



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

**DATE: 24 MARCH 2023**

### **UPDATE ON TOTTENHAM HOTSPUR SPONSORSHIP PROPOSAL MATTER**

Today, I am updating the media and public on the Tottenham Hotspur FC and SA Tourism Sponsorship Proposal matter.

Following my appointment as the Minister of Tourism by President Cyril Ramaphosa, I expressed my commitment to working harder and doing all we can together with all stakeholders to advance the tourism sector and hitting the ground running.

The tourism sector is a major one for our country as we boast some of the world's most beautiful natural landscapes, a diverse mix of cultures, experiences and our best asset, our people.

The tourism sector is also a major contributor to the country's Economic Reconstruction and Recovery Plan as announced by President Cyril Ramaphosa in October 2020 and The Tourism Sector Recovery Plan adopted by Cabinet in March 2021.

I am therefore committed and excited about the work we can do in this space together with the private sector and communities to reach our full potential and see millions more people visiting this beautiful South Africa we call home.

Of course one of the key matters in this portfolio, which I have inherited, is that of the Tottenham Hotspur FC and SA Tourism Sponsorship Proposal which has been in the public domain for a few weeks.

Given the circumstances we find ourselves in economically, there has to be much more careful consideration of everything we do as government.

Money must at all times be spent wisely and prudently as we are entrusted with the public's funds.

SA Tourism is an entity of the National Department of Tourism, established in terms of the Tourism Act No.3 of 2014.

In terms of the proposed Tottenham sponsorship matter, some of the key information before me and some information which has been in the public domain includes:

- A presentation from Tottenham was made to a number of SA Tourism officials in December 2022 here in South Africa.
- SA Tourism Board members then travelled to London between 12 and 17 January 2023.
- On 27 January 2023 the Board considered the proposed partnership / sponsorship with Tottenham and asked management to address certain aspects and table an amended proposal.
- On 31 January 2023 at around 16h00 the matter first appeared in the media (Daily Maverick).
- Later that day, at around 22h00, the SA Tourism Board approved the proposal (31 January 2023). The approval was subject to due consultation with the Minister of Tourism and National Treasury.
- The matter also served before the Portfolio Committee on Tourism on 21 February 2023 and the PC's report can be found here: <https://pmg.org.za/taled-committee-report/5236/>

After my appointment, I immediately sought and obtained legal advice regarding the Tottenham matter. In terms of that advice, there are three reasons why the Tottenham sponsorship is unlawful and invalid. The three reasons are:

1. That the sponsorship is in fact a procurement event which does not comply with Section 217 of the Constitution, the Treasury instructions issued in terms of the Public Finance Management Act 1 of 1999 (PFMA) and SA Tourism's own Supply Chain Management Policy. It appears that the sponsorship is a service which was proposed to be acquired by procurement through "sole source". Sole source procurement is however only allowed where there is no competition in the market and only one supplier is able to provide the goods or services, which does not appear to be the case here.
2. That the sponsorship has not been budgeted for as required by section 53 of the PFMA and that the expenditure thereon would be irregular or unauthorised within the meaning of those terms in the PFMA.
3. That the deal amounts to a "significant partnership transaction" which required my prior approval in terms of Section 54 (2) of the PFMA.

However, I have written to the SA Tourism Board on Wednesday 22 March 2023 asking for their response regarding the above. I have asked the SA Tourism Board to respond to my letter by 29 March 2023.

The Board Chairperson has this morning, 24 March 2023 sent me an interim response and a copy of their letter is attached.

I have also written to the Minister of Finance on 10 March 2023 to enquire whether he had approved the proposal or transaction and have not yet received a response from the Minister of Finance.

A copy of my letter to the SA Tourism Board is attached, however, the key information I am seeking is as follows:

1. Has the Tottenham deal been formally cancelled? If so, I have asked for proof of this.
2. Does the Board regard the Tottenham deal to be a form of sole source procurement? If so, the Board has been asking to explain how the requirements for such form of procurement have been met.
3. Does the Board regard the Tottenham deal to be a significant transaction which trigger the need for my prior approval? If so, will the board request my approval and when?
4. Has the Tottenham deal been budgeted for in the 2022/23 budget? If not, why is the expenditure on the deal not unauthorised or irregular within the meaning of those terms in the PFMA?

As the Minister and as the Department of Tourism, we are committed to growing tourism, getting into untapped markets and truly reaching our full potential.

However, everything we do, will be done in accordance with the law and due process.

Now in this time of global economic crisis, we need innovation and we need to work together to grow our markets and create more jobs for our people in a cost effective manner.

This matter has been marred by a lot of controversy and has raised many questions and we need to resolve this matter decisively and in the best interest of the people of South Africa as soon as possible.

As a country, when we enter into such massive partnerships, it is vital that we are able to be fully accountable, that we are transparent and can answer South Africans clearly and honestly.

Based on the Board Chairperson's interim response received this morning 24 March 2023, my advice to the SA Tourism Board is that the proposal may as well be stopped completely.

I thank you

**ENDS**

**Enquiries:**

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Attachment: Minister de Lille Letter to SA Tourism Board Chairperson



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Mr Thozamile Botha  
Chairperson of the Board of South African Tourism  
Private Bag X10012  
**SANDTON**  
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**SOUTH AFRICAN TOURISM AND TOTTENHAM HOTSPUR RESOLUTION**

Dear Chairperson,

I refer to the Resolution of the South African Tourism Board, dated 31 January 2023, to enter into a partnership deal with the Tottenham Hotspur Football Club.

I have obtained legal advice from senior counsel to the effect that the Tottenham deal is unlawful and invalid because:

It is a procurement event which does not comply with section 217 of the Constitution; Treasury Instruction 3 of 2021/22 issued in terms of the Public Finance Management Act 1 of 1999 (“**the PMFA**”); and SA Tourism’s own SCM Policy. The deal amounts to a sole source procurement for which the requirements have not been met; and / or

It amounts to a significant partnership or “*similar arrangement*” with Tottenham or it is the commencement of a significant business activity, a transaction for which my prior approval is required in terms of section 54(2) of the PFMA.

Furthermore, I have considerable doubt whether the Tottenham deal has been budgeted for as envisaged in section 53 of the PFMA. If not, expenditure on the deal would be irregular or unauthorised within the meaning of those terms in the PFMA.

Against this background, kindly address the following issues:

Has the Tottenham deal been formally cancelled? if so, provide written proof of same.

Does the Board regard the Tottenham deal to be a form of sole source procurement? If so, explain how the requirements for such a form of procurement been met.

Does the Board regard the Tottenham deal to be a significant transaction which trigger the need for my prior approval? If so, will the Board request my approval and when?

Has the Tottenham deal been budgeted for in the 2022/23 budget? If not, why is expenditure on the deal not unauthorised or irregular within the meaning of those terms in the PFMA?

Kindly revert as a matter of great urgency by no later than Wednesday 29 March 2023.

Yours sincerely,

A handwritten signature in black ink that reads "P. de Lille". The signature is written in a cursive, slightly slanted style.

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**Ms Patricia de Lille, MP**  
**Minister of Tourism**  
**Date: 22 March 2023**

Letter from SA Tourism Board Chairperson received this morning, 24 March 2023

## SOUTH AFRICAN TOURISM

**Ms. Patricia De Lille  
Honourable Minister of  
Tourism Tourism  
House  
17 Trevenna Street  
Sunnyside  
0001**

**Dear Minister *De Lille***

### **SOUTH AFRICAN TOURISM AND THE TOTTENHAM HOTSPUR FOOTBALL CLUB TRANSACTION**

The above matter and the letter dated 22 March 2023 refers.

The board has deliberated on the letter and proposes to submit its preliminary response with a view to providing you with an accurate recordal of the nature of the Board resolution taken on 31 January 2023. The Board gave an in-principle but conditional approval that SA Tourism procures the relevant approvals for the conclusion of the Tottenham Hotspur transaction. The Board must categorically point out that its decision did not give rise to a legally binding transaction between SA Tourism and Tottenham Hotspur. This is so because the Board was cognisant of the approvals that are required from both the Minister of Tourism and National Treasury prior to the transaction being consummated and becoming legally binding.

Honourable Minister refers to the resolution of the Board passed on 31 January 2023, and that the Board resolved through this resolution *"to enter into a partnership deal with the Tottenham Hotspur Football Club."* Honourable Minister would have, however, noted that the Board's resolution was conditional. In this regard, the Board approved the transaction, *"subject to due consultation with the Minister of Tourism, the Department of Tourism, National Treasury and other relevant stakeholders."* The conditions were imposed by the Board because the transaction legally required the approval of the identified stakeholders.

The Board records that the approval processes contemplated in the Public Finance Management Act 1 of 1999 ("PFMA") were yet to commence and be embarked upon by SA Tourism when the in-principle decision of the Board was leaked to the media resulting in the various engagements that ensued including the Parliamentary Portfolio Committee engagements.

Therefore, Honourable Minister, we humbly submit that factually, there is currently no "unlawful and invalid" transaction, as the transaction does not exist. The legal advice recorded in the letter is premised on there being a legal and binding transaction which is not the case given that the requisite PFMA approvals have not yet been sought. Moreover, there is no Tottenham transaction to be cancelled as none has been concluded. What exists is an in-principle decision to commence the required processes towards conclusion of the transaction.

We have taken note of the specific issues which the Honourable Minister requires the Board to address in relation to the procurement prescripts which were followed, as well as the PFMA prescripts - with specific reference to sections 53 and 54 thereof, and whether the transaction amounts to unauthorized or irregular expenditure as defined in the PFMA. In this regard, a detailed response will be submitted to the Honourable Minister on these aspects within the Honourable Minister's stipulated deadline of Wednesday, 29 March 2023.

Yours sincerely

A handwritten signature in black ink, appearing to be 'T. Botha', written over a horizontal line.

Dr Thozamile Botha  
Chairperson of the Board of South African Tourism