

FISH HOEK VALLEY RATEPAYERS & RESIDENTS ASSOCIATION

(Incorporating Fish Hoek, Clovelly and Sun Valley)

~~Central Circle, Fish Hoek 7975~~

Web: <https://www.fhvrra.org.za/> Facebook: www.facebook.com/FHVRRRA/

Heritage Western Cape: Conservation Body

TO: TourismGreenPaper@tourism.gov.za

SUBJECT: COMMENTS ON DRAFT GREEN PAPER ON THE DEVELOPMENT AND
PROMOTION OF TOURISM IN SOUTH AFRICA

DUE DATE: 31 OCTOBER 2023

In the Executive Summary, item one on page four and the third bullet point in Policy Proposals on page 21, talks about the establishment of a specialised police for tourism safety. This has long been muted and is way overdue. Please implement this quickly.

We are concerned about item five on page five, stating that “short-term rentals will be regulated...whilst minimising negative impact to existing businesses and jobs”. Let's unpack this. If regulation includes taxing, then this will kill this sector of tourism. Many with BBBEE credentials will not be able to afford the loss of income. These are micro-enterprises where additional income is typically R26,000 per year,¹ which usually does not push the host into a higher tax bracket with a reporting requirement. What a tourist may save in one area, say accommodation as one doesn't sightsee while one is sleeping, they will have to spend in other areas: food, transport, entrance fees, etc. Airbnb properties tend to be substantially more affordable than formal accommodation meaning that more tourists may visit SA. The lower costs also allow travellers to extend their stays beyond what they would have done with more expensive formal accommodation, meaning they can spend more money on products or services at other businesses.

“[M]inimising negative impact to existing businesses and jobs” is a complaint levied by the guesthouse and hotel industry. If an onerous registration system, which requires inspections and pre-approval before a Host can begin operating, is envisaged, it will kill the SMME side of tourism. Regulation will drive this type of accommodation below the radar. It will then be untraceable and will undermine the quality-assurance function that the big platforms provide.

We do note Michele de Souza's, chair of the Pietermaritzburg Bed & Breakfast Network, minimal requirements:

- Obtaining permission to operate or get a business licence from the municipality for health and safety reasons;
- Short-term home rentals obtain affordable hospitality insurance;
- Airbnbs that offer breakfast or other meals must get a food preparation certificate and / or a business licence to prepare perishable foods and not being allowed to use the term “breakfast” in their names if they don't offer breakfast.²

There is a cost associated with using the Airbnb platform, which operates in more than 191 countries, but it provides a single point of entry rather than having to list on multiple booking platforms incurring unregulated commission costs. Increasing hosting costs will

1 <https://mybroadband.co.za/news/it-services/511484-airbnb-crackdown-in-south-africa.html>

2 <https://mybroadband.co.za/news/it-services/511484-airbnb-crackdown-in-south-africa.html>

make it unaffordable for some people to travel. Tourists visiting Airbnb housing would not be staying in a guesthouse or hotel as these are unaffordable to them. This creates an uncompetitive environment where there is no competition. Airbnb's customer review mechanism makes government quality assurance regulations, inspections, licensing and registration almost entirely obsolete, since inadequate accommodation will be weeded out by negative reviews ³

In 3.1.2 Evolving Former Policy: Safety and Security Management the second paragraph states perception that South Africa is an unsafe destination. With the highest global murder rate per capita, it is not just a perception, despite the Government's intentional lack of reporting on crime.

In 3.2 Emerging Issues and Opportunities, Airbnb can provide “travel facilitation, tourism data and job creation” as stated on page 24 and “e-marketing and online sales” for SMMEs in 3.2.1 Embracing Technology.

Forcing the adoption of sharing platforms will be unaffordable for SMMEs in 3.2.1.

Limiting the number of properties offering accommodation by a single owner has merit in the formal sector due to the cost of multiple premises being prohibitively high for SMMEs. Limiting the stay duration to 120 days has merit as this is bordering becoming a lease. However, consider where a digital nomad has applied for a proper work permit, but is delayed due to Home Affairs incompetence to process timeously. This conundrum is highlighted in 3.2.5 Policy Proposal's second bullet point, “improving the value proposition and considering extended validity periods for reduced administration to be developed.” Therefore, we do not support stay thresholds as our country is not ready for them yet.

“The threshold proposal will most definitely throttle small businesses and reduce in the informal sector e.g. cleaners. Approval or regulation by government always lacks urgency and has a tendency to drag on, which will affect the smooth running of the business and the livelihood of hosts.” ⁴

The last bullet point in 3.2.1 states “[i]mplement thresholds on short-term rentals in line with internal best practices”. Do we have sufficient evidence-led data and analysis to have developed internal best practices or should this have been **international** best practices?

3.2.5 Policy Proposal's third bullet point, “to improve compliance with the grading framework amongst participants” can be achieved by leveraging existing international digital platforms collaboratively. The fourth bullet point's “licensing for designated categories of tourism services” is unnecessary, onerous, expensive and prone to abuse. Where customer feedback ratings will self-regulate chancers for free. Likewise the fifth bullet point's mediation framework is unnecessary as a democracy of customer ratings will separate the good from the bad.

3.2.6 Skills Supply: Women constitute 63% of employment within the food and beverage sub-sector and approximately 60% of employees in the accommodation sub-sector. Effective skills programmes can therefore support the inclusive development of the tourism

3.3.1 Prioritising Rural Tourism: Velma Corcoran, Airbnb's Regional Lead, Middle East Africa said that a third of guests travelling to South Africa said their Airbnb rental enabled them to experience an area they probably wouldn't have visited, which in turn boosted local businesses and communities that don't typically benefit from tourism. ⁵

³ <https://dailyfriend.co.za/2023/10/20/incompetent-planners-to-decimate-small-tourism-businesses/>

⁴ <https://dearsouthafrica.co.za/tourism-green-paper/>

⁵ <https://www.iol.co.za/travel/travel-news/airbnb-issues-statement-in-response-to-department-of-tourism-clamping-down-on-hosts-ca472a90-65d1-44c1-a6cb-fbbb1e3ae7f0>

3.3.2 Enhancing Domestic Tourism Policy Proposal's fourth bullet point might work. One of our members travelled all the way from Cape Town to Mapungubwe National Park, but declined the guided cultural history tour due to the exorbitant expense. Differentiated pricing for locals might have allowed our member to have encouraged others upon their return by relating a delightful experience. Also, our tour guides and National Park game drivers expect massive tips, even from locals. This in spite of the majority of game drivers having no interest in finding out about the unique habits of our animals.

3.3.3 Marketing should be easy. Driving around a game park is not like driving in a zoo. The animals are in their natural environment and avoid dealing with noisy vehicles full of tourists. Cape Point could have a permanent presence at the top lighthouse to stop graffiti artists and provide some interesting points about the environment. However, business events are in decline due to Covid forcing companies to reassess the value of in-person meetings vs virtual meetings.

3.4.1 Sustainable's Problem Statement that the upfront cost of "implementing modifications to operations to achieve resource efficiency may be prohibitive for small enterprises" - too right. Eskom needs to be sorted as self-production and storage of energy is not financially feasible for SMMEs.

3.4.2 Knowledge Management's Policy Proposal for the establishment of a Tourist Data Hub won't work voluntarily as the various stakeholders will not easily divulge information to their competitors. Those with data will only want to sell the data with non-disclosure agreements attached.

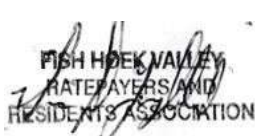
3.4.3 Diplomacy's global marketing office network needs to target travel agents and the way travel is advertised. This includes all social media platforms where travel is discussed.

3.4.4 Tourism Trade and Investment Policy Proposal's all bullet points: Most National Nature Reserves support local communities and are the first point of contact for potential investors. However, their accommodation facilities are in serious need of maintenance (leaking toilets, etc.) which leaves a very negative impression. Retirement Villages could be established on the borders of our game parks that would attract investors that have a good impression from visiting the neighbouring national reserve.

Summary

The Fish Hoek Valley Residents and Ratepayers Association (FHVRRA) supports:

- Specialised police for tourism safety;
- Permission is obtained from the municipality for health and safety reasons;
- Short-term home rentals must obtain affordable hospitality insurance;
- Removal of “breakfast” in their names if breakfast is not provided;
- Not over-regulating (ex. duration thresholds);
- Not requiring multiple platform enrolment (expense and admin overhead for SMMEs);
- Discount pricing for locals;
- Education of our tour and game guides; and
- Retirement villages on our National Nature Reserve borders for investors.

NAME & SURNAME	Brian Youngblood, Chair: Fish Hoek Valley Residents and Ratepayers Association (FHVRRA)
CONTACT NUMBER	Cell: 084 399 9933
E-MAIL ADDRESS	FishHoekRRA@gmail.com
SIGNATURE	
DATE	29 October 2023