

# R20m KZN Tourism Relief Fund reopens: Here's who can apply

KwaZulu-Natal's R20m Tourism Relief Fund Distressed reopened on 27 September, enabling distressed tourism businesses and operators in the province to apply for financial assistance.



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The KZN Department of Economic Development, Tourism and Environmental Affairs (EDTEA) together with Tourism KwaZulu-Natal will work closely with community tourism organisations (CTOs) and tourism formations to ensure that "as many as possible qualifying tourism businesses facing distress are supported".

The first phase of the R20m fund saw only a total of R858,500 being disbursed to support 29 qualifying tourism businesses and tour guides. This low uptake was a result of many applicants being disqualified due to noncompliance with the terms and conditions of the fund.

Some of the factors that contributed to the high number of unsuccessful applicants included:

- Incorrect and incomplete information being provided;
- Lack of business registration documents, which include registration with CIPC, EDTEA and sector associations;
- Lack of compliance with tax regulations applicable to businesses; and
- Limited scope of tourism businesses eligible to apply for the relief fund.

Given the low number of successful applicants and the fact that there is still budget available for the tourism relief fund, EDTEA decided that a second intake of applications be considered under revised selection criteria to accommodate more tourism businesses.

The Tourism Relief programme forms part of the government's efforts to mitigate the effects of the Covid-19 pandemic on the tourism sector.

"Through this fund we hope to assist businesses to mitigate the effects of the pandemic, prevent job losses and get them back towards a path of stability. KwaZulu-Natal is a leading tourist destination whose success relies on a thriving sector that includes tour operators, accommodation establishments, restaurants, tourist guides, attractions and other tourist offerings. It is essential that the value chain works in its entirety," said Ravi Pillay, the MEC for Economic Development, Tourism and Environmental Affairs.

EDTEA and Tourism KZN will be engaging with relevant stakeholders to ensure that the information about the tourism relief fund reaches as many tourism businesses as possible and will ensure that applicants are assisted during the application process. Through these efforts, the department and the public entity want to ensure that all qualifying businesses in the sector get a fair chance of getting financial assistance. Businesses who were not successful in the first round are encouraged to apply again.



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### Expanding scope of eligibility

"During the first phase of the relief fund, we received 403 applications but only 29 met the requirements. With this phase of funding, we are hoping to support a further 370 businesses and we have therefore extended the scope of eligible businesses in order to reach as many businesses as possible.

"We would like to encourage business owners who will be applying for funds to make sure that they attach the required documentation to their applications. They must also ensure that their businesses meet the necessary tax requirements, and most importantly avoid submitting incorrect and incomplete information. On completion of this phase we would have reached more than 1,000 tourism enterprises with some form of relief," MEC Pillay explained.

The following businesses and entities operating from and within the province are eligible to apply for the tourism relief:

- Accommodation establishments: Hotels, resort entities, bed & breakfast establishments (B&Bs).
- Hospitality and related services: Restaurants including those attached to hotels provided that they have separate ownership to hotels; all conference venues including those attached to hotels provided that they have separate ownership to hotels; professional catering businesses.
- Travel and related services: tour operators, travel agents, tourist guides, car rental companies, shuttle services transporting tourists, coach operators and attractions operators
- MICE (meetings, incentives, conferences and exhibitions) sub-sector: Destination management companies, professional conference organisers, incentive buyers, exhibition companies.
- Rickshaw operators providing carriage services to tourists along the province's beaches.

- Arts and craft co-operatives producing and selling arts and craft products for tourists in various tourist attractions, site centres and routes.
- Traditional performance groups entertaining tourists associated with accommodation facilities and attractions.

## **Application criteria**

### **Criteria for tourism, hospitality and travel-related businesses:**

- An enterprise must be officially registered with relevant business registration authorities such as companies and Intellectual Property Commission (CIPC) and those operating as sole proprietors.
- An enterprise must also be registered or in the progress of registration with the KZN Department of Economic Development, Tourism and Environmental Affairs (EDTEA).
- An enterprise must be generating a turnover not exceeding R10m per business financial year prior to March 2020.
- An enterprise must be compliant with all tax regulations and in possession of a valid tax clearance certificate.
- An enterprise should not have benefited from the national and provincial tourism relief fund.

### **Criteria for tour guides:**

- Be registered as a tour guide with the provincial Department of Economic Development, Tourism and Environmental Affairs (EDTEA).
- Must have been in service for a period of one year or more before the emergence of the pandemic.
- Not benefitted from the national tourism relief fund for tour guides.
- The submitted online applications for tour guides must be accompanied by the following compulsory supporting documents: Completed online application form, copy of registration as a tour guide; and certified ID copy.

### **Criteria for destination management companies, professional conference organisers, incentive buyers and exhibition companies:**

- Be officially registered with relevant business registration authorities such as Companies and Intellectual Property Commission (CIPC) and those operating as sole proprietors.
- Be registered or be in the process of registering with the KZN Department of Economic Development, Tourism and Environmental Affairs (EDTEA).
- Be generating a turnover not exceeding R10m per business financial year prior to March 2020.
- Be compliant with all tax regulations and be in possession of a valid tax clearance certificate.
- Must not have benefited from either the national or the provincial tourism relief fund.
- Be registered with professional associations such as the Southern African Association for the Conference Industry (SAACI), Southern Africa Tourism Services Association (SATSA) and the Exhibition Association of South Africa (EXSA).

### **Criteria for arts and craft co-operatives:**

- Be a registered arts and craft cooperative or sole proprietor operating in the province, providing its products to tourists.
- In service for one year or more and have not benefited from the national or provincial tourism relief fund.

#### **Criteria for traditional performance groups attached to tourism establishments and attractions:**

- Be traditional performers operating in the province, providing entertainment through performance for visitors/tourists.
- In service for one year or more before Covid-19.
- Letter of confirmation of service from the tourism establishment and/or attraction and certified ID copy of the group manager.

#### **Criteria for rickshaw operators:**

- Be registered as an informal trader with eThekweni municipality.
- In service for one year or more before Covid-19.
- Certified ID copy of the applicant



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## **Grant amounts**

The once-off grant amount is set out as follows:

- The once-off grant amount for tourism enterprises shall be capped at R50,000 per applicant.
- The once-off grant amount for destination management companies (DMCs) shall be capped at R50,000 per applicant.
- The once-off grant amount for professional conference organisers (PCOs) shall be capped at R50,000 per applicant.
- The once-off grant amount for incentive buyers shall be capped at R50,000 per applicant.
- The once-off grant amount for exhibition companies shall be capped at R50,000 per applicant.
- The once-off grant amount for arts and craft co-ops shall be capped at R10,000.
- The once-off grant amount for traditional performers attached to accommodation establishments and attractions shall be capped at R10,000.
- The once-off grant amount for tour guides shall be capped at R4,500 per applicant.
- The once-off grant amount for rickshaw operators shall be capped at R4,500 per applicant.

Applications will be evaluated by an independent assessor for verification and these assessments will go before a screening committee.

Applications opened on 27 September 2021 and close on 29 October 2021, and application forms are accessible online from the official TKZN website: [www.zulu.org.za](http://www.zulu.org.za). A call centre has been set up to guide and provide information to applicants.

The completed online application forms together with supporting documents must be uploaded and submitted on the online system of applications.

For enquiries, contact the call centre: [kzntourismrelief@zulu.org.za](mailto:kzntourismrelief@zulu.org.za) or +27318166610 between 8am and 4:30pm from Monday to Friday.

For more, visit: <https://www.bizcommunity.com>