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PRESS RELEASE

TBCSA AND TOMSA RENEW AGREEMENT WITH SOUTH AFRICAN TOURISM

Pretoria, 05 May 2016: *Tourism Levy South Africa (TOMSA) and South African Tourism (SAT) have renewed the Memorandum of Understanding (MOU) which governs the administration and management of the tourism levy.*

TOMSA is a Public-Private-Partnership established in 1998 between the Tourism Business Council of South Africa (TBCSA) and the National Department of Tourism (previously called the Department of Environmental Affairs and Tourism) which enables businesses in the sector to play an active role in the funding of South Africa's destination marketing initiatives. This is done through the voluntary collection and contribution of a tourism levy on tourism products and services rendered. Businesses in the accommodation sector, car rental companies, tour operators, travel agents and tourism attractions currently collect and contribute levies to TOMSA.

The funds collected are administered by the TBCSA and form part of a larger SAT destination marketing budget. In fact, the TOMSA levies amounts to approximately 10% of SAT's annual budget allocation.

TBCSA CEO, Ms. Mmatšatši Ramawela said she was pleased that the discussions on the new TOMSA MOU have been concluded. "We are happy to have finalized the MOU at the start of a new financial year for SA Tourism. Now we can collectively focus our attention on strengthening the country's destination marketing efforts. Given the challenges we've experienced over the past two years and the ongoing economic difficulties, it is crucial that we do all we can to boost tourist trade activity going forward", she said.

Over the years, the TBCSA has played a leading role in advocating on behalf of levy contributing businesses to be recognized for their support and contribution to the marketing of destination South Africa in a more meaningful way. This has led to SAT offering a range of benefits to levy contributors, which includes getting discounted rates when exhibiting at the annual Tourism Indaba and on the grading fees amongst other benefits. SAT provides quarterly feedback at the board meetings of TOMSA and TBCSA and it is through these structures, that levy contributors are able to give input and gain insight on the marketing activities of SA Tourism.

What differentiates the latest MOU from previous ones is the addition of a new clause allowing for the establishment of a *TOMSA Collaborative Fund*. This will see a portion of the levy contributions being put aside and dedicated to the funding of tactical trade marketing initiatives that are specifically aimed at generating further growth in tourist activity (over and above current marketing activities of SA Tourism).

Explaining the mechanics of the new Fund, Ramawela said that the founding principle of levy collection and contribution for the purpose of supporting the country’s marketing efforts will still apply. However, the new *TOMSA Collaborative Fund* will enable the sector to embark on special initiatives which will add more value to current marketing efforts. “Beyond the branding and PR elements we want to ensure that we drive growth in terms of putting “bums in seats and beds”, she said.

The special projects will be conceptualized and agreed upon with SA Tourism on an annual basis. Decisions on which initiatives to embark on will be reviewed and approved by a panel made up of representatives from SAT, TBCSA and the TOMSA Boards.

The parties have also been in talks to determine how input from TOMSA and TBCSA could be further integrated into SAT’s strategic marketing planning and activities.

“At the end of the day, it’s all about demonstrating the real value that levy contributors can derive through TOMSA” says TOMSA Board Chairman and MD of Court Classique Suite Hotel, Franco Jordaan. “In the current operating environment, it’s simply not enough to just collect and contribute levies. We must address the ‘what’s in it for us’ factor across the value chain if we are to grow the levy contribution further. The establishment of a collaborative fund will go a long way in assisting us to achieve this goal”. Ends

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Media Contact:

Mr. Peter Amblianities
Tel: +27(0)12 664 0120
Tel: +27(0)79 192 5827
Email: pr@tbcса.travel

Editor’s Notes

ABOUT TOMSA

Tourism Levy South Africa (“TOMSA”) is a private sector-led and public sector supported levy contribution initiative, set up in 1998 to provide additional funding for the marketing of destination South Africa. In establishing TOMSA, South Africa’s travel and tourism private sector recognised that the success of South Africa’s destination marketing lies in fostering collective effort and collaboration. This partnership is premised on the understanding that no single organisation can effectively compete at a global level, extend its marketing reach and promote the country’s entire tourism offering on a sustainable basis without partnerships.

ABOUT TBCSA

Tourism Business Council of South Africa (TBCSA) is a member-based organisation, made up of Tourism Associations as well as leading businesses operating in the Travel and Tourism sector. The Council seeks to ensure that the industry is unified and speaks with **one** voice when engaging relevant stakeholders on macro-economic issues affecting the sector.