



Costs of FTTSA certification, 2005-06

There are two costs involved in the FTTSA certification process, 1) the on-site assessment fee, and 2) the annual user fee once your business has been certified. There is no cost when submitting your FTTSA application to the Panel for feedback.

1. Assessment Fee

The on-site assessment costs R1500.00 per day, which is payable on completion of your assessment. The Tourism Enterprise Programme (TEP) may pay up to 50% of this if you are registered with them. To register with TEP, visit <http://www.tep.co.za>

If your business is successfully certified by FTTSA, the on-site assessment will be repeated in a 24-month cycle. The bi-annual re-assessment is also payable by your business.

2. Annual User Fee

The second cost – the annual User fee – is payable annually. The fee varies depending on the size of your business and the rates that you charge. Please see below for directions on how to calculate an annual fee.

Directions for calculating annual User Fee:

- Step 1:** On the Fee Calculation Worksheet, determine your annual User Fee using Table 1.
- Step 2:** On the same Worksheet, refer to Table 2 to determine which category describes your business and calculate the minimum fee for your category.
- Step 3:** Compare the two fees and pay the greater amount as your annual User Fee.

Fee Calculation Worksheet

1) Use Table 1 below to determine the Weight that applies to your business and calculate your Annual User Fee.

$$\text{Fee} = \frac{\text{Rate}}{\text{Rate}} \times \frac{\text{Weight}}{\text{Weight}} = R \frac{\text{Weight}}{\text{Annual fee}}$$

2) Write down the minimum fee that applies to your business using Table 2 below.

R _____ (minimum annual fee)

Pay the greater of the two annual amounts. This is your annual fee.

Table 1: User Fee = R x W

Category	Daily capacity (e.g. number of beds or seats that can be filled in one day)	Weight (W)	User Fee Fee = R x W, where R= the highest value per person daily rack rate charged by you
A	1-4	1.0	R x 1.0
B	5-12	1.2	R x 1.2
C	13-24	1.5	R x 1.5
D	25-52	2.0	R x 2.0
E	53-104	2.5	R x 2.5
F	105 or more	4.0	R x 4.0

Table 2: Enterprise size based on number of employees

Micro enterprise	1-5 employees	R500 per annum
Very small enterprise	6-10 employees	R1000 per annum
Small enterprise	11-50 employees	R1750 per annum
Medium enterprise	50-100 employees	R4000 per annum
Large enterprise	101-200 employees	R10,000 per annum
Very large enterprise	201 or more employees	R15,000 per annum

Example A: Vukani Lodge in Umtata charges R220 per person per night sharing for Bed & Breakfast, and R295 for Dinner, Bed & Breakfast. The single rate is R285 Bed & Breakfast, R350 Dinner, Bed & Breakfast.

The Lodge has a total of 25 beds. These rates are published on the website and valid for the whole of 2005. Vukani Lodge has 9 permanent staff.

According to Table 1, the User fee for Vukani Lodge would be R700 per annum. (R350 x 2.0 = R700)

According to Table 2, the User fee would be R1000 per annum. (Very small enterprise 6-10 employees = R1000).

Therefore, the User Fee would be R1000, as this is the greater amount.

Example B: Meander Tours offers a 1 day package tour, which can accommodate 50 people. The package includes: a visit to Khayelitsha township, a visit to District Six, and to end the day a Sunset Boat cruise from the V&A Waterfront. Total cost of the package is R1 500 per person. Meander Tours has 12 permanent staff.

According to Table 1, the User fee would be R3 000 per annum. (R1 500 x 2.0)

According to Table 2, the User fee would be R1 750. (Small enterprise 11-50 employees = R1750)

Therefore, the User fee would be R3 000 per annum, as this is the greater amount.