

TOMSA FACT SHEET

Definition:

- Tourism Levy South Africa (TOMSA)
- 1% levy charged to tourists for their use of various travel and tourism services in South Africa
- The levy is added to the customer bill and does not constitute a tax to the tourism business

Objective:

- To provide additional funding to South African Tourism for the sole purpose of supporting the overall marketing and promotion of destination South Africa locally and internationally
- To facilitate a collective approach to the promotion of destination South Africa
- To enable travel and tourism private sector to play a role and have a say in the promotion the destination

Role-players involved

- TOMSA is a private sector-led and public sector supported initiative where the following role-players are involved:
 - **TOMSA Management Board:** responsible for the overall management of TOMSA
 - **Tourism Business Council of SA (TBCSA):** responsible for administration, management and promotion of TOMSA
 - **South African Tourism (SAT):** recipients of TOMSA levies collected and responsible for use of levies for destination marketing and promotion
- Relationship between TOMSA, TBCSA and SAT is regulated by a Memorandum of Understanding which is renewed every three (3) years

Key Priority Areas

- Funding for the collective marketing of destination South Africa, in line with advancing the sector's key imperatives:
 - Achieving Geographic Spread
 - Increasing tourism spend
 - Increasing length of stay
 - Addressing issues of seasonality

Leadership

- Chairman of TOMSA Board, Lance Smith, Sales & Marketing Executive, AVIS
- Chairman of TBCSA Board, Blacky Komani
- TBCSA and TOMSA CEO, Tshifhiwa Tshivhengwa

Levy collectors (businesses) and levy application

- Although the levy does not constitute a tax to the business, operators choose to support TOMSA as they understand the overall benefits of building a thriving travel and tourism sector.
- Levy contributors are made up of businesses operating in different sub-sectors of travel and tourism who apply the levy as follows:
 - Accommodation: 1% charged on room-rate
 - Car rental: 1% charged per car rental
 - Tour operators: R3.00 charged per person, per tour
 - Travel agencies: 1% charged on agent service fee (applies inbound and outbound)

Levy contributors (consumer)

- TOMSA works on a similar principle as that of a tourism tax which is usually applied by many travel destinations across the world.
- When using the services of a TOMSA contributing establishment, it is not optional for consumers to choose not to pay the levy as it is automatically built into the pricing

Rationale for businesses to support TOMSA

- TOMSA enables private sector to boost funding of the destination SA's marketing initiatives – thereby enabling SAT to extend its marketing reach and maintain its brand visibility
- Increased funding through TOMSA enables destination SA to compete at an international level
- TOMSA provides business with a platform and a voice to input into the country's destination marketing strategy
- TOMSA enables business to leverage on exclusive benefits from SAT to help better position their tourism offerings

Rationale for travel consumers to support TOMSA

- The consumer's contribution of the levy, strengthens the sectors ability to market the destination and boost tourism activity, which in turn boosts the sector's growth, helps to attract investment and increases the sector's overall GDP contribution.

History

- TBCSA was established in February 1996, to serve as an umbrella body for South Africa's travel and tourism private sector.
- The primary purpose of establishing the Council was to involve all stakeholders in the development of macro-economic strategies that create an enabling environment for tourism development. By maintaining influential relationship with sector stakeholders and government on behalf for organised travel and tourism businesses, the Council sought to fulfil the role of being a key conduit between public and private sector organisations in the country.

TOMSA Offices

- TOMSA is administered from TBCSA offices situated in Lyttleton Manor, Centurion, Pretoria, South Africa

TOMSA Annual General Meetings

- Held annually, in the second quarter of the year
- Is a platform where SAT reports back to levy contributors and present their 3yr destination marketing strategy to solicit input
- AGMs are a platform for levy contributors to review performance and provide strategic direction the management of TOMSA
- Serve as a platform where levy contributors elect TOMSA Board members
- Serves as a key platform for stakeholder engagement for levy contributors

Collaborative Fund

- Established by TBCSA and SA Tourism in 2017
- 15% of 93% funds transferred to SAT form part of the collaborative fund
- Fund tactical trade projects to increase tourist arrivals into South Africa and domestic tourism

Funding Opportunities Include:

- Joint Marketing Agreements
- Bursaries and scholarships to support travel and tourism students
- Crisis management initiatives, with the current drought/water crisis PR campaign as a start
- Support for or trade shows for TLCs including the sponsorship for emerging businesses
- Initiatives to facilitate a welcome environment at ports of entry into South Africa
- Support for Provincial/Local Tourism agencies and DMOs in the promotion of their destinations
- Support for the business tourism industry to increase tourist arrivals into the country
- Initiatives to support and promote domestic tourism