



**MINISTRY OF TOURISM
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MEDIA STATEMENT BY MINISTER OF TOURISM, PATRICIA DE LILLE, MP

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Department of Tourism investments in energy efficiency measures enhances operations and sustainability for SA Tourism businesses

Earlier today I visited the Houw Hoek Hotel in Grabouw in the Western Cape to highlight the Department of Tourism's Green Tourism Incentive Programme (GTIP).

The Houw Hoek hotel has an impressive solar photovoltaic (PV) system installed which has been able to assist the business to withstand the impacts of loadshedding and ensure continuity of business operations and an uninterrupted experience for its guests.

The GTIP was developed and informed by escalating electricity prices, the intensifying pressure on the national energy grid and associated load-shedding conditions, as well as water scarcity and drought conditions which negatively impact the tourism sector.

The programme aims to encourage private sector tourism enterprises to move towards the installation of solutions for the sustainable management and usage of electricity and water resources.

The GTIP not only helps to reduce pressure on the national electricity grid and water resources of the country, but also ensures an uninterrupted visitor experience for tourists, reduces operational input cost and facilitates increased competitiveness and operational sustainability in the tourism sector.

The GTIP programme has been running for the past few years and so far, 130 applications for GTIP funding were approved at a total grant value of R76.1million.

More than 41 out of the 130 approvals have either already commenced or completed installation while the remaining approved applicants are at various stages of finalising contracts.

The solutions installed or being installed at these approved GTIP applicants businesses is projected to substantially reduce energy consumption and result in electricity cost savings of between 65% and 80% on the electricity bills of these enterprises.

Those installing water efficiency systems will typically see a reduction of between 30% and 50% in their water consumption.

From the projects that have either commenced or completed installations:

- the majority are located in the Western Cape and Gauteng followed by Limpopo, North West, Eastern Cape and KwaZulu-Natal, and also two projects in the Free State and Northern Cape respectively;
- most are very small with less than five employees, and only a few are larger with more than 50 employees; and
- More than half of the enterprises have majority black-ownership, and majority women-ownership.

One of the beneficiaries of the GTIP Millicent Shai, owner of Thaba Legae Guest Lodge, Rustenburg, North West said: "On behalf of Thaba Legae Guest Lodge, I would like to thank the National Department of Tourism and the Industrial Development Corporation (IDC) for the GTIP. It has given us hope for the future in tourism. The initiative is absolutely essential in mitigating the growing energy crisis while demonstrating commitment to sustainability. Thanks to you, the lights are always on at Thaba Legae Guest Lodge".

Mr Billy Henegan, owner of Glen Marion Guest House, Pretoria, Gauteng said: "We were one of the first companies whose Solar PV system was approved by the GTIP and the Department. It was a journey which we can, in hindsight, say was absolutely worth the time and effort. We had to contribute about 30% of the cost for the total system. This system made it possible to get a substantial saving on our electricity bill. Apart from the savings we could offer our guests "lights on" accommodation 24/7. We were also able to offer warm breakfasts during load shedding. Our guests are relieved to find accommodation with electrical power during outages. Our gratitude to the DOT and GTIP for the grant. Without their support we would not have been able to offer our guests sustainable "green" accommodation".

Prior to the roll out of the GTIP, as part of the pilot phase, a number of state-owned tourist attractions were retrofitted with solar PV systems. These include Robben Island Museum, the

Karoo Desert, Hantam and Free State National Botanical Gardens in the Western Cape, Northern Cape and Free State provinces, as well as four tourist facilities in the Kruger National Park.

The Department of Tourism invested R98.5 million to retrofit eight state owned tourist attractions with a combined 2.7 megawatt of installed renewable energy generating capacity. Combined savings for all eight sites has already reached just under R40 million by the end of the 2022/23 financial year.

The Houw Hoek hotel is one of beneficiaries of the GTIP and I was encouraged to see what positive impact this investment has had on the hotel's operations and electricity and cost savings.

The owner of the Houw Hoek Hotel, Mr Robert Haarburger: "The support from the GTIP is a fantastic help and saves us a lot of electricity costs. On a good day I can save 50% of my usage which is a huge saving. I have had this system installed since late 2021 and if I had not had this in place, my electricity costs would've been substantially high. I would have had to put more of my own money in to keep the ship afloat".

"The guests like it when they find out that we have solar power as it shows we are green conscious and for me, I don't want to waste sunshine, it's good to see sunshine being so productive, producing energy, saves me money and helps reduce carbon emissions. It makes the business more efficient and its green energy, it's good for business," Haarburger said.

The hotel applied for support under GTIP during the 2nd application window. The final approved solution included 464 roof-mounted solar PV modules, inverters and switches at a total project cost of just over R2.2 million. The installed system has an estimated cost saving of 53% on the hotel's annual electricity bill and will off-set approximately 126 855 ton in carbon emissions emissions per year.

The Department of Tourism's contribution to the installation was R1million.

As government our role is to create an enabling environment for investment by the private sector that will grow the tourism sector and create more jobs.

The support from government has allowed businesses to stay open and continue to operate during loadshedding. This has also meant that businesses are saving on electricity costs and reducing carbon emissions, a key measure in the fight against climate change.

In addition, the adoption of green technology has meant that businesses can operate uninterrupted and are able to retain staff.

GTIP APPLICATION PROCESS

I am also pleased to announce that the next window for applications for businesses for the GTIP programme will open on 2 May until 30 June 2023. The programme is administered by the Industrial Development Corporation (IDC) on behalf of the Department of Tourism and all

applications need to be submitted to the IDC. Businesses can apply via the IDC website: www.idc.co.za

The GTIP offers partial grant funding on the cost of retrofitting tourism facilities with energy and water efficiency equipment and systems based on the outcome of a resource efficiency audit.

Phase 1 of the application process involves a resource efficiency audit (the cost of which is fully covered under the programme) as well as the identification of appropriate solutions.

This is followed by Phase 2 where an applicant can apply for funding support (50% to 90% up to R1 million) on the cost of installing relevant technologies and equipment recommended during the first phase.

The two-phased application process separates the energy and water efficiency audit process from the funding application processes.

The key objectives of the GTIP are to:

- encourage enterprises to install energy and water efficient equipment in accordance with responsible tourism principles;
- address the current market obstacle of high up-front capital requirement and poor market awareness of the cost-benefit of energy and water efficient solutions;
- facilitate reduction in operational input costs of enterprise (especially small and micro enterprises) to counter the impact of electricity price increases; and
- Reduce reliance and pressure on the national electricity grid and scarce water resources.

The impacts of climate change, electricity constraints and costs are being felt by all businesses and we have this programme available to lend a helping hand to businesses to ensure that they can continue to operate despite constraints.

I encourage all businesses to apply for the GTIP as the support is available from government. This programme is a stellar example of government investing in green and efficient measures which not only address the impacts of climate change but also the impacts of economic and electricity constraints we are all confronted with.

The GTIP demonstrates collaboration by government and the private sector working together to keep tourism open for business and continue welcoming more visitors to our beautiful country. This initiative is also part of government's efforts to drive down demand on the national electricity grid.

It is my hope that we can assist many more businesses with water and energy efficient measures across the country so that we can grow the tourism economy and see more jobs being created in this important sector.

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