

# The Amended Tourism Sector Code



Mariska Harding  
Technical Signatory & Verification Manager  
Authentic Rating Solutions

Mariska Harding is a Technical Signatory and Verification Manager at Authentic Rating Solutions; a SANAS accredited verification agency. She completed her BCom Law, LLB, LLM - General Private Law - Dip Aipsa degree at the University of Pretoria. Following five years of practising law, Mariska shifted her career focus to B-BBEE. With a good understanding of legislative law and in-depth knowledge of all the Codes, she has successfully overseen the verification process of organisations of all sizes, across most sectors. Mariska has a keen interest in training and development, which has encouraged her to share her technical knowledge and vast expertise with her clients and peers alike.

## Did you know?

One in every 22 South Africans are employed in the Tourism Sector. According to research released by the World Travel & Tourism Council (WTTTC), travel and tourism were forecast to contribute more to the South African economy in 2018 than any other year. These findings indicate that the sector contributed R424.5bn to the overall South African economy in 2018; about 3% more than in 2017. That same year, it was estimated that 1.5 million people were employed in the sector, which translates to 9.5% of South Africa's total workforce, with a prediction of 2.1m jobs in 2028. The sector contributes 9% towards South Africa's GDP, taking into account all direct, indirect and induced benefits<sup>1</sup>. The Amended Tourism Sector Code was published in the Gazette #39430 on 20<sup>th</sup> November 2015 and has since been effective across the sector.

## What is the Scope of Application?

If an organisation generates more than 50% of their annual turnover from any of the following tourism services, the Tourism Sector Code is applicable as the measurement criteria.

Accommodation	Hospitality & Related Services	Travel & Related Services
Hotels	Restaurants not attached to hotels	Tourism Wholesalers
Resort properties and timeshare	Conference Venue not attached to hotels	Tour Operators
Bed and Breakfast	Professional Catering	Travel Agents
Guest Houses	Attractions, casinos	Tourist Guides
Game Lodges	Consulting and Professional Services Companies	Car Rental Companies
Backpackers and Hostels	Coach Operators	

Like the Generic Codes, The Tourism Sector Code has five elements. These include three Priority Elements, namely Ownership, Skills Development, as well as Enterprise and Supplier Development. Both Sub-minimum requirements and the Discounting Principle apply.

## What are the qualification thresholds?

- For an EME: an annual turnover of less than R5m;
- For a QSE: an annual turnover of more than R5m but less than R45m; and
- For a Large Enterprise: an annual turnover of more than R45m.



This allows for automatic Enhancement Recognition for EMEs and QSEs that have more than 51% 'Black' Ownership.

Qualifying Small Enterprise Scorecard		Generic Enterprise Scorecard	
Elements	Weighting Points	Elements	Weighting Points
Ownership	26	Ownership	27
Management Control	15	Management Control	19
Skills Development	25	Skills Development	20
Enterprise & Supplier Development	30	Enterprise & Supplier Development	40
Socio-Economic Development	5	Socio-Economic Development	5

## What are the features of the Tourism Scorecard?

### Ownership

- > Compliance Targets for Voting Rights and Economic Interest for 'Black' People and 'Black' Women are set at 30% and 15% respectively.
- > The target for 'Black' New Entrants is 10%.

### Management Control

- > Like the Generic Codes, EAP targets are applicable; however, the calculation differs in this sector code.
- > Bonus Points for employees with disabilities are available for achieving 1% over and above the compliance target.

### Skills Development

The Skills Development target is 6% of the Leviable Amount, but is limited to any three of the following sub-sectors:

- > Accommodation;
- > Hospitality and Related Services; and
- > Travel and Related Services.

Learnerships, apprenticeships and internships are 3.5% and 3% respectively for employed and unemployed people. The target is higher than the those laid out in the Generic Codes.

### Enterprise and Supplier Development

- > This element incorporates Enterprise Development, Supplier Development and Preferential Procurement.
- > The target for Qualifying Supplier Development donations is set at 3% Net Profit After Tax (NPAT).
- > The Enterprise Development target is 0.5% NPAT with a sector-specific requirement.

### Socio-Economic Development

A Bonus Point is available in return for being a registered as a Tomsa Levy Collector. The levy collection initiative is administered by the Tourism Business Council of South Africa (TBCA). It aims to raise additional funds for marketing South Africa as a preferred tourist destination.

The levy is charged to the customer on their invoice, but does not constitute a tax for the tourism business. The levy varies across the sub-sectors as outlined below:

Accommodation	1% charge on room-rate;
Car Rental	1% charge per car rental
Tour Operators	R3.00 charge per person, per tour; and
Travel Agencies	1% charge on the agent's service fee which applies to both inbound and outbound travel.

## What are the benefits of being a Levy Contributor?

- > Qualifies members for B-BBEE points as allocated in the sector code;
- > Eligibility for discounted rates when participating in industry trade shows such as the Annual Meetings Africa or Tourism Indaba;
- > Special discounts for tourism grading fees;
- > The platform to promote products and services through the various South African Tourism (SAT) online platforms;
- > Notice of dates when international road shows and trade shows attended by SAT take place to support sector participation;
- > Quarterly and annual feedback on SAT's marketing initiatives;
- > Preference to TOMSA levy contributors for grading when SAT selects products for sponsored familiarisation trips;
- > Bi-annual updates on industry performance, through the TBCSA Tourism Business Index;
- > An opportunity for election to the TOMSA board;
- > An invitation to attend industry networking events;
- > TOMSA levy contributors are deemed as preferred suppliers where possible by SAT and the National Department of Tourism; and
- > SAT training and marketing briefs to enable contributors to prepare for participation in trade shows that SAT participates in, like Meetings Africa and the Tourism Indaba.