

SA's Tourism Charter Council releases industry B-BBEE report

As part of its monitoring of B-BBEE in the tourism industry, the Tourism Charter Council has released the state of tourism sector transformation report - which was conducted in 2017 - to advise the minister of tourism on the extent of transformation. The chairperson of the Tourism B-BBEE Charter Council, Dr Vuyo Mahlati, together with council membership briefed parliament.



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In October 2017, the department in partnership with the council held a two-day conference to take stock of the state of transformation in the tourism sector and deliberate on mechanisms to change the status quo. Recommendations were made for both government and the private sector to improve efforts on access to funding; procurement and market access; innovation, training and skills development and lastly for the council to be wholly autonomous and focus effectively on monitoring of the transformation agenda in both the public and the private sector.

"While we appreciate evidence of transforming enterprises, the pace and extent of transformation are concerning. There are still many that are not compliant to B-BBEE," Mahlati.

Promoting black ownership of enterprises is a priority element within the amended Tourism B-BBEE Sector Code but few enterprises achieved the 30% target set for the ownership element. Less than 50% of enterprises in the three sub-sectors: accommodation, hospitality and travel, achieved the minimum ownership targets. The travel sub-sector is performing better than others in promoting more black women in their ownership structures.

Despite the fact that the tourism sector employs a large number of women, only 11% of the enterprises had shown black women representation at the board, executive and senior management level. The sector performed poorly in promoting black management in general.

Transforming the SA economy

The B-BBEE Code prioritises enterprise and supplier development as a key driver of transformation in South Africa's economy. This is done through encouraging preferential usage of black-owned suppliers and the inclusion of SMMEs within supply chains, partnerships and mentorships. Contrary to this, the majority of large enterprises did not comply with the set targets. There was insignificant (almost zero) expenditure on enterprises with majority black shareholders.

"This is despite the fact that government and its entities spend billions every year on travel and accommodation, including conferencing. The government should begin to harness public spending to rapidly accelerate transformation by making sure that all officials travelling use transformed service providers with clear evidence for B-BBEE compliance. If we want to see meaningful transformation, we must put measures in place to ensure that the service providers appointed also use other black service providers to deliver the services. B-BBEE is simply about shared economic benefits throughout the value chain," added Mahlati.

Working together with the department, the council developed the Tourism B-BBEE Portal, which is an online system to provide a matchmaking platform between large enterprises and black-owned suppliers. Large enterprises in the sector are showing improved signs of investment in skills development for black employees. "This gives us hope that we would see more black people in the management echelons of the sector in the near future," concluded Mahlati.

It was observed that many tourism enterprises performed better on socio-economic development – 50% of accommodation and travel sub-sectors have achieved targets for this element. In addition, more than 60% of large tourism enterprises are tourism marketing South Africa levy collectors. This is significant as it will continue to boost efforts to attract more tourists to the country, which will create opportunities for inclusive economic growth.

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