

RESPONSE AND COMMENTS ON THE TOURISM BEE CHARTER AND SCORECARD

1. Introduction

- 1.1 Business Unity South Africa (BUSA) is a confederation of Chambers of Commerce and Industry, Professional Associations, Corporate Associations and Unisectoral organizations.
- 1.2 One of BUSA's strategic objectives is to promote the effective implementation of the objectives of broad-based Black Economic Empowerment.
- 1.2 BUSA wishes to submit the following comments on the Tourism BEE Charter and Scorecard.

2. Definitional Matters

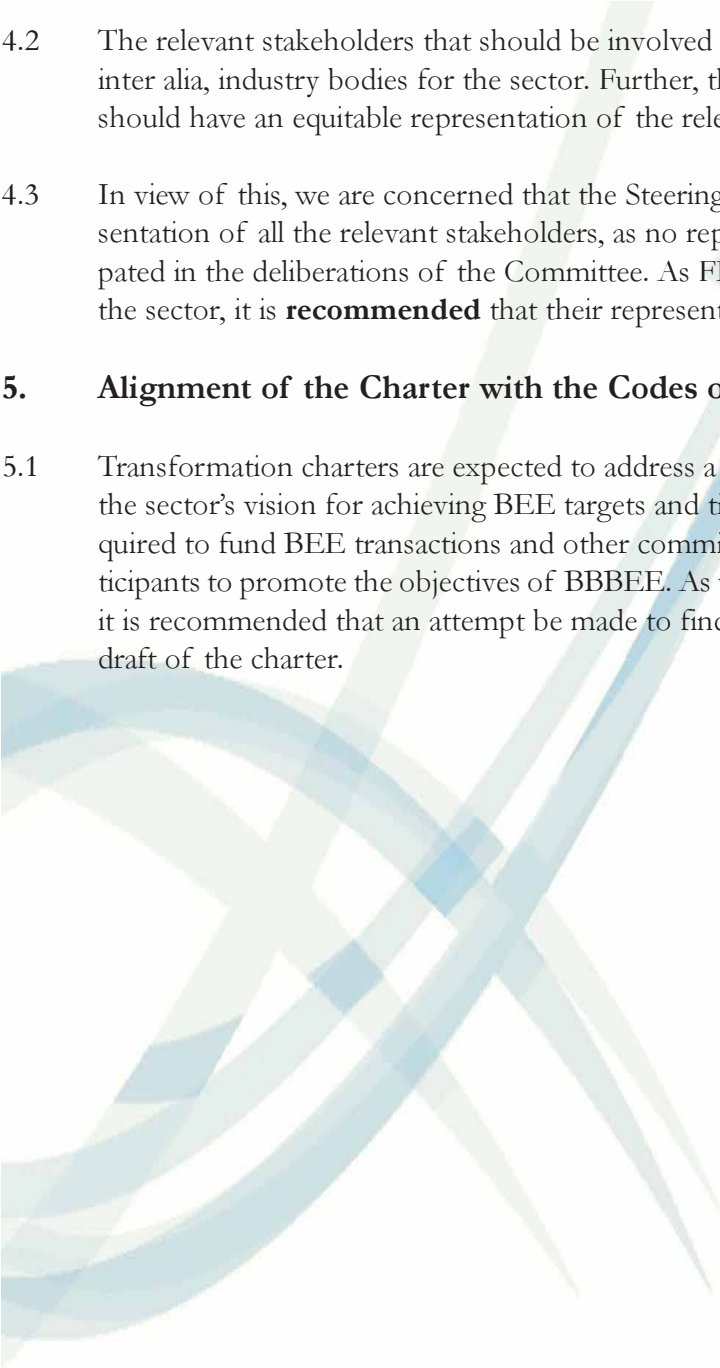
- 2.1 The Charter's definition of the tourism sector includes the following: (i) accommodation (hotels, resort properties and timeshare, bed and breakfast, guesthouse, game lodges and backpackers and hostels); (ii) hospitality and related industry (restaurants, conference venues, professional catering, attractions and consulting and professional services companies); and (iii) travel distribution systems (tour wholesalers; tour operators; travel agents; tourist guides; car rental companies and coach operators).
- 2.2 This definition is somewhat inconsistent with the system of Tourism Satellite Accounting (TSA), which follows the international standard used by the World Tourism Organisation. In terms of the World Tourism Organisation TSA, entertainment and related services (e.g. recreation) form an integral part of the tourism industry. This is acknowledged in the tourism Sector Education Training Authority (SETA), which encompasses skills development for the entertainment and recreation sector of the industry. In the light of this, it is recommended that the Steering Committee explores the possibility of incorporating entertainment and related services (e.g. recreation) into the charter's definition of tourism.

3. Scope of the Charter

- 3.1 The Charter and Scorecard applies, amongst others, to 'all parts of the value chain' in the Tourism industry. This is rather too broad, as 'all parts of the value chain' would include, inter alia, gift shops, Curio shops and a whole range of activities that are indirectly connected to the Tourism industry. To make the process of implementation and evaluation manageable, it is recommended that the charter and scorecard be applicable to all parts of the value chain that are directly involved in the Tourism industry.

4. Process Issues

- 4.1 For a transformation charter to be widely accepted as credible, and thus eligible for gazetting as a BEE Transformation Charter (in terms of section 12 of the BBBEE of 2003) and/or a Code of Good Practice (in terms of section 9 of the BBBEE of 2003), its formulation must be underpinned by a **sufficiently comprehensive consultation process** that takes into consideration the relevant views and suggestions made by all the relevant stakeholders.

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- 4.2 The relevant stakeholders that should be involved in the charter formulation processes include, inter alia, industry bodies for the sector. Further, the composition of the Steering Committee should have an equitable representation of the relevant stakeholders in the sector.
- 4.3 In view of this, we are concerned that the Steering Committee does not have an equitable representation of all the relevant stakeholders, as no representatives of FEDASA and SALTA participated in the deliberations of the Committee. As FEDASA and SALTA are major stakeholders in the sector, it is **recommended** that their representatives be included in the Steering Committee.

5. Alignment of the Charter with the Codes of Good Practice

- 5.1 Transformation charters are expected to address a wide range of transformation issues, including the sector's vision for achieving BEE targets and timetables, an assessment of the financing required to fund BEE transactions and other commitments relevant to the sector to enable its participants to promote the objectives of BBBEE. As these are not explicitly addressed in the Charter, it is recommended that an attempt be made to find a way of dealing with these issues in the next draft of the charter.