

TOURISM BEE CHARTER COUNCIL
STRATEGIC PLAN 2006 - 2009

YOUR TRANSFORMATION PARTNER

TOURISM BEE CHARTER
Council







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I. INTRODUCTION

This Strategic Plan maps out service delivery commitments of the Tourism BEE Charter Council, performed as directed by the Minister of Environmental Affairs and Tourism.

The Plan:

- (1) identifies the Council's tasks for the 2006/2007 financial year and
- (2) identifies medium term tasks in the context of promoting transformation and equitable growth in the tourism sector.

Part one of the Strategic Plan contextualises the environment and challenges South Africa faces as it pursues its tourism transformation objectives. The section articulates the mandate of the Council as guided by the principles, corporate statutes, strategic objectives and the DTI priorities regarding transformation and Broad Based Black Economic Empowerment (BBBEE) objectives. The Plan outlines the Council's priorities for the current financial year.

Medium term priorities and objectives indicate the core thrust of the Council's business plan. The Strategic Plan will inform the development of Business Plans, corporate governance and resource allocations.

2. MANDATE OF THE COUNCIL

The Council is mandated to achieve the following:

- Facilitate the communication and popularisation of the Charter.
- Provide interpretation and guidance with respect to the Charter.
- Facilitate the provision of practical implementation and support to the industry.
- Liaise with DTI accredited agencies to monitor implementation of the Charter.
- Facilitate the certification, by DTI accredited agencies, of entities complying with the Charter. The Council will, in so doing, facilitate incentives to encourage tourism enterprises to comply and become certified.
- Compile an annual report on the tourism sector's progress in implementing the Charter.
- Develop a framework as well as capacity for implementation of the Charter.
- Facilitate implementation of programmes to fast track BBBEE in the sector to ensure a favourable environment for BEE to flourish.
- Advise the Minister on BEE related legislation and regulatory developments.

3. LEGISLATION IMPACTING ON COUNCIL'S OPERATIONS

In carrying out these activities, the Council must comply with all legislation impacting on its operations and functioning including, without limiting, the generality of the foregoing:

- Constitution of the Republic of South Africa - equality clauses and provisions that address the legacy of the deep historical inequalities.
- Preferential Procurement Policy Framework Act - introduces a points guide for awarding tenders based on preferences for targeted groups as well as price. The public sector can use non price related specific criteria to evaluate tenders and award maximum of 20 points out of 100 to companies that have complied with BEE objectives.
- Employment Equity Act – companies of a particular size are required by law to submit reports of their gender and race profile as well as plan to improve their company's representivity in line with the demographics of the country.
- Skills Development Act - sets an enabling framework for the implementation of national sectoral and workplace skills development strategies. The law also made it possible for at least 25 Sector Education and Training Authorities (SETAs) to be established.
- National Small Business Act - promotes small, micro and medium enterprises and institutions such Khula and Ntsika to provide support to emerging entrepreneurs.
- Competition Act - addresses monopolistic practices and issues of excessive ownership and control in the economy. The intention is to eliminate unjust restrictions on the full participation of the previously disadvantaged in the economy. Where such practices clearly promote BEE, exemptions are granted from the provisions of anticompetitive behaviour, particularly in the event of mergers and acquisitions.
- The National White Paper on Sustainable Tourism Development and Promotions.
- The Tourism Branch Business Plan.
- The Tourism Charter.
- The Broad Based Black Economic Development Strategy.
- The Broad Based Black Economic Empowerment Act.
- The draft Codes of Good Practice.

4. VISION

To enable transformation.

5. MISSION

To drive transformation.



6.1. VALUES

The Tourism BEE Charter Council adheres to the following values:

- Equity
- Integrity
- Batho Pele
- Dedication
- Loyalty
- Partnership

6.2. GUIDING PRINCIPLES

The Tourism BEE Charter Council uses the following guiding principles:

- The Council is your partner in transformation, and not the industry watchdog
- The Council supports and enables transformation processes
- The Council is approachable and authoritative
- The Council is embracing of the public, and not alienating

6.3. POSITIONING AND PERSONALITY

The Tourism BEE Charter Council is a partner, an enabler and a motivator. Its personality is energetic, inspiring, accessible and responsible.

7. PRIORITIES FOR THE TOURISM BEE CHARTER COUNCIL

The priorities reflect focal areas of the Council's work programmes, its service delivery plans and budget priorities for the 2006/07 financial year. The priorities are as follows:

- Ensure efficient provision of support systems that will assist stakeholders in implementing the Charter and reporting on progress.
- Provide effective and efficient administrative and management support services to ensure proper running of the Council as a delivery wing for BEE in tourism.
- Engage with public sector and organs of state to ensure that they deliver on the preferential procurement element of the Charter and Scorecard.
- Engage private sector to ensure that they deliver on elements of the Charter and Scorecard.
- Facilitate implementation of innovative programmes to advance BBBEE in Tourism through the seven elements of the scorecard with specific focus on skills development, enterprise development and ownership.
- Engage with social partners to communicate the benefits and opportunities brought by the Charter.

8. CONTEXTUAL ANALYSIS

Tourism has been identified as one of the leading five sectors in the South African economy. The tourism industry is still, however, largely white owned and managed. Some of the larger listed tourism entities have begun the transformation processes; though these are still in their infancy and focused largely on equity ownership. A study commissioned by DEAT in 2003 has estimated

that only 6% of listed tourism entities have BEE ownership. Average management and control of the listed entities indicates that 15% are black males, 2% black women and 81% white males. The transformation challenge therefore remains enormous.

The President of the Republic of South Africa has, in order to promote transformation in all sectors of the economy, signed into effect the Broad Based Black Economic Empowerment (BBBEE) Act in 2003. The Broad Based BEE Act provides a more inclusive definition of BEE. It includes a scorecard covering elements such as ownership, management and control, employment equity, skills development, preferential procurement, enterprise development, CSI and industry specific factors. The Act encourages various economic sectors to develop their own targets and time frames in the areas mentioned above.

The Minister of Environmental Affairs and Tourism launched the process to develop the tourism BEE scorecard on 13 July 2004. The development of the scorecard was the joint effort between the Department of Environmental Affairs and Tourism (DEAT) and the Tourism Business Council of South Africa (TBCSA). The scorecard was presented to the Minister by the Steering Committee in December 2004 and launched as a Charter for the Tourism Sector in May at Indaba 2005. The Minister announced the appointment of the Tourism BEE Charter Council to drive the implementation of the Charter in October 2005. Transformation should be seen within the context of the global competitiveness study which highlights potential benefits of the tourism sector with respect to transformation.

These are as follows:

- Transformation makes competitive business sense as it would introduce innovation into the sector as new players enter the industry and bring their experience to bear, which would attract new markets and stimulate new product development.
- Sophisticated international tourists have a desire for an integrated, authentic South African experience. Transformation will therefore result in the development and promotion of a broader range of products, including cultural and heritage products.
- Although not equally, the spend pattern of tourism impacts on all nine provinces. This means that the distribution of wealth will be across the nation, if transformation takes place successfully.
- The tourism sector has potential to grow beyond its current size and this would facilitate the transition and entry of numerous new operators, especially HDIs (Historically Disadvantaged Individuals).
- Fairly low barriers of entry in certain sub-sectors would facilitate entry of HDI operators with the correct levels of support.
- The tourism industry is labour intensive, thus transformation will create many employment and management opportunities.
- BEE will stimulate economic development as economic growth, development and BEE are complementary and related processes.

9. RISK MANAGEMENT

The implementation of the Charter is beset by a number of obstacles and risks. The obstacles and risks should be understood in advance so that appropriate risk management strategies can be developed and implemented. This document outlines some of these obstacles and risks. Since they are not static, work in this area will be continuous.



9.1. POSSIBLE OBSTACLES IN IMPLEMENTING SEVEN ELEMENTS OF THE CHARTER.

FACTOR	OBSTACLE	SOLUTION	CRITICAL PARTNERS
OWNERSHIP	<ul style="list-style-type: none"> • Companies not knowing where to find BEE partners • Black partners having problems in accessing funding for BEE transactions • Difficulty in obtaining and orchestrating good, sustainable and cost effective BEE deals <p>Beneficiaries: New black entrants, BEE partners, and companies entering into BEE transactions.</p>	<ul style="list-style-type: none"> • Publication of a list of potential BEE partners • Introduce tourism players to black businesses (Networking) • Publish detailed booklet on funding options for tourism • Consult with funding institutions to create funding suitable for tourism BEE ventures • Consult for the provision of discounted services 	<ul style="list-style-type: none"> • Rating agencies • Public and private sector funding institutions
STRATEGIC MANAGEMENT	<ul style="list-style-type: none"> • Companies unable to find suitable black candidates for management posts • Companies needing to provide black management with industry specific or managerial knowledge <p>Beneficiaries: New black managers or graduates, existing black managers and potential black managers.</p>	<ul style="list-style-type: none"> • Create a platform to publish a list of black talent • Create platform to publish available training programmes • Website with database on vacancies 	<ul style="list-style-type: none"> • Tertiary institutions • Recruitment agencies • Business Management Forum • Industry Associations and bodies • THETA • Labour Unions • Tourism Companies
EMPLOYMENT EQUITY	<ul style="list-style-type: none"> • Companies not able to find suitable black candidates • Companies need to develop programmes internally to assist existing black employees for promotion <p>Beneficiaries: Black graduates and employees without prior experience. Existing employees within the tourism sector.</p>	<ul style="list-style-type: none"> • Create a platform to publish a list of black talent • Create platform to publish available training programmes • DITTO 	<ul style="list-style-type: none"> • Tertiary institutions • Training bodies Theta • DITTO
SKILLS DEVELOPMENT	<ul style="list-style-type: none"> • Companies having limited access to training programmes • Difficulty in developing learnership programmes • Administrative regulations from Theta discourage employers from taking learners <p>Beneficiaries: Existing employees and learnership candidates.</p>	<ul style="list-style-type: none"> • List of training programmes • Publish a book of how to access learnership opportunities and associated benefits 	<ul style="list-style-type: none"> • Tertiary institutions, training bodies and Theta • DITTO



9.1. POSSIBLE OBSTACLES IN IMPLEMENTING SEVEN ELEMENTS OF THE CHARTER (CONTINUED).

FACTOR	OBSTACLE	SOLUTION	CRITICAL PARTNERS
PREFERENTIAL PROCUREMENT	<ul style="list-style-type: none"> • Companies not able to identify black suppliers • Some companies have limited leverage on their suppliers to transform and some have little choice as to from whom they procure <p>Beneficiaries: Black suppliers.</p>	<ul style="list-style-type: none"> • Publish a list of black suppliers • Create opportunities for new suppliers, i.e. smaller contracts, mentoring etc • Registration of suppliers and their capabilities • Private and public sector programmes 	<ul style="list-style-type: none"> • Rating agencies • TEP • Associations • Tourism Companies
ENTERPRISE DEVELOPMENT	<ul style="list-style-type: none"> • Companies do not have resources to understand and kick-start enterprise development programmes <p>Beneficiaries: Black Entrepreneurs.</p>	<ul style="list-style-type: none"> • Inform market of the existence of TEP • Shot Left Campaign • DITTO 	<ul style="list-style-type: none"> • The DTI • TEP • TBCSA • Tourism Associations
SOCIAL DEVELOPMENT AND INDUSTRY SPECIFIC	<ul style="list-style-type: none"> • Difficulty in finding new recruits with no prior work experience • Tomsa Levy • Companies do not have resources to invest in worthwhile local CSI projects <p>Beneficiaries: People with no work experience, TOMSA, NGO and CSI facilitators.</p>	<ul style="list-style-type: none"> • Centralised database of new recruits • Publish a list of DEAT endorsed CSI programmes • Company CSI programmes • Encourage increased TOMSA levy collection • Shot Left Campaign 	<ul style="list-style-type: none"> • Schools • NGOs • CSI operators • Associations • Companies
OVERALL	<ul style="list-style-type: none"> • Benefits for companies implementing BEE • Confusion caused by different charters and regulating bodies <p>Beneficiaries: BEE compliant tourism companies.</p>	<ul style="list-style-type: none"> • Inform tourism businesses of the benefits of BEE compliance • Consult with other government organs and private sector bodies to facilitate adoption of the Charter • Create benefits for BEE compliant enterprises • Inform tourism businesses on how to work with customers when asked for BEE information 	<p>Government, private sector, charter council and BEE drivers BEE Awards and other recognition systems</p>



9.2. POSSIBLE RISKS IN IMPLEMENTING THE CHARTER.

RISKS	MITIGATING ACTIONS
Duplication of existing offerings that could result in competition and duplication between the services provided by the Council and those offered by other stakeholders.	<ul style="list-style-type: none"> • Research and relationship building.
Inadequate support to the industry, government and organs of state.	<ul style="list-style-type: none"> • Extensive consultation with the industry when developing a business plan to ensure that services provided are in line with the demands. • Availability of information to support government and organs of state decision making process.
Inadequate information systems and response times that could threaten the credibility and effectiveness of the Council.	<ul style="list-style-type: none"> • Adequate budget allocation to implement customised, robust information technology systems and professional staff component.
Inadequate programmes to make tourism accessible to black people.	<ul style="list-style-type: none"> • Specific programmes to be implemented to make the tourism sector more diversity oriented, knowledgeable in its services and products. Tourism needs to change its present unfriendly nature to black people.
Lack of unity amongst all social partners.	<ul style="list-style-type: none"> • The Council to serve as a unifying force and ensure that there is meaningful consultation with all stakeholders and partners.
Resistance to change in the sector.	<ul style="list-style-type: none"> • Communicate the benefits of transformation from the competitiveness point of view and introduce recognition programmes to acknowledge excellent contributors.
Insufficient resources for transformation.	<ul style="list-style-type: none"> • Allocate adequate resources that will result to robust interventions to boost transformation.



10. CHARTER GROWTH TARGETS FOR 2009 AND 2014

The Charter comprises two sets of targets, namely up to 2009 and a second set of targets up to 2014. The work of the current Charter Council will focus on delivering 2009 targets.

FACTOR	2009 TARGET	2014 TARGET
Ownership % share of economic benefits as reflected by direct shareholding by black people	21%	30%
Strategic representation Black People % Board of Directors Black Women % Board of directors Black People % executive management Black Women % executive management	30% 15% 30% 15%	50% 25% 50% 25%
Employment Equity Black People % management Black Women % management Black People % supervisors, junior and skilled employees Black Women % supervisors, junior and skilled employees Black People % of total staff Black Women % total staff	31% 18% 45% 23% 53% 28%	50% 25% 65% 35% 75% 40%
Skills Development % spend on skills development and on all accredited training % skills development spend on black employees Number of learnerships as a % of total employees Number of black learners as a % of total learners	3% 75% of 3% 2% 80%	3% 75% of 3% 2% 80%
Preferential Procurement Spend on BEE compliant companies as total % of procurement spend	40%	50%
Enterprise Development % spend of post tax profit on enterprise development and % employee time contributed to enterprise development over total employee time. Enhanced revenue and or cost savings and or twinning initiatives facilitated for black owned SMMEs as a % of revenue of the company measured	1% 1%	1% 1%
Social Development and Industry Specific % CSI spend on post tax profits on education, community programmes, job creation, training, health, conservation, community tourism and marketing activities to develop black tourist market (or % employee time over total employee time) % of new recruits with no prior work experience Status of Tomsa levy collector	1% 10% Yes	1% 10% Yes

Challenges detailed in the contextual overview will need to be met through the efforts and initiatives of the Council.



11. KEY PERFORMANCE AREAS

Medium Term: Priorities and Objectives

11.1. ENSURE EFFICIENT PROVISION OF SUPPORT SYSTEMS AND TOOLS ARE TO ASSIST STAKEHOLDERS IN IMPLEMENTING THE CHARTER

- Ensure that the Charter is gazetted as Codes of Good Practice.
- Undertake a baseline study on the state of Tourism Transformation in South Africa.
- Ensure that monitoring and reporting systems are in place with respect to Charter implementation.
- Ensure that verification and audit verification capacity is in place.
- Put in place recognition system to acknowledge contributors to the BEE Charter.
- Provide a one stop shop for tourism Charter implementation, providing information on the following issues: access to finance for BEE transactions, list of potential BEE investors, guidelines and resources for developing partnerships, existing government incentives, existing financial resources and schemes, BEE suppliers, dispute resolution mechanisms, best practice case studies, THETA learnerships, accredited rating agencies as well as self assessment tool.
- Develop the following corporate communications tools: a Tourism Charter Website, Charter Helpline, email response system, as well as reporting procedures and services offered by the Council.

11.2. ENSURE PROFESSIONAL PROVISION OF EFFECTIVE AND EFFICIENT ADMINISTRATIVE AND MANAGEMENT SUPPORT SERVICES TO ENSURE PROPER RUNNING OF THE COUNCIL AS A DELIVERY WING FOR TRANSFORMATION.

- Finalise Council Business Plan, budgets and service level agreements.
- Reach consensus on the institutional framework to deliver on the Council mandate.
- Ensure that administrative and support infrastructure is in place.
- Ensure that communication protocols are finalised before a communication strategy is completed.
- Finalise the development of the Tourism BEE Charter brand.
- Ensure that systems are in place for ongoing reporting on Charter progress to stakeholders.
- Ensure that efficient methods are in place to manage public interface.
- Ensure that systems are in place to ensure that the Charter is promoted and marketing through exhibitions, marketing material, conferences, etc.

11.3. ENGAGE WITH PUBLIC SECTOR TO ENSURE EFFECTIVE DELIVERY ON THE PREFERENTIAL PROCUREMENT ELEMENT OF THE TOURISM BEE CHARTER AND SCORECARD.

- Develop and implement communication strategies aimed at informing public sector about the existence of the Charter. (Public sector defined as all spheres of government and organs of state).
- Undertake an audit to ascertain the nature and extent of public sector tourism and hospitality spend.
- Develop a Tourism BEE Public Sector procurement tool which will guide reporting by public sector on how they use the Tourism Charter to guide their procurement
- Manage reporting process and ensure that public sector report is included in the annual report sent to the Minister.
- Develop National Tourism BEE Charter Council endorsed Tourism and Hospitality database to guide public sector in procuring tourism and hospitality related service.
- Set up a sub-committee to guide the Council on how best to ensure that public sector delivers on the Charter.

11.4. ENGAGE PRIVATE SECTOR TO ENSURE THAT THE DELIVERY ON THE TOURISM BEE CHARTER.

- Inform private sector by putting together information that will enable them to have required knowledge to accelerate Charter implementation.
- Consult with relevant stakeholders in the private sector to enable the informative process and potentially assist in the implementation.
- Coordinate with private sector to effectively execute the implementation process.
- Engage relevant private sector stakeholders in the actual implementation of elements of the Charter.
- Develop recognition systems to acknowledge excellent public and private sector contributions to the Charter.
- Monitor and report on progress with respect to how the private sector is delivering on the Charter.





11.5. FACILITATE IMPLEMENTATION OF INNOVATIVE PROGRAMMES TO FAST TRACK BROAD BASED BLACK ECONOMIC EMPOWERMENT IN TOURISM BASED ON THE SEVEN ELEMENTS OF THE TOURISM CHARTER WHICH ARE OWNERSHIP, SKILLS DEVELOPMENT, ENTERPRISE DEVELOPMENT, PREFERENTIAL PROCUREMENT, STRATEGIC MANAGEMENT AND INDUSTRY SPECIFIC AND CSI.

- Identify challenges facing implementation of the seven elements of the scorecard.
- Identify and agree on key strategic drivers for implementing seven elements of the scorecard.
- Identify existing programmes and/ or agencies mandated to deliver on the seven elements of the scorecard.
- Consult and understand their current plan of action.
- Discuss and influence realignment of plan of action to address and achieve objectives and targets of the seven elements of the scorecard and ensure that agencies are empowered to implement and manage such programmes.
- Work with delivery agents towards agreeing on plan of action.
- Set up working committees with key agencies representatives to serve as platform to monitor and advance progress in achieving targets.
- Ensure that the working committee reports progress to the BEE Council and takes credit for delivering on BEE scorecard targets and objectives.

11.6. ENGAGE SOCIAL PARTNERS TO ENSURE THAT THEY UNDERSTAND THE BENEFITS AND OPPORTUNITIES BROUGHT BY THE CHARTER.

- Ensure that the social partners are aware of the Charter
- Communicate opportunities and benefits brought by the Charter
- Update the social partners on progress and developments with respect to the Charter implementation.



12. SERVICE DELIVERY IMPROVEMENT PLAN.

Based on the above-mentioned medium term priorities and objectives, the Council has developed the following Service Delivery Improvement Plan (one year operational plan):

Priority 1	Systems in place to support Charter implementation
Objective	<ul style="list-style-type: none"> Put in place systems to support stakeholders in implementing the Charter
Performance Indicators	<ul style="list-style-type: none"> Clear understanding of the nature and extent of tourism transformation through the baseline study Charter gazetted as Codes of Good Practice Tourism BEE Charter recognition system in place Empowered public and private sector Ease of access to information Increased benefits on the part of beneficiaries One stop shop in place Annual report
Critical issues	<ul style="list-style-type: none"> Website in place Tourism Charter Help line in place Clear understanding of what stakeholders require Verification capacity formalised and communicated to all System in place to offset verification costs for small and micro businesses Strategy to engage verification agents in place and implemented System to audit verified businesses in place Dispute resolution mechanism in place Information on how to implement the Charter in place and accessible to all
Priority 2	Provide efficient and effective support services
Objective	<ul style="list-style-type: none"> Ensure appropriate support services are in place to enable the Council to deliver on the Charter
Performance indicators	<ul style="list-style-type: none"> Council up and running and aligned to the PFMA and other legislation that guides its operation
Critical issues	<ul style="list-style-type: none"> Council business plan, budget and service level agreement in place Council institutionalised as a semi autonomous company with operational independence to deliver on the Charter Constitution of the Council finalised Financial reports submitted in line with the PFMA Administrative and support infrastructure in place Communication strategy and communication protocol refined Tourism Charter brand in place Ongoing reporting to key stakeholders on Council activities Efficient methods to manage public interface in place Charter promoted through exhibition, marketing material and conferences
Priority 3	Public sector to deliver on the preferential procurement element of the Charter and Scorecard
Objectives	<ul style="list-style-type: none"> Ensure all systems are in place to public sector to deliver on the preferential procurement element
Performance Indicator procuring tourism	<ul style="list-style-type: none"> Increased number of public sector organisations that use the Charter as a base for products and services by government and organs of state Increased number of public sector organisations that use Tourism Charter as a base for issuing licenses, concession and other support services Increased number on black empowered tourism businesses
Critical Issues	<ul style="list-style-type: none"> Charter gazetted as Codes of Good Practice and binding to all organs of state and private sector Report on audit of public sector procurement of tourism and hospitality products and services Tourism procurement tool in place to guide procurement officers in procuring tourism services Partnership strengthened with public sector organisations that can add value Charter implementation Activities coordinated Incentives in place to recognise excellent contributors Partnership with stakeholders to advise the Council on how best to engage with key role players Communication strategy in place Base-line in place to measure buy in by public sector System in place to monitor reporting by public sectors


12. SERVICE DELIVERY IMPROVEMENT PLAN (CONTINUED).

Priority 4	Private sector engagement to ensure delivery on the Charter
Objectives	<ul style="list-style-type: none"> • Ensure that all systems are in place to enable proper communication, consultation, coordination and implementation of the Charter
Performance Indicator	<ul style="list-style-type: none"> • Increased number of black empowered tourism businesses (large and small and in all subsectors as defined on the Tourism Charter)
Critical Issues	<ul style="list-style-type: none"> • Charter gazetted as Codes of Good Practice and binding to private sector who would want to do business with the public sector • Partnership strengthened with public sector organisations that can add value Charter implementation • Activities coordinated • Incentives in place to recognise excellent contributors • Partnership with stakeholders in place to advise Council on how best to engage with key role players • Communication strategy in place • Base-line in place to measure buy in by private sector • System in place to monitor reporting by private sector
Priority 5	Innovative programmes to ensure that seven elements of the scorecard contribute to the advancement of BEE in tourism
Objective	<ul style="list-style-type: none"> • Facilitate implementation of innovative interventions to fast track BEE in tourism
Performance Indicators	<ul style="list-style-type: none"> • Substantial increase in the number of black people who have ownership and control of existing and new tourism enterprises • Increase in the number of new black tourism enterprises, black tourism empowered enterprises and black tourism engendered enterprises • Increase in the number of black people in executive and senior management of tourism enterprises • Increased proportion of ownership and management of tourism economic activities vested in communities and broad based enterprises such as unions, employee trusts and other collective enterprises • Increased income levels of black people and reduction of income inequalities between and within race groups • Increased acquisition of skills by black people
Critical issues	<ul style="list-style-type: none"> • Challenges facing implementation of seven elements of the scorecard understood • Endorse work done by DEAT and other players in advancing seven elements of the scorecard • Agree on an annual progress report for delivering on BEE • Research undertaken to better understand the financial and advisory offerings in the market place • Black investment in growth areas promoted • Theta and other stakeholders such as BMF involved in skills development encouraged to provide specific management training programmes and provide services that will address problem of the lack of black managers in the tourism sector • TEP and other stakeholders providing specific support services to facilitate access to the black management market and access to appropriate management development support services • Programmes to drive more generic employment equity in the industry initiated, including human resources development programmes for specific skills categories • Support provided for the development of local owned black suppliers for key services and supplies and leveraging enterprise development programmes in relevant sectors • Encourage programmes to invest in broader community in a manner that adds value to the overall tourism competitiveness • Working closely with 2010 World Cup Organising Committee to ensure that partnership and procurement relationship are established to encourage large scale BEE participation through maximising packaging of black empowered produces in the overall aspect of World Cup Packages


12. SERVICE DELIVERY IMPROVEMENT PLAN (CONTINUED).

Priority 6	Private sector engagement to ensure delivery on the Charter
Objectives	<ul style="list-style-type: none"> • Ensure that systems are in place to ensure proper communication, consultation and coordination with respect to the Charter implementation
Performance Indicator	<ul style="list-style-type: none"> • Increased number of social partners aware of the Charter
Critical Issues	<ul style="list-style-type: none"> • Development of database of social partners • Activation of communication strategy • Ongoing update on Charter implementation

13. RESOURCE ALLOCATION.

Tourism BEE Charter Council	BUDGET ALLOCATION (R thousand)		
	2006/2007	2007/2008	2008/2009
	R8 900	R6 360	R6 742
SUB-PROGRAMME OBJECTIVES	PERFORMANCE INDICATORS		
Support Systems	<ul style="list-style-type: none"> • Ease of access to information related to BEE • Empowered beneficiaries • Annual reports on transformation progress 		
Administrative Support Services	<ul style="list-style-type: none"> • Institutional framework in place • Service Level Agreement • Communicate progress • Business plan in place • Financial reporting taking place as per the PFMA. 		
Public Sector	<ul style="list-style-type: none"> • Empowered public sector • Public sector engagement strategy on preferential procurement. • Public sector procurement tool • Biannual reporting on public sector compliance 		
Private Sector	<ul style="list-style-type: none"> • Empowered private sector • Cooperation with BEE enablers to deliver on the Charter • Private sector engagement strategy in place and implemented 		
Innovative programmes to advance BEE tourism	<ul style="list-style-type: none"> • Substantial increase in the number of black people who have ownership and control of existing and new tourism enterprises. • Increase in the number of new black tourism enterprises, black tourism empowered enterprises and black tourism engendered enterprises. • Increase in the number of black people in executive and senior management of tourism enterprises • Increased proportion of ownership and management of tourism economic activities vested in communities and broad based enterprises such as unions, employee trusts and other collective enterprises. • Increased income levels of black people and reduction of income inequalities between and within race groups • Increased acquisition of skills by black people 		
Social partners	<ul style="list-style-type: none"> • Engaged social partners • Engagement strategy in place 		





14. COUNCIL STAKEHOLDERS.

The Council has listed the following organisations as part of its core stakeholder group. The list is not exclusive, or exhaustive, but merely lists the organisations that remain central to the Council's operations.

STAKEHOLDER	STRATEGIC BENEFIT
Department of Environmental Affairs and Tourism	<ul style="list-style-type: none"> • Provide political leadership and financial support to the Council as a whole. • Provide infrastructure and logistical support
Tourism Business Council of South Africa The dti and its agencies: Khula, Development Bank of Southern Africa, Small Enterprise Development Agency, Umsobomvu Youth Fund, National Empowerment Fund, Industrial Development Corporation	<ul style="list-style-type: none"> • Private sector mobilisation and buy in • Partnership in implementing specific projects • Provision of technical assistance in the implementation of the Charter. • Accredit verification agents, provide framework for the operation of the Council and the implementation of the Charter • Provide technical and financial support in the implementation of initiatives. • BEE incentives
Commercial Banks	<ul style="list-style-type: none"> • Provide funding for the implementation of programmes and BEE deals
THETA	<ul style="list-style-type: none"> • Provide support in the implementation of the skills development factor
Tourism Enterprise Programme	<ul style="list-style-type: none"> • Provide financial and technical support in the implementation of enterprise development as well as preferential procurement
Industry BEE brokers, consultants, advisors and other private sector parties with expertise and services	<ul style="list-style-type: none"> • Provide consultancy services and accredit businesses • Implementation of scorecard
PPP Unit in Treasury	<ul style="list-style-type: none"> • Put in place systems to facilitate implementation of tourism public and private sector partnership programmes
Social partners coordinator	<ul style="list-style-type: none"> • Engage social partners to ensure effective delivery on the Charter.

15. OPERATIONAL CAPACITY

15.1. ORGANISATIONAL AND BUSINESS SYSTEMS

The Council is at the early stage of infrastructure development and will need to put in place the resources, systems and methods to manage each programme as well as associated projects. There is a need to urgently build capacity so as to provide support to the Council initiatives.

Detailed project plans for each programme are available. A matrix indicating what needs to be achieved at which stage of the Council is attached as an addendum to this Draft Strategic Plan.

15.2. CURRENT STATUS

The Council currently operates from premises of the Department of Environmental Affairs and Tourism. It will run as a hub point for activity and thus have a low staff count and limited physical resources. The Council should operate as a service provider and resource database and therefore act as a knowledge resource for people affected by the Tourism Charter.

The Council will only be able to respond to the needs of the sector through its partnership and collaboration with other providers and industry role players.



15.3. MANAGEMENT AND STAFFING.

It is proposed that the Council be managed and staffed by a team of seven to nine people, comprising of the:

Executive Officer	<ul style="list-style-type: none"> To provide strategic leadership to the Secretariat and utilise effectively available resources in the successful pursuit of the mandate of the Council
Personal Assistant to the Executive Officer	<ul style="list-style-type: none"> To provide support to the Executive Officer in managing the affairs of the Council To provide administrative support services to all managers
Private Sector Project Manager	<ul style="list-style-type: none"> To ensure that private sector made out of large and small businesses and different subsectors of the industry deliver on the Charter. This will include managing relationships with the private sector, ensuring that they are aware of the Charter and that they are implementing it and monitoring and managing reports as received from private sector To implement mechanisms to fast-track broad based economic empowerment in tourism, through ensuring that black people have access to opportunities related to ownership, strategic management, employment, enterprise development, skills development, preferential procurement and social responsibility as indicated on the Charter To coordinate research to improve delivery on the seven factors as identified on the charter
Public Sector Project Manager	<ul style="list-style-type: none"> To ensure that public sector, including three spheres of government and organs of state and private deliver on the Charter. This will include managing relationships with public sector, ensuring that they are aware of the Charter and that they are implementing it and monitoring and managing reports as received from the public sector To ensure that public sector delivers on the preferential procurement element of the Tourism Scorecard
BEE implementation System Project Manager and administrative support	<ul style="list-style-type: none"> To provide one stop shop resource centre to service the needs of all stakeholders affected by the Charter To develop, implement and maintain systems for monthly, quarterly and annual reporting on BEE progress in the tourism sector To develop strategies to communicate, publicise and create awareness of the Charter To provide comprehensive administrative support services to the Council and to the Secretariat To ensure that systems are in place to run the affairs of the Council and to sustain the secretariat
Administrative Assistant and receptionist	<ul style="list-style-type: none"> To provide administrative support to all project managers in the Council
Call centre operators	<ul style="list-style-type: none"> One internal staff member to manage and man the call centre

It is proposed that the staff should be appointed on contract for a three-year period.

CAPACITY TO BE OUTSOURCED:

- Validation Capacity - to audit work done by verification agents.
- Financial Management Capacity - to set up PFMA aligned financial management systems.
- Communication Management - to advise the Council on communication and messaging issues.



15.4. CORPORATE ORGANISATIONAL

In view of the role that the Council needs to play in implementing the Charter, it is proposed that an appropriate institutional persona be investigated. If appropriate, the Council should be registered as a Section 21 Company, under the Companies Act. It is proposed that founding members be drawn from key stakeholders who are currently serving on the Council with DEAT as a partner. A range of individuals, representing a package of skills, include:

Mr. Tami Sokutu
(Chairperson and Executive Director of African Bank)
Mr Thabiso Tlelai
(Chairperson of TBCSA and CEO of the Don Group Hotel)
Dr Patrick Matlou
(DDG, Tourism, DEAT)
Mr Helder Pereira
(Managing Director Southern Sun Hotel Group)

Mr Frank Kilbourne
(Executive Director, Bright Equity)
Ms Patience Mokhali
(Head of Department, Northern Cape DEAT)
Mr Eddy Khosa
(CEO, Johannesburg Tourism Company)
Ms Sizakele Marutlule
(COO, South African Tourism)
Ms Arlene Wilson-Max
(Executive Officer, Fedhasa)
Mr Vusi Zwane
(CEO, SATSA)
Mr Jeffrey Ndumo
(Director BEE, the dti)
Mr Dennis George
(National Training Officer, Fedusa)
Ms Anitha Soni
(CEO, ASA Tourism Services)

15.5. PROPOSED COUNCIL STANDING AND ADVISORY COMMITTEES

It is proposed that the Council be managed and staffed by a team of seven to nine people, comprising of the:

Executive Committee	Manage operational affairs of the Council as indicated on the Constitution
Audit Committee	Provide advisory role to the Council and to the Executive Committee as indicated on the Constitution
Reporting Committee	Manage mandatory reporting functions and obligations of the Council
Operations Committee	Responsible for the advisory committees that the Council may establish to represent the views, interest and expertise of strategic issues managed by the Council
Remuneration Committee	To agree on performance management system for the Council

ADVISORY COMMITTEES – (Chaired by council members and incorporate expertise external to the council)

Public Sector Advisory Committee	<ul style="list-style-type: none"> To advise the Council on how best to engage public sector on preferential procurement element External members should be knowledgeable of public sector procurement practices The Committee should work closely with the relevant Project Manager
Private Sector Advisory Committee	<ul style="list-style-type: none"> To advise the Council on how best to engage different subsectors of the industry as well as big and small businesses External members representing interest of large and small businesses and different subsectors of the industry The Committee should work closely with the relevant Project Manager To advise the Council on innovative programmes to advance BEE linked to the seven elements of the scorecard External stakeholders to be made up of key drivers in the prioritised elements



16. FINANCIAL PROJECTIONS

16.1. FINANCIAL ASSUMPTIONS

The attached financial model is based on the combination of projected expenditure and is zero based. It is, to some degree, not currently clear as to how the activities will be implemented, hence the financial requirements of the Council will change over the next three years. This will to a lesser or greater degree be driven by funding is made available.

A number of assumptions have been made so as to provide some framework for estimating future financial needs, as follows:

- All costs will be escalated at 10% annually.
- There will be four programmes running for the entire three year period.
- Each programme will have a number of projects associated with it (these variables can be found on the attached sheet).
- Funding will be provided by DEAT over the initial 3 year cycle, subject to the Council-DEAT agreement on annual business plans and Service Level Agreement commitments.
- All funding will be received in four trenches, and will be dispersed equally over the four quarters.

No projections or assumptions have been made regarding sources of funding. It has been assumed that only the Department of Environmental Affairs and Tourism will support the Tourism BEE Charter implementation.

17. CONCLUSION

This document presents an overview of the opportunities and challenges facing institutionalisation and implementation of the Tourism Charter. The implementation of the Tourism BEE Charter has a number of challenges that need to be addressed by the Council. The Council has been formed to provide resources, services and support the implementation of the Charter.

This has been done under the leadership of the Department of Environmental Affairs and Tourism and possible collaboration with identified stakeholders.

The continued existence of the Council will rest upon the continued financial support by DEAT and investment from the private sector. Supporting the Council represents an opportunity to invest in a growing sector and to ensure that tourism delivers on economic growth, job creation equitable transformation and empowerment of PDIs.

18. SOURCES AND REFERENCES

The Tourism BEE Charter
The Tourism Sector Growth Strategic Plan (the DTI)
Tourism Competitiveness Study
Draft Codes of Good Practice (Phase 1)

1.5. FINANCIAL ANNEXURES

Budget October 2005 to March 2006 (6 months)

PROGRAMME ADMINISTRATION BUDGET				
FUNDING ITEMS	1/10/2005 - 31/3/2006 (6 Months)	1/4/2006 - 31/3/2007 (1 Year)	1/4/2007 - 31/3/2008 (1 Year)	1/4/2008 - 31/3/2009 (1 Year)
Administration and Operations		1 498 000	1 384 360	1 467 422
Personnel Cost		2 400 000	2 544 000	2 696 640
Research and Professional Services		5 000 000	3 710 000	3 932 600
TOTAL	2 800 000	8 998 000	7 638 360	8 096 662

ANNEXURE 2

Tourism BEE charter council 2006/2007 financial year projects

SUPPORT SERVICES				
Project	Details	Activities	Time Frame/Target	Cost
Strategic Planning, budgets and institutionalising the Council	Development of a strategic business plan for the Tourism BEE Charter Council	<ul style="list-style-type: none"> • Host a strategic planning session for Council Members • Finalise strategic plan and budget for the Council • Communicate the plan to key stakeholders • Communicate the plan to provinces 	January 2006 February 2006 February 2006 February 2006	30 000
	Finalise institutional framework for the Council	<ul style="list-style-type: none"> • Finalise Tourism BEE Charter Constitution • Register the Tourism BEE Charter as a Section 21 Company • Finalise Service Level Agreement with DEAT • Finalise organisational structure for the Council • Set up Standing Committees and Advisory Committees • Finalise communication protocol between DEAT, the Council and TRCSA on BEE Matters • Finalise branding for the Council • Secure Offices for the Council • Finalise Corporate Communication strategy • Launch the Tourism BEE Charter Council • Manage Council meeting 	March 2006 March 2006 March 2006 February 2006 February 2006 April 2006 March 2006 April 2006 April 2006 March 2006 April 2006 March / April 2006	2 000 000
Infrastructure and systems development	Develop support systems to enable effective implementation of the Charter	<ul style="list-style-type: none"> • Finalise baseline study on the state of tourism transformation • Set up a world class tourism bee Charter Website to provide support information on implementing the Charter • Finalise and pilot a web based self assessment tool • Finalise standard BEE presentations aimed at national, provincial and local government, organs of state, private sector and international audience. • Finalise a recognition system to acknowledge contributors to the Tourism Charter • Ensure that the Charter is aligned to Phase one and two of the Codes of Good Practice • Gazette the Charter as Codes of Good Practice • Set up verification capacity, system and processes to verify compliance by tourism businesses. • Update Tourism BEE Public Sector procurement tool. • Introduce tourism BEE Charter Newsletter • Set up a Tourism BEE Charter Helpline 	June 2006 March 2006 March 2006 February 2006 March 2006 March 2006 December 2006 July 2006 March 2006 March 2006 May 2006	3 000 000

ANNEXURE 2
Tourism BEE Charter Council 2006/2007 financial year projects

PUBLIC SECTOR ENGAGEMENT				
Project	Details	Activities	Time Frame/Target	Cost
Public sector to deliver on the Charter	Ensure that public sector delivers on the Charter	<ul style="list-style-type: none"> • Undertake an audit of public sector tourism and hospitality procurement • Finalise communication strategy aimed at National government departments • Finalise communication strategy aimed at provincial and local government structures • Finalise communication strategy aimed at organs of state and public entities • Finalise MOU with relevant public sector structures to agree on reporting format and process. • Ensure that there is twice a month reporting on public sector procurement • Set up a Tourism BEE Charter Council accredited supplier database with a reputable entrepreneur. • Finalise incentives to acknowledge public sector contributors to the Tourism Charter • Provide annual report on public sector procurement to the National BEE Advisory Committee. 	March 2006 April 2006 April 2006 April 2006 April 2006 July 2006 October 2006 July 2006 March 2006	600 000
PRIVATE SECTOR ENGAGEMENT				
Project	Details	Activities	Time Frame/Target	Cost
Private sector to deliver on the Tourism Charter	Ensure that private sector delivers on the Charter	<ul style="list-style-type: none"> • Finalise communication strategy aimed at big businesses • Finalise communication strategy aimed at small businesses • Finalise communication strategy aimed at three subsectors of the tourism industry • Finalise and communicate verification process. • Launch a campaign to encourage the industry to know their BEE status • Ensure that monthly update on BEE progress and challenges are communicated to the industry • Launch incentives to encourage private sector to comply. • Set up quarterly networking sessions to allow BEE and non BEE businesses to meet and share 		1 000 000
TOURISM BEE INITIATIVES				
Project	Details	Activities	Time Frame/Target	Cost
Innovative Tourism BEE initiatives	Ensure that processes are put in place to enable engagement with key stakeholders on delivering on the 4 elements of the charter	<ul style="list-style-type: none"> • Identify challenges related to the implementation of four of the seven factors of the Tourism scorecard which are skills development, enterprise development, preferential procurement and ownership • Identify and agree on key strategic drivers for implementing targeted elements of the charter • Identify existing agencies mandated to deliver on the four elements • Consult and understand their current action plan. • Discuss and influence realignment of plan of action to address and achieve the objectives of the elements of the charter and ensure that stakeholders are empowered to manage and implement such programmes • Set up working committees with key agencies and report on progress 	April 2006	1 000 000
	Implement interventions to drive implementation of all elements of the Charter	<ul style="list-style-type: none"> • Undertake an audit of existing financial and advisory offerings in the market place and recommend an appropriate model to advance BEE • Undertake international benchmarking exercises to ascertain how Ireland and Malaysia empowered indigenous people to take charge of their economy. • Ensure that a thorough skills audit is undertaken to determine gaps in advancing BEE. • Ensure provision of specific management training programmes to advance black managers • Initiate programmes to drive employment equity for specific skills categories • Ensure that support is provided for local black suppliers • Initiate programmes to encourage businesses to invest in broader community projects that add value to the sector competitiveness. • Engage 2010 Organising Committee to enter into an MOU that will ensure the preference will be given to black empowered companies when it comes to procurement of tourism and hospitality related service. 	May 2006 November 2006 April 2006 October 2006 November 2006 November 2006 November 2006 March 2006	

**ANNEXURE 3
MATRIX: PROGRAMMES TO BE IMPLEMENTED BY THE COUNCIL IN THE NEXT THREE YEARS**

	Year 1	Year 2	Year 3
To whom?	<ul style="list-style-type: none"> • Tourism Stakeholders (BEE, Non BEE Companies) • General Public (Black managers, Potential Black Managers, Black graduates, Black employees, Theca, Black Management Forum and Educational Institutions) • Public and Private Funding Institutions (Private banks, Development finance Institutions, Independent brokers) • BEE Service Providers (Accrediting and verification Agents, BEE Consultants and brokers) • Public Sector and Organs of State (National, Provincial and Local Government and Public Entities) (Procurement Officers, Heads of Departments, Chief Executive Officers of Public Entities, The dti) • Suppliers (Direct small black tourism businesses, Suppliers to the Tourism Sector) • Community Based Organisation (Tourism related NGOs, Tourism related CBOs, General NGOs and CBOs, Communities) 	<ul style="list-style-type: none"> • Same stakeholders, with specific focus on nurturing relationships and delivering on needs 	<ul style="list-style-type: none"> • Same stakeholders
What?	<ul style="list-style-type: none"> • Strategic plan for the Council • Service level Agreement • Institutional Framework • Communicate existence of the Council and the role to be played by the Council. • Set up a baseline to determine benchmark • Audit needs of each stakeholder • Audit of financial systems and skills development • Develop systems to support stakeholder requirements. • Implement programmes to address challenges. • Gazette the Charter as Codes of Good Practice • Set up reward systems to recognise BEE contributors • Initiate processes for verifying compliance (auditing) • Set up systems for monitoring progress. • Set up systems for reporting on progress • Engagement strategy with key stakeholders on skills development, ownership, enterprise development and preferential procurement 	<ul style="list-style-type: none"> • Implementation of programmes • Sustaining and maintaining systems • Continuous rewarding of excellence • Management of reporting and verification process • Communication, communication and communication (two way) • Reporting 	<ul style="list-style-type: none"> • Consolidation and preparation of the hand over report.
When?	<ul style="list-style-type: none"> • Activities to be finalised by 31 March 2006 	<ul style="list-style-type: none"> • April 2007 	<ul style="list-style-type: none"> • April 2008
Elements	<ul style="list-style-type: none"> • Infrastructure development • Research • Systems development • Lobbying • Stakeholder management 	<ul style="list-style-type: none"> • Monitor implementation • Report on progress • Nurture relationship with stakeholders • Ongoing rewarding of contributors 	<ul style="list-style-type: none"> • Consolidation of success derived
Success Picture	<ul style="list-style-type: none"> • Charter gazetted • Strategic plan in place • Baseline in place • Annual reporting • Resources to implement the plan in place • IT systems in place • Communication and marketing strategy in place • BEE deals struck • Increased number of BEE players 	<ul style="list-style-type: none"> • Annual reports • Communicating success • Increased number of BEE players 	<ul style="list-style-type: none"> • State of Tourism Transformation in 2008 compared to 2005

YOUR TRANSFORMATION PARTNER

The Tourism BEE Charter Council. Tel + 27 12 310 3625
Call Centre (Department for Environmental Affairs and Tourism). Tel + 086 111 2468
Email: info@tourismbeecharter.co.za
www.tourismbeecharter.co.za