markets -overseas, regional and domestic - is substantial, considering that the majority of the previously neglected groups in society have not traveled and that the neighbouring African markets have good potential for further development.

Domestic tourism plays a specially important role in the South African tourism industry. This market will continue to grow as previously neglected people become tourists and travelers themselves. International tourism is also a vital element of the South African tourism industry - overseas and Africa air arrival visitors spend an average of R14,000 (including airfare). The Reserve Bank conservatively estimates that African land arrival visitors spend on average R600 when they visit South Africa. Within the international tourism market, the business travel market, the conference, incentive and leisure segments are of critical importance to the South African tourism industry. Following the democratic elections of April 1994, extremely positive growth in visitor arrivals from both the regional and overseas markets was recorded. Overseas visitors to South Africa are expected to double by the year 2000.

While there is no doubt that growth will continue under the pressure of regional and overseas demand, there is no guarantee that growth will be sustainable, or that the tourism industry will be fully able to act as an engine of growth for the economy, or achieve the socio-economic objectives set by the new Government. Key actions, policies and strategies are necessary to ensure that South Africa realises its tourism potential as well as avoid the mistakes that other destinations have made.

PART 2: THE PROBLEMATIQUE

2.1 A missed opportunity

Tourism development in South Africa has largely been a missed opportunity. Had its history been different, South Africa would probably have been one of the most visited places in the world. The tourism industry in South Africa has been woefully protected - protected from foreign competition (limited international investment in tourism facilities), protected from demanding, long-stay tourists (limited flow of international visitors) and protected from itself (suppliers cater to a largely homogeneous and predictable clientele, i.e. the easily identifiable needs of the privileged class). As such, the potential of the tourism industry to spawn entrepreneurship, to create new services (e.g. local entertainment, handicrafts, etc.), to "drive" other sectors of the economy, to strengthen rural communities, to generate foreign exchange and to create employment, has not been realised.

Yet tourism, perhaps more than any other sector, has the potential to achieve the objectives of the Reconstruction and Development Programme (RDP) of the new government. Tourism creates opportunities for the small entrepreneur; promotes awareness and understanding among different cultures; breeds a unique informal sector; helps to save the environment; creates economic linkages with agriculture, light manufacturing and curios (art, craft, souvenirs); creates linkages with the services sector (health and beauty, entertainment, banking and insurance); and provides dignified employment opportunities. Tourism can also play a strategic role in dynamising other sectors of the economy - the agriculture sector that benefits from the tourism industry (increased demand for new agricultural products and services such as organic agriculture, farm tourism); the manufacturing sector (the supply of furniture and fittings, construction, linens, pots, pans, etc.) as well as crafts (wood-working, curios, fine art). Perhaps the weakest economic linkages with the tourism industry in South Africa exist in the services sector (entertainment, health and beauty services, banking, insurance).

Many international tourism destinations have successfully used the tourism industry to encourage other sectors of the economy and to generate new and innovative employment opportunities. In Jamaica, for example, Jamaicans teach tourists to speak Jamaican and dance reggae; in Barbados, one of the most profitable activities - hair-braiding - takes place in the informal sector; in a Budapest hotel a dental check-up is included in the price of the room; and local live entertainment is the norm at most hotels in the world - from Berlin and Boston to the Bahamas.

The tourism industry in South Africa has been, and continues to be, faced with a number of impediments to its further growth and development. Key constraints facing the industry as well as immediate problems are identified below.

2.2 Key constraints

A number of factors limit the effectiveness of the tourism industry to play a more meaningful role in the national economy. Some of the key constraints are identified below:

- tourism has been inadequately resourced and funded
- myopic private sector
- limited integration of local communities and previously neglected groups into tourism
- inadequate tourism education, training and awareness
- inadequate protection of the environment
- poor service
- lack of infrastructure, particularly in rural areas
- a ground transportation sector not geared to service tourists
- lack of inclusive, effective national, provincial and local structures for the development, management and promotion of the tourism sector

In addition to these constraints, an immediate problem facing the industry is the growing levels of crime and violence on visitors

These are explained below:

i. **Inadequately resourced and funded tourism industry**

One of the problems facing the tourism industry is that the Government has had a limited view of the potential of the industry and, as a result marginal resources have been devoted to developing and promoting the sector. Tourism is still narrowly viewed as tourists and hotels. In many quarters, the tourism industry is still seen as a thing of the past - a plaything for the previously privileged class. The true wealth-creating potential of the sector has not been fully grasped by policy-makers (refer to Section 3.3 - Why Tourism). Unless tourism is seen as strategically important to the economy of South Africa and the necessary plans, policies, actions and resources to support this initiative are put in place, tourism will continue to be a missed opportunity.

ii. **Myopic private sector**

Another major problem facing the South African tourism industry is a short sighted private sector. Hotels, and indeed many other tourism establishments, tend to have a rather limited view of the product they offer - only goods and services within their four walls. If a visitor is harassed on the road; over-charged by a taxi driver; the environment destroyed by insensitive development; or schools are dilapidated , it is not considered the hotel's concern. Experience indicate that hotels that have taken a much broader view of their product tended to be more successful:

- *Curtin Bluff Hotel in Antigua* has virtually adopted its surrounding community. Locals from the village, for example, are provided with opportunities to become tennis pros and many are sent abroad for training.
- *Half Moon Hotel in Jamaica* has adopted half a mile of highway surrounding its hotel and is committed to maintaining and beautifying it. The hotel is also in the forefront of environmental conservation.

o   *Hotels in St. Lucia in the Caribbean* have pioneered an 'adopt a farmer' programme. The advanced orders that hotels place provide farmers with the necessary collateral for them to obtain bank loans to invest in production.

In South Africa, signs of a more forward-looking private sector are emerging. Various ecotourism companies and conservation agencies are increasingly promoting meaningful community participation and shareholding in tourism ventures. These initiatives are, however, still the exception and hotels and other tourism establishments need to play a far more active role in influencing the quality of the total visitor experience. It is through taking a broader view of the product offered, and building partnerships with the government, local communities and other private sector interests, that the highest levels of customer satisfaction can be achieved.

iii.   **Limited development scope due to past political policies**

The past apartheid policies have placed severe constraints on the development scope of the industry. While the attractiveness of South Africa as a tourism destination has always been acknowledged, this potential could not effectively be realised due to many tourists not wanting to travel to country in protest to such policies. The current growth of the industry could largely be ascribed to the political changes of the past few years and the resultant freedom of movement.

iv.   **Limited involvement of local communities**

Another major problem facing the South African tourism industry is the poor involvement of local communities and previously neglected groups in the industry. While this has been largely due to the previous Government's policies, the need to reverse this situation is of urgent importance. The tourism industry, perhaps more than any sector, provides a number of unique opportunities for involving previously neglected groups, including:

Operators of tourism infrastructure:

o   Small guest houses or bed and breakfast establishments
o   Taverns, shebeens, bars and restaurants
o   Transport - taxi services, tours, trips, airport and other transfers
o   Attractions - township experiences, apartheid and struggle history
o   Museums - traditional culture and history
o   Entertainment - music, dance, theatre, story-telling, etc.
o   Other - florists, art galleries, hair salons, beauty parlours, craft shops

Services to the industry

o   Tour operator services
o   Travel agencies
o   Tour guides

- o   Marketing services
- o   Booking services
- o   Training services

Suppliers to the industry

- o   Laundry services -ironing only, full laundry, sewing and repairs
- o   Portering services
- o   Production and selling of crafts
- o   Interior decor - rugs, wall hangings, furniture, textiles, art
- o   Construction - collection of materials, thatching, building trades
- o   Maintenance services - vehicles, plant and equipment
- o   Environmental services - gardening, bush clearing, composting
- o   Specialty agriculture - herbs, organically grown produce
- o   Specialty tourism products - traditional hunting, traditional medicines and herbs

Despite these obvious and available opportunities, however, many factors limit the meaningful involvement of local communities in the tourism industry. These include:

w.   lack of information and awareness;
    x.   lack of know-how and training;
    y.   lack of finance;
    z.   lack of interest on the part of existing establishments to build partnerships with local communities and suppliers; and
    aa.   lack of incentives to reward private enterprise that build or develop local capacity and create job opportunities.

The concerns and anxieties of the previously neglected groups need to be understood and adequately addressed in building a successful tourism industry in South Africa. Some of these concerns are:

- o   **"Tourism is a white man's thing and not for us**" - tourism is perceived as catering to the predominantly white upper and middle classes. There is a belief that "tourism is what whites do when they go to Kruger Park or the beach in Durban", and certainly not within the reach of the previously neglected.
- o   **The majority of South Africans have never been meaningfully exposed to the tourism industry** and have not benefited from the country's vast resources.
- o   **Suspicion and mistrust** - most protected areas were proclaimed without consultation with, or the approval of, affected rural communities. Communities bore the cost of reduced access to natural and cultural resources but did not perceive, or receive any direct benefits.
- o   **Complete lack of knowledge and understanding** of what tourism really is - there is a perception that tourism refers only to people traveling around and staying in hotels. The wider opportunities offered by tourism are not appreciated.
- o   **Lack of training** opportunities for previously neglected groups in society effectively limits meaningful participation in the tourism industry.

- o **Inability to access finance** to take advantage of entrepreneurial opportunities provided by the tourism sector.
- o **Lack of involvement** - the majority of South Africans have not been involved in the planning, decision-making, investment, development or promotion of the tourism industry. Communities have not been involved or consulted in respect of major investment decisions or developments proposed for areas in which they live.
- o **Inequalities** - past inequalities and abuse of power have led to the exploitation of local cultures and community groups.
- o **Language barriers** - the English language seems to be the established language of tourism communication, effectively excluding a majority of the population of South Africa where 11 official languages are in vogue.
- o **Negative attitudes** - negative attitudes exist within the industry towards community tourism products which are sometimes viewed with skepticism and regarded as inferior. There is often a view that what is white and Western is best. The value of the previously neglected people, their culture and their products often tend to be depreciated.
- o **Lack of market access** - local communities lack access to the lucrative tourism markets as visitors are kept within the hotels and resorts and venture out only to 'sanitised' places of interest. For the local shebeens or the local craft vendor, a visitor sighting is a rare occasion.
- o **Barriers to entry** - these are caused by very large companies and corporate structures which control the market. Businesses in South Africa are either very large or very small - a middle segment is only slowly emerging. The cost of capital furthermore prevents many small operators from entering the market.

A great deal of work has to be done by both the government and tourism private sector to redress previous imbalances, to win back the support of the previously neglected groups and to demonstrate that tourism in the new South Africa can benefit all South Africans.

To succeed, any tourism development policy of South Africa must, as a priority, seek the meaningful involvement of the previously neglected communities, not only in the supply of their labour services, but also in entrepreneurial activities. As will be demonstrated in Section 3, responsible tourism is not a luxury for South Africa, but an absolute necessity if the country has to build a successful and sustainable tourism industry.

v. **Inadequate training, education and awareness**

Perhaps the greatest deficiency in the tourism industry in South Africa is the absence of adequate education, training and awareness opportunities. The previously neglected groups in society are highly disadvantaged and the job of leveling the playing field is a massive one. One of the key vehicles for doing so is education and training - a basic necessity that the majority of the population has not had access to.

The tourism industry in South Africa directly and indirectly employs an estimated 480,000 persons, a figure which is expected to double by the year 2000. At the tertiary

level, training in tourism and hospitality services is offered at a limited number of public and private institutions. Skills training at the lowest levels (e.g. barmen, cleaners, porters) is mainly done on an in-house basis.

With a total training capacity of some 10,000 and an industry expected to require 100,000 additional persons per year in the next five years, training capacity falls far short of the needs. This is not to mention the general need for community-wide tourism awareness programmes as well as the urgent need for a wide range of basic skills among persons who are the first line of contact with the customer. The data suggest that South Africa is not capable with present output to satisfy more than 10% of its training needs.

It is important to note also that training capacity, what little there is, is very unevenly spread among the provinces, with Gauteng, North-West and the Western Cape Province leading the field. Northern Cape in particular, and to a lesser degree the Northern Province, and Mpumalanga, have little to show in terms of facilities. The discrepancies become more marked as one moves to institutions of higher learning such as universities and technikons.

vi.   **Inadequate environmental management**

Environmentally, South Africa is an incredibly unique and rich country. *The World Wide Fund for Nature: South Africa* estimates that South Africa is the third most biodiverse country in the world, has one third of the plant species in the world and 8% of the world's plants. The country has a well-maintained network of protected areas and is globally renowned for its conservation practices. However, despite this excellent record in conservation, South Africa is also one of the environmental "hot spots" in the world with 2,000 plant species on the endangered list.

Some of the main environmental problems and issues have been identified by *Grossman and Associates* in their 1996 report:

- o   **Unequal land distribution and landlessness** - which has forced the majority of the population to live on 14 % of the land, has resulted in serious overcrowding and a resultant major effect on the quality of the natural resource base
- o   **Soil erosion** - is causing lakes, dams, rivers and, most importantly, coastal estuaries to silt up, thereby depriving these natural resources of the leisure and aesthetic potential to attract tourism
- o   **Deforestation**. In 1994, it was estimated that 24 million people live in non-electrified homes and use mainly coal or wood for cooking and heating. Some 17 million people rely exclusively on fuelwood for cooking and heating, contributing to severe deforestation, especially in former homeland areas.
- o   **Water shortages and pollution** - South Africa is a water-scarce country and shortages and pollution of groundwater, rivers and estuaries pose one of the major threats to the country's environment.
- o   **Air pollution** - concentrated in areas like the Gauteng region and Mpumalanga Highveld region, where acid rain is a factor.

In addition, poor coastal zone management and, in certain instances, unplanned development, aggravate the environmental problems. South Africa also has no formal requirements for environmental and social impact assessments to be carried out. A major threat to the further development of the tourism industry and indeed the sustainability of the population of South Africa is the rapid degradation of the environment. Among the population at large, there is an alarming disregard for the environment; litter has become a national problem; there is little awareness of the benefits of conserving the environment among the majority of the population; and for many, environment conservation is rather a luxury - finding jobs and food to eat take priority. South Africa does not as yet have an integrated approach to environmental development and conservationists consider the country to have an extremely poor record in land-use planning. The poor protection of the environment in South Africa will continue to curtail the tourism sector's development.

vii.   **Poor service**

There is a general culture of poor service in the tourism industry and related sectors. There is little excitement in delivering service or to go the extra mile to satisfy the customer. The problem is that this seems to be an accepted norm by the bulk of domestic tourists. Even worse, because many establishments are performing well as a result of the unexpected new demand, many owners and managers believe that the product they offer is acceptable. According to the *Kessel Feinstein State of the Industry Report*, "The South African hotel industry has been characterised by a limited degree of competitiveness. The limited number of hotel groups and the majority of typically non-discerning South African customers have resulted in mediocre levels of service".

viii.   **Lack of infrastructure, particularly in rural areas**

It is often said that South Africa has a First World infrastructure. However, there is a lack of infrastructure in the rural areas, which severely limits the participation of rural communities in the tourism industry. In addition, the absence of adequate transportation services effectively prevent rural communities from participating in the industry, both as potential suppliers of products and services, and as tourists themselves.

ix.   **Lack of appropriate institutional structures**

The lack of commitment to the tourism industry in South Africa is partially evident from the institutional provisions made for the sector. At the national Government level, tourism shares the portfolio with Environment under a Ministry of Environmental Affairs and Tourism. While, at first sight, these two may seem to be ideal partners, in reality, environment and tourism exist under one roof, but do not work closely together. The environmental division of the Department over-powers the Tourism division - there are some 1,000 staff members in the environmental section while the tourism division, until July, 1995, has largely been a one-man show. Inadequately staffed and resourced, the tourism division has not been able to provide anything beyond skeletal liaison and administrative functions. As such, the South African Tourism Board (SATOUR) has attempted to fill the gaps, in many instances carrying out the functions of both national

government and statutory body - grading and classification of hotels, licenses, research and development, training, marketing, promotion and product development.

SATOUR is the statutory body mandated with the marketing and promotion of tourism in South Africa. SATOUR also has representative offices in the international marketplace. In the provinces, SATOUR offices have largely been disbanded and are being replaced by Provincial Tourism Organisations.

SATOUR performed the function of marketing of South Africa in a period where travel restrictions were in place and in an environment not wholly conducive to tourism development. SATOUR has come to be associated with the old South Africa and the old privileged tourism and is still undergoing restructuring to accommodate a new reality - greater representation of the previously neglected groups, greater authority and autonomy of the provinces and the general restructuring of the industry.

At the provincial level, tourism organisations are still in disarray, with some provinces way ahead in terms of their tourism structures, marketing, promotion, etc. Provincial autonomy has unfortunately created a situation in which provinces are going abroad to market themselves individually. This situation is creating confused destination images, not to mention the inefficient use of resources and the missed opportunity to reinforce South Africa's name in the international marketplace. At the same time, the resources and opportunities to penetrate new and emerging markets and market niches are wasted or missed. Consumers, on the other hand, are bombarded with a number of new destinations with no clarity as to how they will satisfy their specific needs.

At the private sector level, there are many bodies representing specific interests - from car rental and tour operators to guest houses and hotels. February 1, 1996 marked the formation of the Tourism Business Council of South Africa - a body which will hopefully become a truly representative private sector body in tourism, where the industry will be able to speak with one voice.

It is critically important and necessary to develop inclusive, effective national, provincial and local structures for the development, management and promotion of the tourism sector in South Africa. The exact nature and organisation of these structures must be influenced by the new mandate, vision and objectives set for the sector.

x. **Tourism security**

In addition to the above-mentioned problems, a rather more immediate problem needs to be addressed - that of tourism security.

Kessel Feinstein estimates that "the major constraint to overseas tourism growth is the actual and perceived levels of ongoing violence and crime". Well-publicised incidents involving tourists as well as high levels of crime affecting the local population who invariably play host to significant numbers of foreign visitors, significantly constrain overseas tourism growth.

To address this threat, a Strategic Tourism Security Workshop was convened by the Minister on November 6, 1995. The workshop produced a number of strategies and short-term projects. The long-term solutions - those of involving the local communities, creating employment, training and awareness programmes - represent a considerable challenge. Tourism can contribute significantly to the solution of these problems. However, a new tourism needs to be developed.

PART III: TOWARDS A NEW TOURISM

3.1 Tourism and the RDP

The Reconstruction and Development Programme (RDP) is the strategy of the Government of South Africa for the fundamental transformation of the country. The RDP is based on the notion that reconstruction and development are parts of an integrated process. The RDP integrates growth, development, reconstruction, redistribution and reconciliation into a unified programme. It is a pragmatic and proactive programme that has already won the support of funding agencies worldwide. Six basic principles underpin the RDP:

Integration and sustainability - integrating all facets of the country: national, provincial and local, business and civic organisations in a coherent strategy, and developing economically and environmentally sustainable programmes

- **People-driven** - active involvement of all citizens irrespective of age, sex, financial status, urban or rural in the shaping of their own future
- **Peace and security** - a national drive for peace and the combat of various forms of violence, particularly violence on women
- **Nation-building** - on the basis of unity in diversity and consolidation of national sovereignty
- **Meeting basic needs and building the infrastructure** - meeting basic needs of the people of South Africa and opening up previously suppressed economic and human potential in urban and rural areas.
- **Democratisation** - participation by all in decision-making
- **Assessment and accountability** - creating standards of measurement accepted by society by which progress towards phased achievements can be judged.

The specific programmes of the RDP include:

- **Meeting of basic needs** - from job creation, land and agrarian reform to housing, water and sanitation, energy supplies, transport, nutrition, health care, the environment, social welfare and security.
- **Developing human resources** - integrating the energies of all education and training institutions, abolish discrimination and focus on life-long learning, arts and culture, sport, youth and particularly training of young women

- **Building the economy** - reversing distortions, removing barriers, securing worker rights, regional cooperation.
- **Democratising state and society** - building democratic institutions and practices

The RDP is a bold and innovative programme of the Government of South Africa. Although the delivery of some programmes was slower than the population would like, considerable progress is being made in meeting basic needs and the democratisation of state and society.

The provision of basic needs is, by nature, consumptive - a user rather than a creator of national resources. **There is an urgent need to create sustainability of the RDP programme, i.e. create legs for it to walk on**. The population needs to be provided with meaningful employment and entrepreneurial opportunities so as to be able to afford housing, water and sanitation, electricity, transport and health care. **The tourism industry, more than any other industry, can provide sturdy, effective and sustainable legs for the RDP to walk on**.

3.2 Why tourism?

Tourism can be an engine of growth, capable of dynamising and rejuvenating other sectors of the economy. There are eighteen good reasons why. Consider that:

i. **Tourism represents a significant opportunity for South Africa**

   Employing 212 million people world-wide, generating $3.4 trillion in world gross output and contributing $655 billion of Government tax revenues, travel and tourism is the world's largest industry. In Britain, Germany, Japan, and the USA, more adults have traveled than visited a library, attended a sporting event or have gone to see a play or concert. The tourism industry is expected to grow by 50% by 2005 by which time the industry will be worth US$7 trillion to the world economy.

ii. **Tourism is the world's largest generator of jobs**

   The *World Travel and Tourism Council* estimates that travel and tourism is now the world's largest generator of jobs. In 1995, the industry provided direct and indirect employment for 212 million people; accounted for 10.7% of the global work force and provided one in every nine jobs. Between 1995 and the year 2000 travel and tourism will add one new job every 2.5 seconds and create 125 million new direct and indirect jobs. Tourism already creates 480,000 jobs in South Africa. The potential for South Africa to create 2 million jobs by the year 2000 is very real.

iii. **Tourism can provide immediate employment**

   Properly organised and focused, the tourism sector can create many jobs within a short period. If one quarter of the 8 500 tourist accommodation establishments (not to mention restaurants and fast food outlets) in South Africa began to offer live entertainment to guests, at an average of three entertainers per group, thousands of entertainers can be employed within days; and if large resorts opened their doors one day per week to

encourage craft providers to market their products to the visitors (on condition that everything sold is actually made by the entrepreneur, with a working demonstration of the skills) many employment and business opportunities will be created for surrounding local communities. The provision of weekly market days at the resort (at no rental charges) is already done by the Sandals Resorts group in the Caribbean. Visitors view the market as a prime attraction that they look forward to.

iv. **Tourism is labour-intensive**

The tourism industry has the lowest ratio of investment to job creation. Thhs means that more jobs can be created per unit of capital invested and many tourism activities are within the reach of the small operator.

v. **Tourism employs a multiplicity of skills**

From accountants and hairdressers to tour guides and trackers, the tourism industry draws upon a multiplicity of skills. Moreover, the potential for on-the-job training is enormous.

vi. **The tourism industry creates entrepreneurial opportunities**

The tourism industry accommodates a thriving and dynamic informal sector - from craft and fruit vendors to beach vendors, chair rentals, and others. Apart from the opportunities provided in the informal sector, there are many business opportunities to involve previously neglected groups in the tourism business: entertainment, laundry and transportation services, craft rental; arts, craft and curios sales; tour guides and walking tours of places of interest; teaching of African languages and customs to interested visitors; restaurants emphasising local cuisine; guest houses; beach manicures and pedicures; and much more.

vii. **Tourism brings development to rural areas**

Many of the prime tourism attractions are not located in the city centres but in the rural areas. Tourism allows rural peoples to share in the benefits of tourism development, promoting more balanced and sustainable forms of development. Tourism provides an alternative to urbanisation, permitting people to continue a rural family existence, enfranchising both women and the youth.

viii. **Well-managed tourism is kind to the environment**

Unlike the mining and other smoke stack industries, well-managed tourism can help to save the environment. Many forms of tourism development rely on maintaining and even repairing the landscape and its natural features (lakes, rivers, estuaries and wildlife areas). Wildlife tourism - especially in arid regions of the country - is dependent on the restoration of natural vegetation and soil cover. Many state and private sector projects have spent large amounts on rehabilitating land damaged by commercial farming and

other forms of land-use. Tourism which is responsibly practiced furthermore allows for the protection of biodiversity on land used for its purpose.

ix. **Tourism builds cross-cultural relations and is a vital force for peace**

Through its inherent message of goodwill, hospitality, trust, service without servility, tolerance, interaction and communication, tourism is a most effective mechanism for fostering national and international cultural exchange and understanding among people. It is, therefore, an effective nation-builder and a strong incentive and reason for peace.

x. **Tourism is a final good**

Tourism is not a primary export item (like coal, copper and iron ore) that adds little value. Tourism is a **final** good. This means that all the final touches (value) have to be added in South Africa - be it a taxi ride from the airport, a basket of fruit or flowers in the hotel room, wildlife viewing, binocular rental, helicopter tour, dive instruction or a meal in a restaurant. This means that **the value added in final stages of production is created in South Africa**.

xi. **Tourism is a foreign exchange generator** *par excellence*

International tourism is the only export item which is exported without leaving the country. This means that every taxi taken, every banana, lychee, mango, orange eaten, every chair sat on or bed slept in, brings in valuable foreign exchange. A recent OAS study estimated that the tourism industry accounted for over 45% of Jamaica's gross foreign exchange inflows for 1992.

xii. **Tourism brings a ready market**

South Africa welcomes every year well over 4 million regional and overseas visitors. These visitors bring a ready market right to the doorstep of the country.

xiii. **Potential to influence visitor tastes and create export markets**

Through tourism, South Africa becomes the supermarket or boutique to which visitors are drawn. Apart from the normal consumption of sun, sand and sea, wildlife, wine and water sports, tourism allows its clients to inspect other goods and services for sale in South Africa. Tourists to South Africa have the opportunity to sample the local fare (e.g. wine, beer, food, craft, entertainment, etc.). Moreover, they have the leisure, time, usually the money as well as the convenience (plastic cards) to pay for local goods and services. The potential for South Africa to influence visitor tastes and create permanent export markets is very real.

xiv. **Tourism demand is continuous**

The consumption of travel takes place over one's lifetime. A holiday taken today does not reduce the demand for the holiday next year, next month or next weekend. This means that the potential market for tourism will continue to grow.

xv. **Tourism has a multiplier effect**

The impact of tourism is greater than the initial expenditure by visitors. In the Caribbean, for example, it is estimated that the sum of direct and indirect local value added generated per dollar of tourist expenditure was around 1.6 times the value of the initial input of visitor spending.

xvi. **Enormous potential for linkages**

The tourism industry provides enormous potential to create linkages and dynamise other sectors of the economy - agriculture, manufacturing and services. South Africa, more than any other country in the rest of Africa or in the developing world, has the potential to supply almost every need of the tourism industry - from meat and poultry, beverages and wines, to vehicles, machinery, furniture, cut flowers, jewelry, diamonds and more. Tourism will generate demand and production in other sectors of the South African economy.

xvii. **South Africa is already a global leader in ecotourism**

Various South African companies and conservation agencies are already involved in ecotourism ventures, a factor which could act as a catalyst for further development in this field.

xviii. **Limited exploitation of the tourism potential**

While the potential for the development of tourism in South Africa is great, the tourism industry represents a vastly under-utilised opportunity

Conclusion:

The tourism sector could provide the basis for and sustain the RDP programme of the South African government. To achieve this mandate, however, tourism must be developed as a strategic industry. A 'wait and see what happens' approach pervades the industry. However, unless tourism is viewed and developed as a strategically important industry - the greatest engine of growth for the South African economy - the true wealth-creating potential of the tourism sector will never be realised.

3.3 Any kind of tourism?

To achieve the true potential of the tourism industry it must be clear that **any old tourism will not work**. A new tourism is required that would boost other sectors of the economy and create

entrepreneurial opportunities for the previously neglected groups; that would be kind to the environment; that will bring peace, prosperity and enjoyment for all South Africans.

3.4 Responsible tourism

Based on an assessment of the problems, constraints and opportunities facing the South African tourism industry, the imperatives of global change as well as the ideas and concerns raised in the country-wide workshops in South Africa, the concept of "Responsible Tourism" emerged as the most appropriate concept for the development of tourism in South Africa.

This White Paper proposes **Responsible Tourism** as the key guiding principle for tourism development. Responsible tourism implies a proactive approach by tourism industry partners to develop, market and manage the tourism industry in a responsible manner, so as to create a competitive advantage. Responsible tourism implies tourism industry responsibility to the **environment** through the promotion of balanced and sustainable tourism and focus on the development of environmentally based tourism activities (e.g. game-viewing and diving). Responsible tourism means responsibility of government and business to involve the local communities that are in close proximity to the tourism plant and attractions through the development of meaningful economic linkages (e.g. the supply of agricultural produce to the lodges, out-sourcing of laundry, etc.). It implies the responsibility **to respect, invest in and develop local cultures** and protect them from over-commercialisation and over-exploitation. It also implies the responsibility of local communities to become actively involved in the tourism industry, to practice sustainable development and to ensure the safety and security of the visitors. Responsibility to visitors through ensuring their safety, security and health is another consequence of responsible tourism. Responsible tourism also implies the responsibility of both employers and employees in the tourism industry both to each other as well as to the customer. Responsible trade union practices and responsible employment practices will be the hallmarks of the new tourism in South Africa. Responsible tourism also implies responsible government as well as responsibility on the part of the tourists themselves to observe the norms and practices of South Africa, particularly with respect to the environment and culture of the country.

Key elements of responsible tourism are:

- Avoid waste and over-consumption
- Use local resources sustainably
- Maintain and encourage natural, economic, social and cultural diversity
- Be sensitive to the host culture
- Involve the local community in planning and decision-making
- Assess environmental, social and economic impacts as a prerequisite to developing tourism
- Ensure communities are involved in and benefit from tourism
- Market tourism that is responsible, respecting local, natural and cultural environments
- Monitor impacts of tourism and ensure open disclosure of information

Responsible tourism has emerged as most appropriate because

i. it recognises the responsibility of the government and private sector to involve the previously neglected in the tourism industry
ii. responsible tourism is 'on trend' with the demands of the international marketplace - today, enlightened travelers want to know that their activities do not destroy the environment, but rather, help to conserve the environment and sustain local communities
iii. responsible tourism is a new concept - a fresh approach that South Africa can take to the marketplace
iv. responsible tourism offers South Africa the opportunity to be a leader in the 'new tourism'; it has a chance to define global best practice in responsible tourism and set the standard for the rest of the world to follow, rather than follow the initiatives that others have developed
v. responsible tourism is all-embracing, involving proactive participation and involvement by all stakeholders - private sector, government, local communities, previously neglected, consumers, NGOs, the media, employees and others
vi. responsible tourism is not a luxury for South Africa. It is an absolute necessity if South Africa has to emerge as a successful international competitor

The key challenge is to develop the commitment to responsible tourism on the part of all stakeholders and most importantly, implement it. The government is committed to the principle of responsible tourism and will undertake the following actions to facilitate its implementation:

i. work closely with international funding agencies, the local and international private sectors, NGOs and other relevant partners to define responsible tourism and establish a standard for it
ii. identify an agency, possibly an NGO, that will take on the responsibility of certifying responsible tourism providers and monitoring their performance
iii. actively market and promote South Africa as the premier responsible tourism destination
iv. provide incentives for responsible tourism providers, through government procurement policies (for example the Government should purchase services from responsible providers only), encourage international organisations and agencies to follow suit. The government should consider allowing preferential access to national marketing funds for responsible tourism providers.
v. encourage the development of partnerships between the tourism private sector and local communities
vi. sensitise the tourism private sector to the importance of involving communities in the development of responsible tourism
vii. use the local and international media to recognise and promote establishments that take actions to become socially and environmentally responsible
viii. support the employment of a cadre of persons to act as 'doormen' between the private sector and local communities to create business opportunities for communities
ix. work closely with to assist local communities to identify and develop their tourism potential
x. encourage successful responsible tourism suppliers to champion the cause of the communities and the spread of responsible tourism

xi. encourage joint ventures in which communities have significant ownership of and a substantial role in the management of tourism plant. Land claims and communal ownership of land offer forms of equity in these kinds of schemes

xii. encourage visitors to try out local bars and restaurants and participate in tours to local areas, bringing business to local communities

xiii. encourage the provision of opportunities at hotels and other establishments for advertising local attractions and other products and services offered by local communities

xiv. encourage tour operators to include shebeens, local museums, arts and craft shops in their tour itineraries

xv. encourage tour guides and tour operators to be more innovative with respect to the itineraries offered

3.5 Effects of irresponsible tourism

If a responsible approach to tourism is not adopted and the industry is not adequately planned a number of negative impacts can occur. These include environmental degradation; skewing of job creation to prostitution and vice industries; seasonality and unemployment during the off-season; the use of seasonal and contract labour at the expense of permanent employment; leakage of foreign exchange earnings; increased urban/rural polarisation; concentration of wealth in the hands of owners of tourism plant at the expense of population as a whole; and exploitation of local cultures and community groups.

PART IV: VISION, OBJECTIVES AND PRINCIPLES

4.1 Vision

Our vision is to develop the tourism sector as a national priority in a sustainable and acceptable manner, so that it will contribute significantly to the improvement of the quality of life of every South African. As a lead sector within the national economic strategy, a globally competitive tourism industry will be a major force in the reconstruction and development efforts of the government.

4.2 Guiding principles

The following principles will guide the development of responsible tourism in South Africa:

i. tourism will be private sector driven
ii. government will provide the enabling framework for the industry to flourish
iii. effective community involvement will form the basis of tourism growth
iv. tourism development will be underpinned by sustainable environmental practices
v. tourism development is dependent on and the establishment of cooperation and close partnerships among key stakeholders

vi.   tourism will be used as a development tool for the empowerment of previously neglected communities and should particularly focus on the empowerment of women in such communities

vii.   tourism development will take place in the context of close cooperation with other states within Southern Africa

viii. tourism development will support the economic, social and environmental goals and policies of the government

4.3 Critical success factors

For South Africa to achieve its vision for tourism, a number of key conditions must be met, as identified below:

   i.   sustainable environmental management practices
   ii.   involvement of local communities and previously neglected groups
   iii. a safe and stable tourism environment
   iv.   globally competitive practices, by offering quality services and value for money
   v.   innovative and responsive to customer needs
   vi.   focus on product enhancement and emphasise diversity
   vii. effective tourism training, education and awareness
   viii. creative and aggressive marketing and promotion
   ix.   strong economic linkages with other sectors of the economy
   x.   appropriate institutional structures
   xi.   appropriate supportive infrastructure

4.4 Key objectives

In accordance with the tourism vision, a united, sustainable and competitive tourism industry in South Africa will lead global 'best practice' in socially, environmentally and culturally responsible tourism. This vision is supported by the following objectives:

Economic objectives

1. To generate economic growth and foreign exchange, by aggressively developing and promoting tourism
2. To establish tourism as a national priority
3. To create sustainable employment opportunities and contribute to the well-being of all the people of South Africa
4. To optimise opportunities for SMME's, specifically emerging entrepreneurs
5. To use tourism to aid the development of rural communities
6. To promote domestic tourism amongst all South Africans
7. To encourage tourism growth and cooperation in Southern Africa
8. To facilitate balanced tourism development in South Africa
9. To create a conducive tourism investment climate

10. To encourage linkages between tourism and other industries in order to curb leakages and stimulate the multiplier effect
11. To lengthen the tourism season in order to minimise the negative effects of seasonality on the industry

Social objectives

12. To develop tourism with dignity - encouraging mutual respect for all cultures and eliminate all forms of discrimination on the basis of language, religion, culture, race, sex, age, wealth, ability, or other.
13. To provide appropriate tourism education, training, awareness and capacity building programmes, especially aimed at previously neglected groups
14. To encourage participation by all South Africans in tourism planning and policy formulation
15. To promote pride in the cultural resources of the country
16. To use tourism as a catalyst for human development, focusing on gender equality, career development and the implementation of national labour standards
17. To promote through tourism nation-building and peace amongst the people of South Africa as well as internationally, and promote greater respect for human life
18. To encourage the active participation of all South Africans in tourism development, particularly at local level
19. To empower community structures through, for example, involvement in the marketing of cultural experiences and practices to tourists
20. To ensure that all South Africans have equitable access to travel opportunities and tourism attractions
21. To encourage community participation in the planning, development, implementation, management and implementation of tourism projects
22. To monitor and minimise potential adverse social impacts of tourism

Environmental objectives

23. To make the tourism industry in South Africa a leader in responsible environmental practices
24. To require integrated environmental management principles for all tourism projects and all major economic development projects
25. To encourage the conservation and sustainable usage of tourism resources
26. To contribute to the development of a coordinated country-wide environmental strategy

4.5 Specific targets

1. To increase the contribution of tourism to GDP to 8% by 2000 and 10 % by 2005
2. To sustain a 15% increase in visitor arrivals over the next ten years
3. To create 1 million additional jobs in tourism by 2005
4. To increase foreign exchange earnings of tourism, from approximately R10 billion in 1996 to R40 billion per annum in 2005

5. To welcome 2 million overseas visitors and 4 million visitors from the rest of Africa by 2000
6. To develop a tourism action plan to implement the strategies, objectives and targets of the tourism policy during 1996
7. To identify and execute at least 5 national priority tourism projects by 1998, endorsed by President Mandela.
8. To establish tourism as a subject in the school curriculum by 1998.

PART V: IGNITING THE ENGINE OF TOURISM GROWTH

To ignite the tourism engine of growth in South Africa a number of key policies must be developed and actions taken in the following areas:

i. Safety and security
ii. Education and training
iii. Financing tourism and access to finance
iv. Investment incentives
v. Foreign investment
vi. Environmental management
vii. Product development
viii. Cultural resource management
ix. Transportation - air and ground
x. Infrastructure
xi. Marketing and promotion
xii. Product quality and standards
xiii. Regional cooperation
xiv. Youth development

The guiding principles and policy guidelines for each of the above are identified below.

5.1 Safety and security

The government of South Africa is committed to ensuring the safety and security of all tourists. The following policy guidelines shall apply:

i. undertake both short and long term actions and strategies to reduce crime and violence on tourists in collaboration with relevant organisations such as the South African Police Service
ii. provide adequate information to visitors that will help to improve their safety and security
iii. ensure that adequate resources are devoted to providing for the safety of tourists

iv.   institute appropriate legal procedures that would facilitate speedy and effective prosecution for cases where tourists are involved
v.   coordinate cooperation among appropriate stakeholders to work together to ensure the safety and security of all tourists
vi.   carry out appropriate research concerning tourism security trends and monitor the effectiveness of safety and security measures

5.2 Education and training

While the tourism industry has tremendous potential to create jobs, the Government recognises that appropriate skills and experience are necessary to facilitate employment growth as well as international competitiveness. With the projected staffing needs of the tourism industry and the current lack of physical and financial capacity to deliver education and training, the industry will increasingly be faced by a critical shortage of skills. Tourism education and training is one of the fundamental pillars of the development of a new responsible tourism in South Africa. The main principles governing the approach to education and training are as follows:

- promote the involvement of the private sector and private sector institutions in the provision of education and training
- encourage the tourism private sector to increase its commitment to training
- encourage capacity building among the previously neglected groups and address the specific needs of small, micro and medium-sized businesses (SMMEs) and emerging entrepreneurs
- make training more accessible to the previously neglected groups of society
- promote tourism awareness at all levels of society
- develop and invest in an education system that will lead to self-sufficiency and reduce reliance on imported skills
- encourage the local media and NGOs to become partners in the tourism education and awareness process in South Africa
- ensure that training is accessible to the previously neglected groups in society in terms of the appropriateness, affordability, location, duration, costs, packaging (not with unnecessary additions as to render them too costly) and language of instruction
- execute of training as a joint responsibility of the national and provincial governments.

The government is committed to the promotion of human resource development through the following policy guidelines:

i.   support the provision of introductory/bridging courses to facilitate entry into the industry by previously neglected groups and others
ii.   improve access to training opportunities through a system of scholarships, student revolving loans, incentive schemes (e.g. for training institutions to enrol the previously neglected)
iii.   support the improvement of design, marketing, production and packaging skills of craft producers

iv.   develop appropriate skills programmes at the introductory level as well as more specialist shorter courses for accreditation (e.g. tour guide training for a specific activity such as whale-watching or cultural area such as the Malay Quarter)

v.   create a dedicated funding mechanism for training, taking into consideration the experience and practices of countries such as Australia and Kenya as well as the specific needs and requirements of the South African tourism industry

vi.   review and evaluate the existing tourism education and training system with a view to strengthening institutional capability and efficiency in delivering the quality and quantity of appropriate education and training required

vii.   ensure the establishment of a tourism education and training data base to facilitate planning, development and co-ordination of training activities as well as carry out needs assessment for the industry

viii.   assess the current training curricula to ensure that standards comply with industry requirements

ix.   establish an effective coordination forum for tourism training and education, where all institutions involved in the field are represented

x.   effectively coordinate the efforts of government departments involved in tourism training and education, e.g. Departments of Labour, Education and Environmental Affairs and Tourism.

xi.   develop a series of linked and accredited courses in accordance with the National Qualifications Framework

xii.   support on-going efforts to ensure that school programmes and curricula are specifically targeted to include sections on tourism

xiii.   improve skills training at all levels including communication skills and the range of languages for tour guides and information officers

xiv.   institute a system of practical training through summer jobs, internships and practical attachments within the tourism industry. Develop placement schemes for trainees.

xv.   through consistent and continuous investments in tourism education and training, create a major new avenue of export earnings through the export of education and training services

5.3 Financing tourism

a.   **Funding tourism development**

The availability of finance to develop and promote the tourism industry is critically important for the industry's further growth and development. A number of policy guidelines should guide the increased financial commitment to the development of tourism in South Africa. While the exact nature and extent of these should be properly assessed and evaluated, the following measures should be considered:

i.   conduct an urgent review of the government's financial contribution to tourism as well as the process of determining such contribution

ii.   consider a large initial capital injection by the government to 'kick start' a major tourism development thrust over the next three years. Such contribution should be

in accordance with the programmes and projects identified in the implementation strategy to follow the White Paper

iii. investigate the broadening the tourism funding base in a practical and uncomplicated fashion, by considering a single departure tax

iv. coordinate the collection of tourism levies nationally and revert a percentage back to the provinces

v. promote partnerships for the provision of funding between and among government, local and international private sectors and donor agencies

vi. facilitating access to RDP and donor funds for the tourism industry - particularly for the purpose of pump-priming small business, community tourism projects as well as demonstration projects

vii. promote active forms of community partnership, especially via joint ventures in which communally owned land forms the basis of equity for community partnerships with the private sector and state conservation agencies

viii. review the current levy system with a view to de-linking the levy from the grading system.

b. **Access to finance**

A major problem limiting tourism development is the unavailability of finance on favourable terms over a long period of time to invest in tourism development. While the Industrial Development Corporation has been operating two tourism financing schemes since 1992, namely the Ecotourism Scheme (aimed at large game lodge developments) and the General Tourism Scheme (primarily aimed at the refurbishment and upgrading of accommodation facilities), the conditions have been largely market related, aimed at the larger operator and requiring substantial collateral before loans are approved. The lack of access to funding is even more acute for the previously neglected groups. Specific factors limiting their access to finance include: the requirement of substantial security and collateral; the lack of assets in the form of land or home ownership that would act as security for loans; administrative red tape; request for submissions such as business and marketing plans and little 'technical assistance' or guidance in the preparation of such; lack of localised institutions that provide funding. The government could consider the following policies and actions aimed at improving the access to finance by neglected groups as well as making investment funds more widely available to the tourism sector:

i. establish a dedicated tourism development fund to provide funds for tourism enterprises and activities not catered for by existing state financing agencies. Such fund should be managed in a transparent fashion and should be subject to regular auditing and scrutiny

ii. ensure that state funding is accessible to the wider business community, emerging entrepreneurs, micro enterprises, sole traders and the informal sector

iii. consider creating a subsidised financing facility to accommodate the entry of the previously neglected into the tourism industry

iv. ensure that technical assistance is provided to potential entrepreneurs, utilising as far as possible existing institutions, such as the Ntsika Enterprise Promotion Agency (NEPA)

encourage existing private enterprises to assist in guaranteeing loans of small entrepreneurs through, for example, the advance purchase of their services

vi. encourage the reform of land holding and property rights to allow previously neglected groups to obtain collateral to facilitate loan acquisition.

Institutionally, three options for increasing the access to finance could be considered:

Option 1

Disburse tourism funds through dedicated tourism windows at existing institutions that could champion lending as well as provide specific tourism technical support to potential entrepreneurs. Such existing institutions include: the Industrial Development Corporation, the Development Bank of Southern Africa, Khula, the Independent Development Trust, the Small Business Development Corporation, the Kagiso Trust, the provincial Development Corporations, commercial banks, community-based organisations and others.

Option 2

Explore the feasibility of establishing a dedicated institution for financing tourism projects and facilitating the involvement of the previously neglected.

Option 3

A combination of 1 & 2

Advantages and disadvantages of the three options

The advantage of option 1 is that the institutions already exist, many of which already have distribution channels at the levels of the provinces and local communities. With this option, much more of the funding could be disbursed rather than diverted to the creation of another institution with accompanying high administrative costs. On the other hand, many of these institutions have had a very poor record in funding the tourism industry, particularly the entry of the previously neglected into the tourism industry. Other government departments consulted (Trade and Industry, Finance) have indicated a preference for this option.

The disadvantage of option 2 is that it involves the creation of a new institution which in itself could be costly and consume a lot of the funds that could be used as investment capital. On the other hand, there may be some advantages to the establishment of an institution with the specific responsibility of addressing the financial needs of those previously neglected groups wishing to become involved in the tourism industry. This option will be more costly and may need to be initially subsidised.

In the final analysis, a combination of both might be necessary. However, if a subsidy is involved, it may well be the case that an existing institution may want to consider the provision of this dedicated facility. If the creation of a new institution can be avoided, but the objectives of improving access to finance by the previously neglected can be achieved, this will be optimal.

What may be needed is not a new institution, but a subsidised financial mechanism. The possibility of empowering the National Tourism Organisation and/or provincial tourism organisations to supply funds to deserving projects should be considered: provided that in exercising this function, the projects are not only screened on merit, but the entrepreneurs are subjected to specialised advice and training (if this is deemed necessary) to ensure a higher success rate of such new ventures.

5.4 Investment incentives and casino licenses

The history and practice of hotel incentives for the tourism industry in South Africa has been a mixed one. The hotel sector has been the main target of incentives. Tax concessions were made available almost exclusively to five, four and three-star hotels which included the write-off of building costs over 9, 12 and 14 years respectively. In 1988, the accelerated tax write-offs were removed and replaced by a 20 year write-off of building costs, irrespective of star category. The 1993 budget provided for a five-year refurbishment allowance

The current levels of incentives for tourist accommodation development are "so little as to be meaningless in encouraging any development" (*Kessel Feinstein*). Whether, and the extent to which, incentives are necessary for the hotel sector remains a hotly debated issue. Some of the major hotel groups oppose incentives; the *World Bank* came out against S.37E-type allowances (trading of tax losses for cash), government policy-makers believe that other cases are more deserving and past incentives have created an over-supply of five-star properties. It is therefore important that the need for and nature of incentives be thoroughly investigated before decisions in this regard are made. Proposed tourism incentive schemes should be in accordance with overall government policy in this regard. The current thinking encourages a movement away from tax related incentive schemes, towards "on budget" subsidies and grants. It is important that a broader view of the tourism should industry be taken. Incentives should not be limited to hotel and the tourist accommodation sector and should be particularly aimed at previously neglected entrepreneurs. As a basic principle, they should not be made available to projects that would happen anyway and their allocation should be directed by identified market failures in the tourism industry. While the exact nature and types of appropriate incentives for the tourism industry are still being considered, it is proposed that the following aspects should be investigated:

  i.   assistance in order to stimulate the provision of accommodation capacity during the next two to three years, should there exist a shortage of capacity due to the fact that a number of additional facilities are being developed, but will only become operational after this period. Such assistance could be specifically directed towards the refurbishment of and additions to existing facilities (guest houses, hotels, etc.), where the basic infrastructure and management capacity exists.
  ii.   incentives be considered to assist new tourism ventures during the first five years of operation, while establishing themselves in the marketplace.
  iii. assistance be provided for the development of SMME's, particularly those which stimulate local community involvement and capitalise on the attractions and products which are indigenous to their areas.

iv.   assistance be provided to effectively organised communities towards the development of community based tourism projects.

The following criteria could be used to evaluate the allocation of incentives to proposed ventures:

- the failure of the market mechanism to ensure the feasibility of ventures which are potentially viable, but of which the immediate feasibility is impeded by external environmental factors
- nature and extent of investment in rural areas
- nature and extent of investment in education and training
- application of appropriate environmental management procedures in order to become more green (environmentally friendly).
- nature and extent of investment in community projects and incurring related socially-responsible tourism expenses
- provision of facilities for the disabled

The allocation of casino licenses according to well considered, tourism orientated principles could be regarded as an indirect incentive for entrepreneurs to create new tourism infrastructure. If managed correctly, casinos can significantly contribute to meeting demands with regard to tourism capacity. Although gambling as such may not be of primary interest to tourists, the availability of casinos can in many ways facilitate the creation of other tourist related infrastructure. However, the potential of the gambling industry in relation to tourism will only be realised if it is introduced within a very specific framework of sound principles. Specific tourism related principles could include that:

i.   the granting of casino licenses should be focused on what additional advantages relating to tourism infrastructure (hotel, conference facilities, sport and other recreation facilities) could be created through the proposed development

ii.   the focus should be on a credible, well run, professional industry and should thus call for effective steps against illegal gambling in any form

iii.   the emphasis should be on new developments and increasing tourism infrastructure. The issuing of licenses should thus not serve as a life boat for existing dilapidated and run-down facilities

iv.   casino licenses should be allocated on a properly planned, broad geographical basis and not be concentrated in only a specific area. This is in support of the draft legislation on gambling which proposes a provincial distribution

v.   casinos should be placed in areas where the additional tourism infrastructure will compliment other potential tourism opportunities.

5.5 Foreign investment

The government of South Africa recognises the importance of attracting foreign investment in order to achieve the growth and development objectives of the tourism sector. Foreign investment will increase competition and improve standards as well as create employment and facilitate economic growth. The government should establish a climate of political stability,

economic growth and profitability, and provide transparent, stable and consistent policies to attract foreign investment. The government should encourage foreign investments that meet the following criteria:

  i.   investors and companies that will develop, promote and implement responsible tourism
  ii.   investors that invest in rural communities and less developed geographic areas
  iii. investors that develop products that help to diversify the tourism product e.g. cruise tourism, ecotourism, heritage tourism, Afro-tourism, etc.
  iv.   investments that will result in the transfer of skills and technology to locals
  v.   joint ventures with local partners and local communities
  vi.   investors in tourism plant who have a proven track record in the industry
  vii. consider the creation of a 'one stop shop' for the processing of foreign investment

Foreign investment will not be encouraged in small, micro-enterprises or the ancillary services sector which are clearly within the reach of the local entrepreneurs and businesses. Concessions offered to investors, such as franchise arrangements, package tour arrangements and other forms of transfer provision should ensure that substantial leakages do not occur and acceptable social standards apply.

5.6 Environmental management

A well-managed tourism industry has the potential to ameliorate, rather than contribute to, South Africa's environmental problems. To achieve this, however, a number of actions are necessary. Specific principles and policy guidelines for environmental management as it relates to the tourism industry are as follows:

  i.   sustainable and responsible tourism development should be promoted and encouraged, inter alia by means of incentives to private enterprises and communities
  ii.   make mandatory the conduct of Integrated Environmental Management procedures for all new tourism projects
  iii. encourage ongoing social and environmental audits of tourism projects conducted in an inexpensive, rapid and participatory way
  iv.   encourage tourism development in areas where tourism offers a competitive form of land-use and ensure that tourism is integrated into land-use plans for such areas
  v.   explore creative means of ensuring that neighbouring communities participate in and benefit from economic activities generated in and around conservation areas
  vi.   encourage the creation of successful pilot tourism programmes which demonstrate, in tangible ways, the benefits that ecologically sensitive tourism schemes can have over other, more damaging forms of land use
  vii. promote sustainable and responsible consumption of water and energy in tourism plants, using readily available technology and encouraging sustainable waste disposal, green packaging and recycling
  viii. support mandatory environmental management practices in ecologically sensitive areas such as the coastal zone, wetlands, etc.
  ix.   ensure tourism plant does not deprive communities of access to coastal resources needed for their livelihoods

5.7 Cultural resource management

Apart from its biodiversity South Africa also has a unique cultural diversity. There exists little knowledge about the cultural resources within the environment and consequently the unconscious destruction of these natural assets poses a major threat.

The cultural environment includes much more than museums and unique archaeological sites. It also includes mission settlements, sites of slave occupation, urban space used for ritual purposes, rock art sites, rock formations and natural landscapes which have national and international cultural significance. The Government is committed to effectively managing and conserving the cultural resources of South Africa. The following guidelines should apply:

i. ensure tourism takes note of cultural heritage resources within specific communities and environments.
ii. cultural resources should be managed to the negotiated benefit of all interested parties within the communities.
iii. access to management of cultural resources should be as broad as possible within specific communities and should promote co-operation between all affected parties.
iv. landuse planning and development projects for tourism should include effective protection and sustainable utilisation of cultural resources.

5.8 Product development

There are 8 495 tourist accommodation establishments in South Africa with 166 165 rooms/units and 609 825 beds. Of these, camping and caravan sites are in the majority, accounting for 28% of the total, followed by hotels (25%) holiday flats (11%), resorts (11%), guest houses and farms (9%) and game lodges (6%). National and provincial parks account for a mere 2% of visitor accommodation (4% including camping sites). Bed and breakfast establishments, hunting lodges, serviced executive apartments and youth hostels also constitute South Africa's tourism accommodation mix. While these figures seem impressive, it must be cautioned that they are less indicative of the quality and international marketability of establishments available. In further developing the tourism product of South Africa, the following guidelines should apply:

i. emphasise the diversity of the product of South Africa and not over-market and over-develop the known attractions
ii. where appropriate, deregulate the industry to encourage wider access by the previously neglected groups
iii. emphasise the development of products that offer good potential for development, for example cruise tourism, Afro-tourism, sports tourism, cultural forms of tourism, ecotourism, conference and incentive travel, wildlife safaris, hunting and others
iv. foster the development of community-based tourism products
v. foster innovation and creativity in the products being developed
vi. developments should be promoted that are appropriate to the structures and strategies of provincial governments and local communities. Every attempt should be made to ensure that local peoples and cultures are not over-commercialised or over-exploited.

vii.   encourage the sensitive and sustainable development of underdeveloped, environmentally sensitive areas

viii.   highlight previously neglected areas of tourism development as a result of political influences, for example, struggle-related monuments and attractions

ix.   encourage both new and existing suppliers of tourism products to provide facilities (accommodation, attractions and other services) for the disabled

x.   encourage the granting of casino licenses to responsible tourism developments that offer excellent potential for development and job creation. Negative social and cultural impacts should be considered as well as the overall image and positioning of the destination

xi.   encourage the development of sports tourism and encourage the provision of facilities, training, marketing and promotion to give emphasis to the development of this segment of the industry

xii.   pay specific attention to the emerging domestic tourism market and facilitate the provision of appropriate recreation centres and facilities to cater to this market

xiii.   consider the role of the private sector in the provision of tourism facilities and services at national parks and protected areas

5.9 Transportation

a. **Air transportation**

The successful development of any tourism destination is dependent on reliable and, in many cases, affordable air transportation. South Africa is fortunate to have its own national carrier - South Africa Airways (SAA). SAA is the giant among African airlines and the only airline in Africa to be among the world's top 50 airlines in terms of annual revenues. In the financial year ending March 31, 1995, SAA carried 4.48 million passengers, produced 11.1 million revenue passenger kilometres and R220 million operating profit. More than 50 international airlines serve South Africa. The domestic air transportation environment in South Africa is fully de-regulated.

The objective of the tourism sector - to bring as many tourists as possible - is at times not consistent with those of the airlines whose objectives are to maximise profit and manage yield. In the interest of the further growth and development of the tourism industry, the following policy measures are proposed:

i.   to progressively liberalise the airline industry in South Africa and aim for complete liberalisation by 2000

ii.   to continue to build strategic alliances with other global players (SAA has already formed a strategic alliance with Lufthansa)

iii.   to encourage more open competition

iv.   to use the presence of a strong national carrier to promote the growth and development of the South African tourism industry

v.   to supply air transportation in accordance with tourist demand and to provide services that are competitive and tailor made to the needs of clients

b. **Ground transportation**

There are 33 car hire companies with a total fleet of some 25,000 vehicles; there are 15 major coach charter firms and about ten smaller ones with a fleet size of about 500; there are 135 inbound tour operators and group handlers who service about 222,000 visitors per year. In further developing the ground transportation sector in South Africa, the following guidelines should apply:

i. consider training taxis and other disadvantaged transport operators in order to enhance their services and allow them to play an important role in the tourism industry
ii. encourage entrepreneurship in the provision of transportation services
iii. improve standards and quality control among all forms of transportation
iv. improve the linkages and coordination among different forms of transportation
v. encourage more open competition
vi. encourage strategic alliances with other stakeholders in the industry
vii. expand the range and accessibility of different transportation options to visitors
viii. consider the safety and standards of ground transportation services to satisfy the needs of tourists (domestic and international)
ix. work closely with the Ministry of Trade and Industry to review the current import restrictions applicable to the coach industry and other types of vehicles
x. work closely with the Department of Transport to improve ground transportation services for both the domestic and international tourism industry and eliminate bottlenecks that may arise
xi. consider the formation of a Tourism Transportation working group to address and coordinate all issues of mutual interest (applicable both to air and ground transportation)

5.10 Infrastructure

The infrastructure for tourism is critically important and wide-ranging. It includes telecommunications, rail and road networks, signage, information centres, convention and conference facilities, etc. The following policy guidelines apply to the provision of infrastructure:

i. continuously maintain and upgrade existing infrastructure in order to improve accessibility and mobility
ii. consider improving the accessibility and infrastructure of rural areas to allow these areas to unleash their tourism potential
iii. creatively and aggressively utilise modern computer and communications technologies to effectively market, promote and distribute travel and tourism products, services and information domestically and internationally
iv. facilitate the funding of major tourism infrastructure projects that would have considerable impacts on the development of the South African tourism industry
v. consider the regional Southern African tourism potential in the development of major tourism-related infrastructure projects

vi. work closely with the Department of Transport in improving transportation services for both the domestic and international tourism industry and eliminating bottlenecks that may arise

vii. consider the review of current road signage policy to ensure maximum customer satisfaction

viii. consider the expansion of tourism infrastructure as part of a long-term strategy rather than on an ad hoc basis

ix. work closely with the Departments of Transport, Public Works and Land Affairs in coordinating the provision of tourism infrastructure.

x. give attention to negative environmental impacts which are associated with the provision of bulk infrastructure for tourism (especially in remote and ecologically sensitive areas)

5.11 Marketing and promotion

An important success factor in the development of the new tourism in South Africa is effective and creative marketing and promotion of the country. At present, with tourism being a provincial responsibility, there is a grave danger of diluting the marketing and promotional efforts at the international level with the consequent wastage of valuable resources. To be performed effectively, the marketing and promotion of South Africa as an international destination requires a coordinated and structured approach that applies across the nine provinces.

International marketing should mainly be the responsibility of the national tourism organisation. However, marketing and promotion plans for South Africa as a whole should be developed jointly with the provinces and the private sector. Domestic marketing should be a provincial responsibility. The following policies and initiatives should apply:

i. aggressively market and promote tourism to all South Africans, encouraging citizens to take holidays in their own country

ii. market and promote attractions and experiences to visitors who are already in South Africa and encourage visitors to increase their expenditure locally

iii. adopt a consumer sensitive pricing strategy, thereby ensuring that value for money becomes a major drawcard and that favourable exchange rates are applied to the advantage of the overseas consumer

iv. in addition to focusing on the domestic market, continued emphasis should be placed on other key generating markets such as international business travelers, the conference and incentive travel market

v. public relations efforts should be targeted at the domestic market, promoting travel opportunities. A national domestic public relations programme should be considered by the provinces with appropriate participation at the national level

vi. marketing and promotion should focus not only on the well-established sites, but should also emphasise new and emerging products and attractions

vii. cooperative advertising and promotion opportunities should be pursued

viii. more resources should be devoted to the marketing and promotion of tourism, particularly overseas tourism where per capita expenditure is greatest

ix. relentlessly develop new markets and exploit new market niches (honeymoon, hiking, mountain-biking, back packers, and others).

x.   establish mechanisms to monitor the effectiveness of promotion expenditures
xi.   consider changing the visual way in which South Africa is being projected, marketed and promoted
xii.   ensure the coordination of tourist information provision among provinces. National information should be provided at the provincial level
xiii.   encourage initiatives by provincial tourism organisations to make national information more widely available through the development of a generic brochure, familiarisation trips among provinces as well as reservation capabilities
xiv.   facilitate the provision of facilities (including transportation) that would encourage domestic travel by the previously neglected
xv.   encourage travel by school children
xvi.   As part of the marketing and promotion efforts, emphasis should be placed on developing and improving the product on a national level. It is suggested that a percentage of the annual marketing budget be spent on a major project/projects that will have a significant impact on the quality of the visitor experience. Such could include programmes aimed at reducing crime and violence, improving attitudes to visitors, nation-wide programmes to encourage tourism industry employees or school children to be a tourist in their own country, and others.

5.12 Product quality and standards

The government is committed to ensuring and maintaining high standards of service and facilities. The following policy guidelines should apply:

i.   promote the development and promotion of quality tourism standards in a consultative manner
ii.   apply standards to all tourism activities and do not limit it to the accommodation sector
iii.   review and reform the existing structure and system of standards and grading to make it more effective and equitable in application
iv.   introduce flexibility, consumer relevance and the interests of labour to grading and standards procedures
v.   ensure that standards and their related costs do not act as barriers to entry of the previously neglected
vi.   encourage all establishments, particularly smaller establishments and previously neglected entrepreneurs, to upgrade their standards of service

5.13 Regional cooperation

South Africa is committed to working with other countries in Southern Africa in developing its tourism industry. South Africa will collaborate with regional tourism organisations such as SADC and RETOSA in the development of tourism in Southern Africa. Appropriate bi-lateral relations will also be established with neighbour countries. A number of areas of cooperation should be actively encouraged:

    i.   environmental conservation and the development of related products such as trans-border protected areas
    ii.   international marketing, e.g. joint international marketing campaigns with SADC countries
   iii.   education and training
   iv.   cruise tourism
    v.   handicraft and curios production
   vi.   the easing of visa and travel restrictions for *bona fide* visitors
  vii.   cooperation with other countries in Africa (outside of Southern Africa) shall be encouraged.
 viii. regional tourism health information and disease control programmes

South Africa should work towards the careful implementation of trans-border protected areas and other regional projects in such a way as to generate equitable benefits among different countries.

5.14 Youth development

The White Paper on Reconstruction and Development identifies young people as "our country's most important resource". Young people have a critical role to play in the growth and development of the tourism industry. The government should consider establishing special programmes aimed at addressing the needs of the youth, in particular to address backlogs in training, job creation and recreation. Such programmes include:

    i.   the encouragement and development of a youth travel market where young people should be encouraged to travel. Special prices for youth travel and accommodation should be encouraged as well as the development of youth hostels, exchange programmes between and among provinces, summer camps, etc.
    ii.   the creation of summer jobs in the tourism industry to expose youths at an early age to the travel and tourism industry. This could include for example internships at hotels and restaurants, tour guides, trackers, and hospitality ambassadors at airports, points of interest and tourist attractions
   iii.   commitment on the part of the tourism industry to provide career guidance
   iv.   expansion of range and scope of education and training opportunities
    v.   support and promote capacity building programmes for youth involvement in the tourism industry, particularly in areas such as sport

PART VI: ROLE OF THE KEY PLAYERS

The national government will play five key roles in the development and promotion of the tourism industry:

- Facilitation and implementation
- Coordination

- Planning and policy-making
- Regulation and monitoring
- Development promotion

At the provincial level, the provincial government takes on similar functions as at the national level with three main exceptions. First, the focus is much more on the implementation and application of national principles, objectives and policy guidelines as appropriate to local conditions. Second, as much of the tourism product is itself located at the provincial level, provinces take on a much more important role in facilitating and developing the tourism product. Third, provinces have a major role to play in marketing and promoting their destinations in competition with other provinces locally.

The local government is even closer to the product than the national or provincial governments. The functions of the local government mirror those of the provincial government, but with added emphasis on the planning, development, maintenance of many specific aspects of the tourism product. The exact role of the local government in the tourism development thrust will be determined by local conditions existing at the provincial levels and most importantly, the availability of the necessary financial means and skills base to carry out the respective functions.

The functions of the national, provincial and local governments as well as key stakeholders in the South African tourism industry are briefly described below.

6.1 Role of national government

Facilitation and implementation

   i. establish a safe and stable political and economic environment for tourism to flourish
   ii. ensure the safety and security of residents and visitors
  iii. facilitate and provide appropriate incentives for private sector investment in tourism
  iv. establish and facilitate enabling and appropriate legal and fiscal frameworks for the industry
   v. facilitate the development of a tourism culture in South Africa and the supply of skilled manpower for the industry
  vi. facilitate an active labour market policy and an appropriate labour relations environment for the industry
  vii. allocate appropriate financial resources for tourism development
 viii. promote tourism as a national priority
  ix. facilitate and conduct the effective marketing and promotion of the country
   x. encourage and facilitate foreign investment

Coordination

   i. coordinate and liaise with international, regional and provincial governments with regard to all aspects of tourism development
  ii. coordinate the tourism-related efforts of all government departments and related government institutions

iii.   coordinate and liaise with NGOs, labour and community organisations, training institutions, universities and other bodies related to the development of the tourism sector

Planning and policy-making

i.   formulate, monitor and update a national tourism policy and strategy, in collaboration with relevant stake-holders
ii.   develop integrated national tourism plans in collaboration with relevant stakeholders

Regulation and monitoring

i.   ensure the application of integrated environmental management principles in land-use development proposals to facilitate sustainable utilisation of natural and cultural resources
ii.   facilitate the sustainable and responsible development of the tourism industry, by formulating appropriate development guidelines and regulatory measures
iii.   establish and maintain standards of facilities and services

Development promotion

i.   promote the equitable development of all destinations with tourism potential, whether high, medium or marginal potential
ii.   promote the involvement of communities at appropriate levels of tourism activity
iii.   promote the spread of responsible tourism
iv.   promote the development of major tourism projects that will have national and country-wide impacts (e.g. trans-border protected areas).

6.2 Role of provincial government

The provincial government has a critically important role to play in the development and promotion of the tourism industry of South Africa. The provincial tourism organisations are key players in the tourism industry. Schedule 6 of the Constitution makes specific provision for tourism to be a provincial responsibility.

The provincial government has responsibility for all of the functions indicated at the national government level (facilitation, co-ordination, regulation, monitoring and development promotion) with a few exceptions, additions and modifications. Provincial tourism organisations will formulate tourism policies which are applicable to their areas, in accordance with the national policy. They will also be partners in the implementation of relevant national policies, strategies, and objectives.

The provincial government, through provincial tourism organisations, have responsibility for marketing and promoting their destinations. As is the practice in many other countries, provincial government should have responsibility to market the province to the domestic market in competition with other provinces.

Concerning international marketing, the national and provincial tourism organisations should agree on a strong, effective marketing strategy; to be coordinated at the national level and executed with the participation and support of the provincial organisations. This may not imply the promotion of separate brand identities by provinces, but possibly a number of strong product lines (e.g. ecotourism, culture tourism, sports tourism) which are applicable across provincial boundaries.

This approach is recommended providing that it does not exclude provincial initiatives in markets that they wish to develop independently and where national presence is non-existent.

The following principles underpin the above approach:

i. develop a common strategy for the international marketing and promotion of South Africa as a joint effort among the private sector, the national organisation and provincial authorities, taking cognisance of international trends and the competitive environment
ii. fund international marketing efforts from private sector, national and provincial resources
iii. strong coordination of the international marketing effort by the national body, underpinned by effective participation by the provinces

Individual private sector members can obtain considerable synergies from combining efforts in the international market. It is important, however, that this is done within the framework of the structure and strategies of the national effort.

The provincial governments should also play a more prominent role in tourism development activities, than the national government. Such include: the involvement of local communities, environmental management, safety and security of visitors, tourism plant development, infrastructure provision, etc. Budgets and resources allocated to provinces will need to reflect this reality.

6.3 Role of local government

At the local government level, specific provincial functions of policy implementation, environmental planning and land-use, product development, marketing and promotion are further supported. Specific functions of the local government include:

i. responsible land-use planning, urban and rural development
ii. control over land-use and land allocation
iii. provision and maintenance of tourist services, sites and attractions, e.g. camping and caravan sites, recreational facilities (parks, historical buildings, sports facilities, theatres, museums, etc.) and public services
iv. provision of road signs in accordance with nationally established guidelines
v. market and promote specific local attractions and disseminate information in this regard
vi. control public health and safety
vii. facilitate the participation of local communities in the tourism industry
viii. own and maintain certain plant, e.g. ports and airports
ix. provide adequate parking, also for coaches

x.   facilitate the establishment of appropriate public transportation services, e.g. taxi services
xi.   license establishments in accordance with national framework
xii.   promote and financially support the establishment of local publicity associations /community tourism and marketing organisations to facilitate, market, coordinate and administer tourism initiatives

Local government should not provide services that can be provided by the private sector.

As noted, the exact role of the local authorities in each province will be determined by local conditions as well as skills and financial resources.

6.4 Role of the private sector

The private sector has and will continue to play a critically important role in the further development and promotion of tourism. The private sector bears the major risks of tourism investment as well as a large part of the responsibility for satisfying the visitor. The delivery of quality tourism services and providing the customer with value for money are largely private sector responsibilities. Furthermore, the private sector is in a position to promote the involvement of local communities in tourism ventures by, inter alia, establishing partnership tourism ventures with communities. The government is committed to providing a climate conducive to the further growth, development and profitability of the tourism private sector. Specific private sector functions include:

i.   investment in the tourism industry
ii.   operate and manage the tourism plant efficiently and profitably
iii.   advertise and promote individual tourism services as well as the country - locally, regionally and internationally
iv.   continuously upgrade the skills of the workforce by continuously providing training and retraining
v.   continuously refurbish plant and equipment
vi.   satisfy customer needs by providing quality products and services
vii.   develop and promote socially and environmentally responsible tourism
viii.   ensure the safety, security and health of visitors in collaboration with the government and other private sector members
ix.   collaborate with the government in planning, promoting and marketing tourism
x.   involve local communities and previously neglected groups in the tourism industry through establishing partnership ventures with communities, out-sourcing, purchase of goods and services from communities (e.g. poultry, herbs, vegetables and other agricultural supplies, entertainment, laundry services, etc.)
xi.   enable communities to benefit from tourism development, for example communities benefiting directly from new reticulation systems and village electrification programmes developed through tourism investment in rural areas
xii.   operate according to appropriate standards
xiii.   efficiently organise itself to speak with one voice
xiv.   represent the interests of private business on the boards of the major national and provincial tourism bodies.

6.5 Role of labour

Labour has a critically important role to play in improving the quality, productivity and competitiveness of the tourism industry. While it is often believed that the key to quality is the physical features of the tourism product, it is actually the quality of the experience delivered by the labour force that determine the true quality of the tourism experience. At the same time, labour is often taken for granted. Rooms and equipment, walls and furniture are regularly upgraded but the skills of employees are rarely refurbished. In particular many front-line employees - the first and often the most frequent point of contact for visitors - are often not adequately trained or prepared for the job at hand. In the tourism industry as indeed other industries, labour is far more than just a production cost - labour holds the key to quality.

Labour should play a number of vital roles in the tourism industry including:

i. provide services in a responsible manner
ii. continuously upgrade skills and take advantage of all available training opportunities provided by the industry
iii. deliver quality services to the tourism industry
iv. negotiate for reasonable wage, working hours, working conditions (including transportation) job security and remuneration based on qualifications, experience and merits, and in general ensure working conditions that are amenable to best productivity
v. ensure equitable pay and working conditions as well as special conditions for female employees
vi. support the growth of the industry and the creation of more job opportunities in the process
vii. in partnership with the business sector, be flexible and responsive to the changing needs of the customer
viii. participate fully in the tourism industry, not only in the supply of labour but also as tourists and shareholders in their own country

6.6 Role of communities

Communities are also expected to play a vital role in the development of tourism. Many communities and previously neglected groups, particularly those in rural areas, that have not actively participated in the tourism industry posses significant tourism resources. The role of communities in the new tourism thrust include:

i. organise themselves at all levels (national, provincial and local) to play a more effective role in the tourism industry and interact with government and role players at all levels
ii. identify potential tourism resources and attractions within their communities
iii. exploit opportunities for tourism training and awareness, finance and incentives for tourism development
iv. seek partnership opportunities with the established tourism private sector
v. participate in all aspects of tourism, including being tourists
vi. support and promote responsible tourism and sustainable development

vii. oppose developments that are harmful to the local environment and culture of the community

viii. participate in decision-making with respect to major tourism developments planned or proposed for the area

ix. work toward enhancing the positive benefits of tourism and minimise the negative impacts

x. organise themselves to maximise the sharing of information and experiences, possibly facilitated through financial assistance by local governments

xi. have a representative voice in all tourism structures at national, provincial and local levels

xii. encourage the press, particularly the radio and the print media to proactively provide tourism information and awareness to communities

xiii. work closely with NGOs to educate communities concerning tourism and engender tourism awareness

xiv. make information on community tourism resources and attitudes transparent and accessible to all levels of national, provincial and local governments

xv. sensitise the private sector, tourism parastatals, environmental agencies and NGOs to the importance of communities involvement in tourism development

xvi. actively participate in and promote responsible tourism

6.7 Role of women

Women, especially in rural communities, have a particularly important role to play in the development of responsible tourism. The employment of women can be a fundamental determinant of the development impacts of the tourism industry. In a survey conducted among women farm workers in the Lowveld, it was demonstrated that a strong correlation exists between salaries and household welfare among employed women. The potential employment impact of the tourism industry on both men and women in rural areas will considerably improve family life. The urban drift among men who migrate to cities and mines in search of employment has had a deleterious impact on rural women who continue to suffer not only from hard labour in the rural fields, poor access to infrastructure and basic necessities such as water, but also from the impact of AIDS. The special roles that women can play in the new tourism drive of South Africa are identified below:

i. as teachers, mothers and mentors, generate awareness of the potential of tourism to stimulate community growth and development

ii. actively assist in shaping a responsible tourism industry in South Africa as policy-makers, entrepreneurs, entertainers, travel agents, tour guides, restaurateurs, workers, managers, guests house operators and other leading roles in the tourism business environment.

iii. organise themselves and lead the implementation of community projects that will have positive environmental, social and economic impacts

iv. ensure equality in the conditions of employment of women. Too often, women are seen as a "cheap" alternative to employing men, with no security of tenure, maternity leave or investment in career development

v.   promote and where possible ensure respect for and dignity of women in the development, marketing and promotion of tourism

vi.   lobby the support of developers and local authorities for the provision of services and infrastructure to enhance the position of women in communities

vii.   secure the provision of craft training and other opportunities to expand the skills base of rural women.

viii.   give special attention to the needs of women tourists, with a particular emphasis on safety and security.

6.8 Role of NGOs

NGOs, particularly environmental and community-based ones, are expected to play a vital role in the development and spread of responsible tourism practices. They are expected to play the following roles:

i.   contribute to the development of policies and plans for the tourism industry

ii.   assist the government in developing a standard for responsible tourism

iii.   assist the government, private sector and communities in implementing, monitoring and evaluating responsible tourism

iv.   attract funding from donor agencies to develop specific community-based tourism projects

v.   assist communities and community groups in organising themselves, preparing themselves for tourism and implementing tourism projects

vi.   assist the government in conducting tourism and environmental awareness programmes among communities and the tourism industry at large

vii.   liaise between the private sector and communities to generate more community involvement in the tourism sector and stronger private sector commitment

viii.   deliver education, training and bridging courses to local communities

6.9 Role of the media

Areas of participation and involvement by the local media in developing tourism include:

i.   tourism awareness programmes to the population at large

ii.   press coverage and special campaigns to promote responsible tourism initiatives

iii.   promotion of domestic tourism through familiarisation trips and press reports on different destinations

iv.   cooperate with Provincial Tourism Organisations in marketing their provinces to the domestic market

v.   provide an important link to the national public relations efforts in overseas markets

6.10 Role of conservation agencies

National and provincial conservation agencies play an important role in developing and managing state conservation land for tourism purposes. In this regard, their roles are as follows:

i. ensure the protection of biological diversity in South Africa, within the network of protected areas and other areas which contribute to nature conservation and tourism
ii. proactively integrate areas under their control into the tourism resource base by providing controlled access to and use of protected areas to the public and commercial tourism operators
iii. where appropriate, provide tourist facilities and experiences in areas under their control, in a responsible manner
iv. promote the diversity of tourism experiences offered within and adjacent to protected areas
v. offer a range of tourism experiences which remain accessible to the average South African
vi. facilitate and support the establishment of biosphere reserves, conservancies and community owned reserves
vii. where appropriate, facilitate and support the establishment of partnership tourism ventures between communities, private business and conservation agencies inside or adjacent to protected areas
viii. promote and provide opportunities for local entrepreneurs to integrate their operations with tourism activities inside protected areas
ix. assist tourism authorities in the conduct of environmental tourism awareness programmes
x. contribute to the development of policies and plans for the tourism industry

PART VII: ORGANISATIONAL STRUCTURE

Institutionally, the responsibilities associated with carrying out tourism mandate lie with:

i. Government (national, provincial and local departments)
ii. Statutory body (national, provincial and local tourism organisations)

The government's responsibility is largely one of policy-making, planning and facilitation but it can also implement strategies and carry out specific tourism development programmes. The existing national tourism organisation (Satour) is mainly responsible for the marketing and promotion of the tourist industry internationally. However, such statutory bodies often carry out a more proactive and developmental role in the tourism sector, undertaking research, product development, training and other functions in addition to marketing and promotion.

Research and quality control (maintaining standards), these functions are carried out either by the government or the statutory body depending upon the strength and capability of the respective organisations. These activities are sometimes also carried out by a private sector body or organisation, appointed by government or the statutory organisation.

In what follows, organisational structures at the national and provincial levels are examined.

7.1 Ministry of Environmental Affairs and Tourism

The Minister of Environmental Affairs and Tourism is ultimately responsible for the government's management of tourism. The tourism responsibilities of the Ministry are as follows:

i. to raise the profile of the tourism industry and put it in a position to compete with other sectors for funding and other national resources
ii. to unleash the sector's potential as a leader in wealth-creation and employment generation.
iii. to link the management of tourism with the critical environmental products that it uses, viz. national parks, protected areas and cultural resources by formulating a cohesive development strategy and introducing specific environmental functions of monitoring, regulation and impact assessment where appropriate.
iv. to carry out a critical coordinating role among ministries whose mandates and activities directly impact on tourism - namely Ministries of Finance, Public Works, Transport, Trade and Industry, Arts, Culture, Science and Technology, Labour, Education, Home Affairs and Foreign Affairs.
v. to facilitate creative and strategic interaction between the tourism policy and policies guiding the management of land, water, energy and other natural resources

In addressing these needs, a number of options could be pursued to reform the government's structuring of tourism. These include:

- establishment of a separate Ministry of Tourism
- the delegation of the tourism portfolio to the Deputy Minister of Environmental Affairs and Tourism
- restructuring the Department of Environmental Affairs and Tourism to create a better balance between the environmental and tourism components, i.e. stripping the Department of its line functions (e.g. the Weather Bureau and Sea Fisheries) for it to play more of a coordinating role with respect to the environment
- placing a strong tourism component with another ministry, for example, Trade and Industry
- create a new ministry with tourism as the lead sector (e.g. Ministry of Tourism and Services; Ministry of Tourism, Arts, Culture and Sports).

A separate ministry of Tourism is possibly the best option, but also the most difficult to achieve in the immediate term, due to a limited number of cabinet positions available. This should be pursued as a long term-option. Linking tourism with another Ministry, e.g. Trade and Industry, has the advantage that stronger links can be established with economic policy and growth strategies. A disadvantage is that tourism could get swamped by the many other activities of such a Ministry. Restructuring the Ministry of Environmental Affairs and Tourism to better accommodate tourism is difficult to justify, as the environment is important in its own right and tourism is a consumer of environmental resources.

The option of strengthening the tourism capacity within the Department of Environmental Affairs and Tourism seems the most practical solution

7.1.1 Department of Environmental Affairs and Tourism

As stated in part II Section 2.2, the Chief Directorate: Tourism within Department of Environmental Affairs and Tourism is severely constrained - the section has been under-staffed and barely able to carry out more than liaison and administrative functions. . While progress in this regard has already been made, further attention is urgently required. In the immediate term, it is necessary to strengthen the Chief Directorate: Tourism to improve its effectiveness and give it the necessary influence at a higher level (e.g. in the form of a dedicated deputy director general). This will give the section the appropriate status and decision-making capability to facilitate the development of the tourism industry.

Specific functions of the Chief Directorate: Tourism within the Department of Environmental Affairs and Tourism are as follows:

Planning and policy-making

- tourism policy formulation and revision, in conjunction with the national tourism organisation and other major parties
- long-term planning for tourism (including master planning)
- maintain an overview of the implementation of policies and actions approved by Cabinet and the Minister
- coordination and monitoring of the tourism policy and implementation plan

Development promotion

- take on a dynamic leadership role in lobbying the cause of tourism
- work closely with the national and provincial tourism organisations in supporting and facilitating tourism development
- take the lead in initiating discussions and negotiations with other Ministries and Departments to remove bottlenecks and impediments to tourism development at the national level
- bring about the necessary changes in legislation to promote and facilitate tourism development

Coordination and liaison

- coordination with provincial tourism departments in order to ensure effective cooperation
- coordination, communication and direct liaison with other tourism interests and stakeholders at a national level
- coordination with Environmental Affairs, Foreign Affairs, Trade and Industry, Transport, Home Affairs, Education, Labour, Land Affairs and other related ministries and departments
- international liaison and coordination of international agreements
- representing South Africa in international and regional organisations
- coordination of donor funding

Facilitation

- facilitation of a dedicated tourism fund and funding mechanism
- formulation, approval and management of tourism incentive schemes
- creating an enabling fiscal and legal framework for tourism
- encouragement and promotion of foreign investment
- facilitation of training policies and programmes
- promotion and facilitation of responsible tourism and effective environmental management
- facilitation of tourism safety and security

The possibility of the Chief Directorate: Tourism sharing premises with the national tourism organisation should be investigated, in order to establish a one-stop-shopping area for the tourism industry. Such premises could also accommodate tourism financing and training structures.

7.2 National Tourism Organisation

Given the objectives and strategies set for the tourism sector and the key success factors of the South African tourism industry, the role of the national tourism agency (presently Satour) requires careful review. One of the key questions for South Africa is whether the national tourism organisation should carry out principally tourist marketing and promotion functions or whether it should take on a broader developmental role in the industry.

A case can be made for establishing a strong statutory body whose functions go beyond mere tourism promotion and marketing, and encompass product development and other functions. Such a statutory body - a South African tourism organisation - can play strong leadership, facilitating and coordinating roles in the tourism development thrust of South Africa.

It is envisaged that this national body will spearhead the tourism marketing and development initiative. It will have responsibility for almost every aspect of tourism development in the country - product development, marketing, the setting of standards, research, etc. The national organisation will play a strong coordinating role with the nine provinces and will provide, for example, functional and technical support to less developed provinces. The presence of the nine provinces on the board will ensure that the organisation incorporates provincial aspirations in a coordinated national strategy.

It is therefore imperative that Satour be replaced by a South African Tourism Organisation. Such organisation will incorporate appropriate infrastructure and skills available within Satour. The exact structure and staff composition of the organisation will be determined through a detailed investigation of functional, staff and financial requirements. A possible name for it was discussed at various forums and it appears that the most appropriate name could be Tourism South Africa (TOSA, TOURSA, TSA or Tourism SA). The proposed roles and responsibilities of Tourism South Africa are as follows:

Main line functions

- International marketing and promotion
- Research, market intelligence and information management
- Industry standards

Development facilitating and coordination

- Product development
- Human resource development

The primary functions of Tourism South Africa are international marketing, tourism information management and the setting of standards.

With respect to the implementation of industry standards, it is either possible that the provinces implement centrally developed standards or that an independent organisation or private sector body is tasked to carry out this functions. While it is necessary to develop something of a 'one stop shop' for tourism where all of the activities are coordinated by a centralised body, if appropriate standards can be maintained by an independent body such as the automobile association. It will then be necessary for the national organisation to maintain close coordinating and monitoring functions with respect to the performance of the body responsible for standards.

While it is also important for provinces to undertake some degree of information management and research, it must be emphasised that the South Africa tourism industry will gain considerable economies from a national body carrying out these functions and disseminating the information to the provinces.

With respect to product development and human resource development, it is not proposed that the national body directly undertakes training or product development. It is envisaged that the national statutory training organisation will be mainly responsible for training and the provinces will take on the main responsibility for product development. In both of these areas, the national body is expected to play coordinating and facilitation functions. With regard to product development, for example, it is expected that the national authority will have a very small professional staff that will coordinate the promotion, development and packaging of responsible tourism products which are in accordance with the marketing and promotions strategy. This drive towards responsible tourism development could include:

- agreement on and implementation of responsible tourism standards in conjunction with the provinces;
- provide technical assistance in product development and packaging to the disadvantaged provinces;
- identify new product opportunities based on new consumer research;
- coordinate nation-wide community involvement programmes and projects such as an 'adopt a school' programme among tourism establishments;
- establish and coordinate a programme to allow South Africans and particularly front-line employees to become 'tourists at home';
- coordinate visitor information projects in conjunction with communities; etc.

One of the advantages of national coordination of these types of projects is consistent story lines for the country can be created, which can be used to market and promote South Africa internationally. It is important that the statutory agency should independently manage its budget, operate independent of civil service regulations on terms and conditions of employment, take a lead role in the promoting and developing the tourism thrust and implement projects of national significance. Government structures do not have the flexibility, the wherewithal or the financial clout to effectively implement.

7.2.1 Responsibilities of the National Tourism Organisation

The organisation will have overall responsibility for policy support marketing, research, development, standards and promotion.

Policy support

- assist the Ministry and Department in formulating a national policy and strategy to achieve a national tourism vision which spreads tourism benefits to stakeholders
- advise national government on all national matters concerning tourism, which could affect the achievement of the tourism vision
- assist the Ministry and Department in coordinating and implementing a national tourism strategy by formulating clear and measurable objectives
- serve as a strategic think-tank for stakeholders

Marketing

- establish South Africa as a prime global tourist destination
- market South Africa internationally and generically
- manage an international network of tourism marketing and promotion offices
- develop and implement an international marketing strategy in cooperation with national and provincial tourism councils/organisations
- assist the provinces in their domestic marketing efforts, in accordance with national priorities and strategies
- assist the provincial and local tourism marketing agencies to achieve their objectives within the national tourist strategy
- promote a quality experience for all international tourists
- initiate the packaging of products
- identify new and emerging products and markets

Research and market intelligence

- carry out necessary research to support the development and growth of the South African tourism industry
- execute research that will support tourism activities which are to the advantage of the national economic base, including forecasting and targeting

- facilitate the growth of the domestic market through community education programmes relating to tourism and information concerning the development of SMME tourism businesses
- satisfy information needs of the Minister, the Department, other government bodies, NGOs, the corporate and business sector as well as the media and the public
- cooperate with provincial tourism organisations on research matters
- advise central government on strategic research priorities concerning tourism
- ensure the effective distribution of relevant information to all stakeholders and to the provinces in particular

Standards

- ensure the setting and maintenance of appropriate standards to facilitate positioning of the South African tourism industry in the international tourism arena

Development promotion

- promote the tourism vision in coordination and cooperation with all stakeholders
- advise all stakeholders on product development opportunities which are in accordance with market needs
- promote the conservation and development of the country's unique natural and socio-cultural environments
- encourage the provision and improvement of tourist amenities and facilities throughout South Africa
- support the Ministry and the Department in the creation of a tourism culture within South Africa
- coordinate the packaging of products by provinces, which are in accordance with the international marketing thrust and themes

7.2.2 Representation and reporting relationships

Tourism South Africa will lead and facilitate the tourism development thrust in South Africa and, together with the Ministry and Department, will champion the cause of tourism at the national level. The representation, structure, organisation, management, leadership and staffing of this organisation will determine the success of the tourism initiative.

The organisation will be governed by a Board of Directors that will equitably reflect stakeholder interests, i.e. those of the tourism business sector, labour force and community interests. It is of major importance that Board members are knowledgeable in the field of tourism and that they represent a broad spectrum of industry requirements, including accommodation, natural, cultural and community attractions, conference and incentive services, transportation (air and ground), intermediary services (tour operating, tour guiding and booking systems) and ancillary services. The Board will be appointed by the Minister, based on nominations received from the public as well as from organisations representing the various stakeholder groups. The nine provincial representatives should be nominated by the MEC's responsible for tourism. The Board will be accountable to the Minister.

Nine provincial tourism representatives will also be represented on the Board, i.e. one person from each province will be represented at national level. As such, Tourism South Africa will not simply be a body imposing national plans and strategies on the provinces. Rather, the national goals, objectives and priorities identified will be a summation of the needs and desires of the provinces. The provinces in turn should be driven by local and regional tourism interests as well as community-based tourism organisations (CBOs). In other words, provincial tourism organisations should be fully representative of regional tourism organisations and regional tourism organisations in turn will be fully representative of local and community-based tourism organisations as well as publicity associations.

The Board could consist of between 15 and 20 members. The following selection principles should guide the appointment of members:

- Board members should be competent persons who are knowledgeable in the field of tourism.
- they should be able to take binding decisions on macro tourism issues.
- they should not be government officials or political office bearers serving in local, provincial or national government.
- provincial representatives should preferably be the chairpersons of the relevant provincial tourism agencies, or if this is not appropriate any other appropriate provincial leadership figure who fulfills the stated criteria.
- costs of maintaining the board should be considered
- an official of the Department of Tourism should be accommodated as an *ex officio* member

7.2.3 Committees of the Board

In addition, a number of specialist committees will report to the board of directors. Specific committees could include:

Finance
Marketing
Product development
Environment
Education and training
Community involvement
Information management and research
Ad hoc committees as needed e.g. crime, ground transportation

Committees should serve the purpose of expanding the expertise and capabilities of the board and should carry out specific work programmes that are not normally possible in the context of board meetings. Committees should be allowed to co-opt members based on expertise and contribution to the work of the specific committees. Committees should be formed as and when needed. They can be *ad hoc* or semi-permanent depending upon the need. Committees should cease to exist when their jobs are completed. Each committee should be the responsibility of a board member who should report directly to the board on the progress and recommendations of

the committee. This should ensure that the size of the board remains manageable. It is envisaged that within these structures of representation (board and specialist committees) all of the interests and stakeholders of the industry, including labour and communities, will be represented. The technical staff of the department of tourism as well as the technical staff of Tourism South Africa should participate on the various committees of the board as appropriate. A close relationship between Tourism South Africa and relevant conservation authorities should be fostered.

The parties should work together to realise, in a sustainable way, the full tourism potential of the country's natural and cultural resources. This partnership could initially be developed through an exchange of directors on the respective boards.

The organisation is expected to be staffed with the highest level of technical and managerial expertise from South Africa, and abroad, if necessary.

7.2.4 Establishment of the national tourism organisation

A statutory or parastatal organisation is the preferred form of organisation. The organisation shall be created by an act of parliament which should be developed with a preamble that highlights the exclusion of the organisation from strict public service regulations and the possibility to raise income if it has the capacity to do so. The national tourism organisation will facilitate government intervention.

7.3 Provincial Tourism Organisations

Provincial tourism organisations (PTOs) have a critically important role to play in the development and promotion of the tourism industry of South Africa. The Provincial tourism organisations will ultimately be the drivers of the tourism industry.

The structure and organisation of provincial and local tourism organisations have been left up to the discretion of the provinces. However, there has been agreement that a statutory organisation is the best institutional structure to carry out the functions of provincial tourism organisations. It is important and necessary, however, that some form of consistency across provinces be developed. It is suggested that:

  i. the structure of provincial tourism organisations reflect as closely as possible those at the national level
  ii. that provincial and local organisations attempt as far as possible to assist community organisations in organising themselves so as to have access to greater representation.

Two provincial tourism structures are provided. One attempts to identify the levels of representation that PTOs should aim at. The other provides a proposed framework structure for PTOs which mirror the national structure. These structures are in no way prescriptive, but serve to provide an option that provinces may want to consider. At the end of the day, provinces must implement structures that are most effective in achieving their mandate based on local conditions.

7.4 The way forward

It is of crucial importance that the policy guidelines and organisational proposals contained in this White Paper are practically implemented as soon as possible. To this end, this document will be followed by an implementation strategy, which will contain a clear action plan and identify a number of priority actions to be implemented. Such plan will be drafted in close cooperation with the provincial tourism authorities.