



# **White Paper on the Development and Promotion of Tourism in KwaZulu-Natal**

March 2008

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**Foreword by Minister**

Section 28 of the KwaZulu- Natal Tourism Act, Act no. 11 of 1996 as amended in 2002 states that the Minister of Arts, Culture and Tourism must develop a provincial policy after consultation with the Authority and the Provincial Tourism Committee and in accordance with the provincial constitutional powers and within the framework of national tourism policy or legislation. In view thereof, the process of developing a Tourism White Paper commenced in 2005.

The White Paper on the Development and Promotion of Tourism in KwaZulu-Natal is an end product of wide consultative processes involving the tourism stakeholders and interested parties which were aimed at soliciting inputs. Various forms of consultative processes were used to ensure maximum participation by all stakeholders.

The White Paper has taken into consideration, inter alia, the principles of the White Paper on the Development and Promotion of Tourism in South Africa, the Tourism Growth Strategy, the Provincial Growth and Development Strategy (PGDS), the Broad-Based Black Economic Empowerment Act of 2003, and the Accelerated Shared Growth Initiative for South Africa (ASGISA), which set out our country's critical objectives for economic growth as well as the provision of employment opportunities.

I can boldly state that the policy will ensure that we organise tourism in our province to deliver on our objectives to grow tourism, while ensuring that effective and sustainable transformation takes place. The policy will provide a framework for coordinated participation by all stakeholders in the tourism industry within the province. It will further pave way for the Metropolitan, District and Local Municipalities to develop their tourism policies within the framework of the provincial and national tourism policies and legislation.

In conclusion, I urge all stakeholders and interested parties in tourism, arts and culture and other spheres to work together in ensuring the realisation of the objectives of this White Paper

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**Date: 31<sup>st</sup> March 2008**

## **Executive Summary**

The White Paper on the Development and Promotion of Tourism in KwaZulu-Natal was commissioned by the KwaZulu-Natal - Department of Arts, Culture and Tourism to develop “a Provincial Strategic policy that is going to provide foundation and competitive strategies for KwaZulu-Natal linked to existing national and provincial strategies”.

The White Paper is developed against the background of Tourism in KwaZulu-Natal contributing about R18 billion to the GDP – about 10% of the provincial economy. The Province attracts about 1.3 million foreign visitors and 13.9 million domestic tourism trips on an annual basis.

KwaZulu-Natal Province plans to increase its foreign arrivals by 2011 to 2 million, and its domestic trips to 15.5 million, and a R34 billion contribution to GDP. This target will be enhanced by the country's hosting of the 2010 FIFA Soccer World Cup. The White Paper on the Development and Promotion of Tourism in KwaZulu-Natal recognised the spike envisaged during 2010, but sets a framework that, commences before, and, sustains after the spike.

The White Paper took into consideration all tourism related National and Provincial legislation, policies and strategies to inform a co-ordinated approach that locates tourism in KwaZulu-Natal within a macro environment. It is therefore, not a Tourism Marketing Policy, but a Policy document that sets out the strategic policy issues any competitive destination strives for.

It sets out the Vision for Tourism:

To position the Province of KwaZulu Natal as Africa's leading Eco-Cultural Tourism destination, nationally and internationally.

Its mission is:

To initiate, facilitate, co-ordinate and implement “Experience - based” tourism marketing, and “Demand - driven” tourism development programmes in order to achieve the tourism growth objectives, and thereby, contribute to a shared and sustainable economic growth and development in the Province.

The White Paper sets out the transformation objectives and recommendations on the achievement of these objectives.

It proposes that the province adopts an “experiential - beyond boundaries” approach to marketing the destination, while adopting a “constructively competitive” approach. It encourages the Province to achieve world class service levels, and market its cultural diversity while respecting the culture of its communities and its visitors and ensuring responsible tourism practices.

It recognises many partners required to achieve the tourism growth objectives and therefore sets out the roles and responsibilities for partners in tourism, with due regard to, the provisions of Schedule 4 of the Constitution of South Africa.

And, more importantly, it sets out a Governance framework to ensure performance and compliance.

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A comprehensive KwaZulu-Natal Tourism Report, setting out demand and supply side data, is available. These findings informed the recommendations included in the White Paper.

**Abbreviations**

ACSA – Airports Company of South Africa

ARRUP – African Renaissance Road Upgrading Programme

ASGISA – Accelerated Shared Growth Initiative for South Africa

BBBEE – Broad - based Black Economic Empowerment

BEE – Black Economic Empowerment

CBO -Community-based Organisation

CIP – Critical Infrastructure Programme

CM – Competitive Monitor

CTA – Community Tourism Association

DACT – Department of Arts, Culture and Tourism

DEAT – Department of Environmental Affairs and Tourism

DMO – Destination Management Organisation (Also known as Provincial Tourism Organisation)

DOT – Department of Transport

DTI - Department of Trade and Industry

DTP – Dube TradePort

EKZNW - Ezemvelo KZN Wildlife

ECPAT-

EMIA – Export Marketing and Investment Assistance Schemes

EU – European Union

FDI – Foreign Direct Investment

FEDHASA – Federated Hotel Association of SA

FIG – Foreign Investment Grant

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FIT - Foreign Independent Tourists

GDP - Gross Domestic Product

GEM - Group for Environmental Monitoring

GSWLP – Greater St. Lucia Wetlands Park Authority

HIV/ AIDS – Human Immune Virus/ Acquired Immune Deficiency Syndrome

IDZ – Industrial Development Zones

IDP – Integrated Development Plans

IMC – International Marketing Committee

IOD – Institute of Directors

IUCN - The World Conservation Union

KWANALOGA - KwaZulu-Natal Local government Association

KZN – Province of KwaZulu-Natal Natal

KZNTA – KwaZulu-Natal Natal Tourism Authority (also known as TKZN)

MEC – Member of the Executive Council in the Provincial Legislature

MICE – Meetings, Incentives, Conferences and Exhibitions

MINMEC - Committee of Members of Executive Councils responsible for tourism in the provinces and the Minister and Deputy-Minister of Environmental Affairs and Tourism in the central government

MIPTC – Committee of Provincial Technical Executives responsible for tourism in the provinces and the Director General and Deputy Director General of Environmental Affairs and Tourism in the central government

MFMA – Municipal Finance Management Act, No 56, 2003 ACT

MOU – Memorandum of Understanding

NGO - Non-governmental Organisation

NSSA – Next Stop South Africa

NSB – Natal Sharks Board

PDI – Previously Disadvantaged Individual

PFC – Portfolio Committee

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PFMA – Public Finance Management Act

PGF – Provincial Growth Fund

PPP – Private Public – sector Partnership

PSDF – Provincial Spatial Development Framework

PPSP – Private Public Sector Partnerships

PTC - Provincial Tourism Committee

PTF – Provincial Tourism Forum

RDP - Reconstruction and Development Programme

RETOSA - Regional Tourism Organisation of Southern Africa

SAACI – Southern African Association for Conference Industry

SADC - Southern African Development Community

SAHRA - South African Heritage Resources Agency

SALGA – South African Local Government Association

SAMIF – South African Meetings Industry Federation

SANEF – South African Editors' Forum

SAPS – South African Police Service

SAT - South African Tourism

SATSA – Southern African Tourism Services Association

SDI – Spatial Development Initiatives

SETA – Sector Education & Training Authority

SIP – Strategic Industrial Projects

SMEDP – Small and Medium Enterprise Development Programme

SMMEs - Small, Micro and Medium-sized Enterprises

SOE – State Owned Enterprise

SSP – Skills Support Programme

TBCSA – Tourism Business Council of SA



TFCA – Transfrontier Conservation Area

TGCSA – Tourism Grading Council of South Africa

TGS –Tourism Growth Strategy

THETA – Tourism, Hospitality and Sport Education and Training Authority

TIKZN – Trade and Investment KZN

UNEP – United Nations Environment Programme

USP - Unique Selling Point

VFR - Visiting Friends and Relatives

WTO – World Tourism Organisation

WTTC – World Travel and Tourism Council

### **Glossary of Terms**

**Authority** - the KwaZulu-Natal Tourism Authority established in terms of section 2 of the KZN Tourism Act;

**Business tourism** – tourists visiting for purposes of meetings, incentives, conferences, or exhibitions.

**Cabinet** - the Executive Council of the KwaZulu-Natal Province contemplated in section 132 of the Constitution;

**Constitution** - the Constitution of the Republic of South Africa Act, No. 108 of 1996;

**Cultural tourism** - cultural aspects which are of interest to the visitor and can be marketed as such, including the customs and traditions of people, their heritage, history and way of life.

**Department** - the Department of Arts, Culture and Tourism or any successor provincial department whose functions include that of the promotion, development, marketing and regulation of tourism in KwaZulu-Natal;

**District Municipality** - a municipality that shares municipal executive and legislative authority in an area that includes more than one local municipality, described in section 155 (1) of the Constitution as a category C municipality, and which has been established through the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

**Domestic Tourist** - any person resident in the Republic of South Africa travelling to any place within the Republic other than to his or her usual environment;

**Ecotourism** - environmentally and socially responsible travel to natural or near natural areas that promotes conservation, has low visitor impact and provides for beneficially active socio-economic involvement of local people

**Emergent SMMEs** - small, micro and medium-sized enterprises owned and/or operated by the previously neglected population groups that are entering the market

**Emerging markets** - population groups entering the market in increasing numbers as domestic tourists, especially those previously neglected.

**Environment** - includes natural, urban, human living and cultural environments

**Foreign Tourist** - any visitor to the Republic of South Africa;

**Gazette** - the KwaZulu-Natal Provincial Government Gazette;

**International tourist** - person who travels to a country other than that in which she/he has her/his usual residence, but outside her/his usual environment, for at least one night but less than one year, and is not remunerated for work in the country visited. Due to markedly different travel and expenditure patterns, a distinction is drawn between international tourists from the rest of Africa (called regional tourists) and those from other countries (called overseas tourists). See definition of tourist.

**KwaZulu-Natal** - the province of KwaZulu-Natal contemplated in Section 103 (1) (d) of the Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996);

**Local Authority** – District and local councils are interdependent and involve a division of powers. A district council has municipal executive and legislative authority over a large area, its primary responsibility being district-wide planning and capacity-building. Within a district council's area are individual local councils which share their municipal authority with the district council under which they fall.

**Local Municipality** - a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, which is described in section 155 (1) of the Constitution as a category B municipality and which has been established through the Local Government: Municipal Structures act, 1998 (Act No. 117 of 1998);

**Metropolitan Municipality** - a municipality that has exclusive executive and legislative authority in its area, described in section 155 (1) of the Constitution as a category A municipality and which has been established through the Local Government: Municipal Structures Act, 1998, (Act No. 117 of 1998.) They have a choice of two types of executive systems: the mayoral executive system, and the collective executive committee.

**MEC** - the Member of the Executive Council of KwaZulu-Natal whose portfolio includes responsibility for the promotion, development and regulation of tourism within KwaZulu-Natal, also known as the Minister at a Provincial level;

**Minister** – at a National level

**MEC of Finance** means the Member of the Executive Council of KwaZulu-Natal whose portfolio includes responsibility for the finances of the government of KwaZulu-Natal also known as the Minister at a Provincial level;

**Municipality** - a municipality referred to in section 155 (6) of the Constitution;

**Municipal tourism functions** - those tourism functions contemplated in section 38 of the KZN Tourism Act which is to be performed at municipal level;

**Municipal tourism policies** - the policies developed by municipalities in accordance with section 33 of the KZN Tourism Act;

**Organised business** - that body or those bodies which together are representative of a substantial proportion of the commercial and business enterprises in KwaZulu-Natal which are or are likely to be directly or indirectly involved in the development, promotion and marketing of tourism in KwaZulu-Natal;

**Organised labour** - that body or those bodies which together are representative of a substantial proportion of the labour force in KwaZulu-Natal which is or is likely to be directly or indirectly involved in the development, promotion and marketing of tourism in KwaZulu-Natal;

**Organised local government** - the KwaZulu-Natal Provincial organisation representing municipalities, recognised in terms of section 163 of the Constitution and section 2 of the Organised Local Government Act, 1997 (Act No. 52 of 1997);

**Parliament** - the Legislature of the Province as contemplated in section 105 of the Constitution and having the legislative authority of the KwaZulu-Natal contemplated in section 104 (1) of the Constitution;

**Portfolio committee** - the Portfolio Committee of Parliament responsible for Tourism;

**Prescribed** - prescribed by regulations;

**Previously neglected communities** - population groups that were largely excluded from mainstream tourism activities.

**Province** - the KwaZulu-Natal Province contemplated in section 103 (1) (d) of the Constitution;

**Provincial Portfolio Committee** – specific sectoral or functionally aligned committees made up of members of the provincial legislature.

**Provincial tourism action plan** - the plan developed by the KwaZulu-Natal Tourism Authority in accordance with section 27.

**Provincial Tourism Committee** - the committee established in terms of section 34 to coordinate the formulation of provincial tourism policy with municipalities and to assist municipalities develop municipal tourism policies.

**Provincial tourism functions** - those tourism functions are contemplated in section 30.

**Provincial tourism policy** - the policy developed by the Minister in accordance with the KZN Tourism Act.

**Responsible tourism** - tourism that promotes responsibility to the environment through its sustainable use, responsibility to involve local communities in the tourism industry, responsibility for the safety and security of visitors and responsible government, employees, employers, unions and local communities

**State Owned Enterprise** – a Statutory Organisation/parastatal - organisation established by an Act of Parliament

**Statutory Organisation/parastatal** - organisation established by an Act of Parliament

**Stop-over visitor** - person who travels away from home for other than commuting purposes, staying less than 24 hours in the place visited

**Sustainable tourism development** - tourism development, management and any other tourism activity which optimises the economic and other social benefits available in the present without jeopardising the potential for similar benefits in the future

**Tourism establishment** - any establishment, including a facility or service, within the tourism industry in the Province;

**Tourism industry** - the industry within the Province which focuses on and aims to attract domestic or international tourists to the Province, and includes the provision of public and private services and facilities. The recipients of direct spend incurred by tourists. This includes pre-trip expenditure on travel and booking, travel and en-route expenditure, and all spending at the destination

**Tourism operator** - any natural or juristic person operating within the tourism industry in the Province;

**Tourism stakeholders** - include tourism operators, tourism establishments and any other private or public sector person or institution with an interest in the tourism industry in the Province.

**Tourist** - person who travels away from home, staying away for at least one night. A tourist can be a domestic tourist (for example resident of Johannesburg staying one night in Durban), a regional tourist ( a visitor from Zimbabwe spending one or more nights in the Free State) or an overseas tourist (a resident of Germany staying one or more nights in the North-West Province). See definition of international tourist. A tourist travels for different purposes including business, leisure, conference and incentive.

**Traditional domestic markets** - previously advantaged domestic leisure tourists

**Transit visitor** - person who travels away from home for other than commuting purposes, staying less than 24 hours in the place visited.

### **The White Paper Development Process**

The Minister of Arts, Culture and Tourism, KwaZulu Natal, acting on the mandate derived from the KwaZulu-Natal Tourism Act, 1996, (as amended, including no. 2 of 2002), Chapter 2 - (Section 28) which provides for the Minister to develop a Provincial Tourism Policy. In September 2005 the Department of Arts, Culture and Tourism – KwaZulu Natal embarked on the process to develop its provincial policy.

It required that in the compilation of provincial tourism policy should include:

1. research that will cover the challenges, the value of tourism and areas for targeted transformation;
2. analysis of the strengths, weaknesses, opportunities and threats in the Tourism Industry;
3. a document highlighting vision, mission, targets, strategic framework, areas of interface; and
4. proposed provincial institutional arrangements and the role thereof and show how these will link up with district and local structures to bring about coordination.

### **The Process undertaken included:**

1. A Strategic, legislative and policy diagnostic;
2. Tourism value analysis;
3. Supply and demand side mapping;
4. Identification of opportunities; and
5. Analysis of transformation environment to determine a framework for transformation.
6. Stakeholder consultations;
7. Road shows;
8. Invitation to submit written inputs; and
9. Presentations to all relevant Provincial structures. These included, inter alia, the:
  - a. Portfolio Committee
  - b. Provincial Cabinet Technical Cluster
  - c. Provincial Tourism Committee
  - d. Board of Tourism KwaZulu Natal
  - e. Provincial Tourism Forum

In addition the Policy drafting team conducted:

1. targeted surveys;
2. one-on-one meetings;
3. research in KZN and in other provinces;
4. focus group sessions with pre-determined stakeholder groupings; and
5. policy development sessions with the Provincial Policy Steering Committee.

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KwaZulu-Natal is idyllically bordered by the warm Indian Ocean to the east and the escarpment of the majestic Drakensberg to the west, with the low-lying coastal strip rising to rolling hills in the Midlands before reaching the high altitudes of these awesome mountains. Covering almost 8 percent of the total geographic area of South Africa, the sub-region stretches southwards to the border of the Eastern Cape at Port Edward and northwards to the Mozambique boundary, Swaziland and the province of Mpumalanga. Inland borders comprise the Kingdom of Lesotho and the province of the Free State.

Since this is the best-watered province, KwaZulu-Natal is perennially green. Vegetation tends to be lush along the coastal strip, with enormous coastal forests found on some of the world's highest sand dunes along the northern part of the coastline. The variety extends from tropical and subtropical types at the coast, through rolling grasslands, to tundra types in the high Drakensberg.

Although this is one of South Africa's smallest provinces, KwaZulu-Natal has the largest population. It is also the only province with a monarchy specifically provided for in the constitution, with Pietermaritzburg as its capital. Abundant natural and human resources have led to the development of an extensive, modern infrastructure, together with a strong business and industrial base. Massive projects that are currently coming to fruition will add further to the phenomenal advantages of this productive and pleasurable location, providing an enabling environment for new investments in business and leisure ventures.

KwaZulu-Natal has the largest population of South Africa's nine provinces, at 9.2 million (2002), a figure which includes estimates of reductions due to HIV/AIDS. This is approximately 20,9% of the total South African population (BMR 2000). Of this total, approximately 1,6 million people in KwaZulu-Natal fall into the economically active category consisting of those aged between 15 and 65 years. Several general

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demographic trends have been identified for the country as a whole - continuing urbanisation, rapid population growth, and a youthful population. KwaZulu-Natal's emergence as the focal point of industrial development in sub-Saharan Africa is attributed to the unmatched natural resources and well developed first-world infrastructure.

Economic activities in KwaZulu-Natal are mainly centered in the eThekweni metropole and Pietermaritzburg, with significant contributions in the Richard's Bay/Empangeni area, the Ladysmith/Ezakheni area, the Newcastle/Madadeni regions as well as the KwaZulu-Natal south coast regions.

In the post-1994 period, the province's economic performance has been impressive, with growth rates above the national level. KwaZulu-Natal's fast-growing, diversified and outward-orientated economy contributes approximately 15 percent to South Africa's gross domestic product. The transport and communications sector is especially significant, as is the agriculture and forestry sector. Growth rates in excess of the national average are also driven by the financial and business services sector.

Boasting the highest export propensity and the highest level of industrialisation in the country, the economy structure in this province is based on a large manufacturing sector in which growth is driven by the paper and paper products industry, and ferroalloys (such as aluminium) and other chemicals. Further significant sub-sectors include motor vehicles and component manufacture, printing and publishing, food and beverage production, non-electrical machinery, iron and steel, wood furniture, and textiles and clothing.

KwaZulu-Natal's emergence as a hub of industrial development in sub-Saharan Africa may be attributed to its unmatched natural resource endowments, exceptional productive capacity, well-developed first-world infrastructure and advantageous coastal location. Economic activity is concentrated in the metropolitan areas of Durban, Pietermaritzburg and Richards Bay, with the coastal belts utilised for sugar cane plantations and subtropical fruit and vegetables.

Two key ports provide a key competitive advantage and ensure the province's importance for economic growth, effectively repositioning the country to increase its share of the global market. Consequently, the economic fortunes of this most important multimodal logistics platform for Africa's trade impact significantly on the broader economy of South Africa. Several major programmes are currently at various stages of implementation in KwaZulu-Natal, including three spatial development initiatives and two industrial development zones.

Critical challenges and weaknesses in the economy comprise the high levels of unemployment as well as the high estimated incidence of HIV/AIDS. A great deal has already been achieved to ensure access for poor communities to modern energy services and the supply of potable water. Development is also being boosted in small towns, with more effective support made available for the establishment of small, medium and micro enterprises. While KwaZulu-Natal's conference industry has an enormous impact on other sub-sectors, focus is being placed on improving the development of the tourism industry in general, thereby creating further sustainable employment opportunities.

Over the past decade, the tourism industry in South Africa has grown beyond the expectations of even the most optimistic trend analyst. In fact, for the past eleven successive years, overseas visitor-arrival numbers have continued to increase, growing at a compound rate of no less than 17.5% per annum.

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There is no doubt the KwaZulu-Natal province plays an integral role in this success story, making a significant contribution to these positive statistics. There is something about this warm and friendly province which continues to draw tourists from all around the globe. World class beaches, majestic mountain ranges and a rich cultural history, are just some of the diverse attractions which keep visitors coming back.

The Province has a democratically elected provincial and local government organised in 11 District Municipalities including the Metro.



## **SECTION A : THE PREVAILING TOURISM ENVIRONMENT**

The development of the Tourism Policy for KZN was informed by the prevailing legislation, policy and strategic environment. Since the ushering in of democracy in 1994, South Africa has proactively pursued the positioning of tourism as a key driver in the country's economy.

The planning and organising of tourism in the country, in Provinces, and at local level, is influenced by a number of legislative, policy and strategic issues. These include, inter alia:

### **1. EXISTING LEGISLATIVE AND POLICY ENVIRONMENT**

#### **a. The Constitution of the Republic of South Africa 1996 as adopted on 8 May 1996 and amended on 11 October 1996**

The Constitution sets out the internal arrangements, proceedings and procedures of provincial legislatures. In this regard the following sections are of relevance:

"Section 116. (1) sets out that a provincial legislature may:

- a. determine and control its internal arrangements, proceedings and procedures; and
- b. make rules and orders concerning its business, with due regard to representative and participatory democracy, accountability, transparency and public involvement.

Schedule 4 sets out the Functional Areas of Concurrent National and Provincial Legislative Competence. In Part A it identified Tourism at a Provincial level and in Part B Local Tourism as outlined in section 155(6)(a) and (7).

Section 155 (6)(a) and (7) sets out the following:

(6) Each provincial government must establish municipalities in its province in a manner consistent with the legislation enacted in terms of subsections (2) and (3) and, by legislative or other measures, must

- a. provide for the monitoring and support of local government in the province; and
- b. promote the development of local government capacity to enable municipalities to perform their functions and manage their own affairs.

(7) The National government, subject to section 44, and the provincial governments have the legislative and executive authority to see to the effective performance by municipalities of their functions in respect of matters listed in Schedules 4 and 5, by regulating the exercise by municipalities of their executive authority referred to in section 156(1).

Of relevance to the role of municipalities to be outlined later in the Policy, it is worth noting the following:

126. A Member of the Executive Council of a province may assign any power or function that is to be exercised or performed in terms of an Act of Parliament or a provincial Act, to a Municipal Council. An assignment:

- a. must be in terms of an agreement between the relevant Member of the Executive Council and the Municipal Council;
- b. must be consistent with the Act in terms of which the relevant power or function is exercised or performed; and
- c. takes effect upon proclamation by the Premier."

**b. Intergovernmental Relations Act (Act No. 13, 10 August 2005)**

The Intergovernmental Relations Act establishes a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations.

Of relevance to the Tourism Policy development process that Section 36 of the Act, which sets out that when developing provincial policies or draft legislation affecting the local sphere of government in a province, the provincial government must:

- a. take into account national priorities;
- b. take into account the interests of local communities in the province; and
- c. consult the local sphere of government in the province and any specifically affected municipalities.

**c. Tourism Act 1993 (and amendments 1996, 1998, 2000)**

The Tourism Act makes provision for:

- i. the promotion of tourism to and in the Republic;
- ii. the further regulation and rationalization of the tourism industry;
- iii. measures aimed at the maintenance and enhancement of the standards of facilities and services hired out or made available to tourists; and
- iv. the co-ordination and rationalization, as far as practicable, of the activities of persons who are active in the tourism industry;
- v. to establish a grading and classification scheme in respect of accommodation establishments, the membership of which shall be voluntary;
- vi. to authorize the Minister to establish schemes for prescribed sectors of the tourism industry, the membership of which shall be voluntary;
- vii. to make provision for the registration of tourist guides;
- viii. to prohibit any person to act for gain as a tourist guide unless he has been registered as a tourist guide in terms of the Act.

**d. White Paper on the Development and Promotion of Tourism In South Africa- May, 1996**

The Tourism White paper informed the roles envisaged of the various partners in Tourism. In the first instance, it set out and entrenched the principle that Tourism must be:

Government led, private sector driven, and community based".

In addition the roles and relationships between the various tiers of government were set out in broad terms.

"The Role of provincial government was seen as a critically important role to play in the development and promotion of the tourism industry of South Africa.

The provincial tourism organisations are key players in the tourism industry. The provincial government has responsibility for all of the functions indicated at the national government level (facilitation, co-ordination, regulation, monitoring and development promotion) with a few exceptions, additions and modifications. Provincial tourism organisations will formulate tourism policies which are applicable to their areas, in accordance with the national policy. They will also be partners in the implementation of relevant national policies, strategies, and objectives.

The provincial government, through provincial tourism organisations, have the responsibility for marketing and promoting their destinations". This is particularly relevant in regard to marketing the province to the domestic market where provinces compete against each other.

In regard to "International marketing, the national and provincial tourism organisations should agree on a strong, effective marketing strategy; to be coordinated at the national level and executed with the participation and support of the provincial organisations. This may not imply the promotion of separate brand identities by provinces, but possibly a number of strong product lines (e.g. ecotourism, culture tourism, sports tourism) which are applicable across provincial boundaries.

This approach is recommended providing that it does not exclude provincial initiatives in markets that they wish to develop independently and where national presence is non-existent".

The role of the Province, as set out in the Tourism White Paper, is to:

- i. "develop a common strategy for the international marketing and promotion of South Africa as a joint effort among the private sector, the national organisation and provincial authorities, taking cognisance of international trends and the competitive environment;
- ii. fund international marketing efforts from private sector, national and provincial resources;
- iii. participate in supporting the international marketing effort by the national body;
- iv. play a more prominent role in tourism development activities, than the national government. This should include the involvement of local communities, environmental management, safety and security of visitors, tourism plant development, infrastructure provision, etc.
- v. ensure budgets and resources allocated to provinces reflect this reality".

The role of local government includes:

- i. responsible land-use planning, urban and rural development;
- ii. control over land-use and land allocation;
- iii. provision and maintenance of tourist services, sites and attractions, e.g. camping and caravan sites, recreational facilities (parks, historical buildings, sports facilities, theatres, museums, etc.) and public services;
- iv. provision of road signs in accordance with nationally established guidelines;
- v. market and promote specific local attractions and disseminate information in this regard;
- vi. control public health and safety;
- vii. facilitate the participation of local communities in the tourism industry;
- viii. own and maintain certain plant, e.g. ports and airports;
- ix. provide adequate parking, also for coaches;
- x. facilitate the establishment of appropriate public transportation services, e.g. taxi services;
- xi. license establishments in accordance with national framework;
- xii. promote and financially support the establishment of local publicity associations /community tourism and marketing organisations to facilitate, market, coordinate and administer tourism initiatives."

It is not intended that Local government provide services that can be provided by the private sector.

**e. The Kwazulu-Natal Tourism Act, 1996 (as amended, including No. 2 of 2002)**

The KZN Tourism Act provides for the establishment of bodies to develop, promote and market tourism in KwaZulu-Natal within the framework of government policy.

Section 30 of the Act sets out that the "Functions of Provincial Tourism must be specified in provincial tourism policy including, but not limited to, the following core areas:

- i. international tourism marketing;
- ii. national tourism marketing;
- iii. planning, development and promotion of tourism products for the Province;
- iv. implementation of national and provincial tourism policies; and
- v. integrated marketing and development of the tourism industry in the Province".

**f. Broad-Based Black Economic Empowerment Act, 2003.**

The BBBEE Act was promulgated, amongst other issues, to:

- i. establish a legislative framework for the promotion of black economic empowerment;
- ii. to empower the Minister to issue codes of good practice; and
- iii. to publish transformation charters.

In addition to promote the purposes of the Act, the Minister may by notice in the Gazette issue codes of good practice on black economic empowerment that may include:

- a. the further interpretation and definition of broad-based black economic empowerment and the interpretation and definition of different categories of black empowerment entities;
- b. qualification criteria for preferential purposes for procurement and other economic activities;

- c. indicators to measure broad-based black economic empowerment;
- d. the weighting to be attached to broad-based black economic empowerment indicators referred to in paragraph (c);
- e. guidelines for stakeholders in the relevant sectors of the economy to draw up transformation charters for their sector; and
- f. any other matter necessary to achieve the objectives of this Act.

Section 12 of the Act makes provision for the Minister to publish in the Gazette for general information and promote a transformation charter for a particular sector of the economy, if the Minister is satisfied that the charter:

- a. has been developed by major stakeholders in that sector; and
- b. advances the objectives of this Act.

The BEE Charter for the Tourism sector has been developed and launched in May 2005. It sets out targets for a mid – term by 2009 and a set of targets for 2014 in relation to:

- i. Ownership;
- ii. Strategic Representation;
- iii. Employment Equity;
- iv. Skills development;
- v. Preferential procurement;
- vi. Enterprise development;
- vii. Social Development and industry specific interventions.

## **2. SOCIO ECONOMIC CONTEXT**

There are a number of Strategic interventions intended to positively impact on the socio-economic environment in the country.

### **a. The Accelerated Shared Growth Initiative for South Africa (ASGISA)**

ASGISA focuses the energy of government and its partners to halve poverty and unemployment by 2014.

Two sectors were identified for special priority attention. Tourism is one of the sectors, and business process outsourcing the other.

The ASGISA objectives for tourism is for it to take its contribution to GDP from about 8% to about 12% and increase employment by up to 400 000 people.

The key issues to be addressed by tourism include:

- i. Marketing;
- ii. Air access;
- iii. Safety; and
- iv. Skills development.

### **b. Integrated Development Planning**

Local municipalities in South Africa have to use "integrated development planning" as a method to plan future development in their areas. Apartheid planning left us with cities and towns that:

- i. have racially divided business and residential areas;

- ii. are badly planned to cater for the poor - with long travelling distances to work and poor access to business and other services;
- iii. have great differences in level of services between rich and poor areas.

Integrated Development Planning is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development. Tourism must, at a local level, engage in this process. An Integrated Development Plan is a super plan for an area that gives an overall framework for development. It aims to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in an area. It should take into account the existing conditions and problems and resources available for development. The plan should look at economic and social development for the area as a whole. It must set a framework for how land should be used, what infrastructure and services are needed and how the environment should be protected. All municipalities have to produce an Integrated Development Plan (IDP). The municipality is responsible for the co-ordination of the IDP and must draw in other stakeholders in the area who can impact on and/or benefit from development in the area.

Once the IDP is drawn up all municipal planning and projects should happen in terms of the IDP. The annual council budget should be based on the IDP. Other government departments working in the area should take the IDP into account when making their own plans.

### **3. Strategic Imperatives**

#### **a. Provincial Spatial Economic Development Strategy 2006 (PSEDS)**

The Provincial Spatial Economic Development Strategy (PSEDS) identifies the following Pillars of the economic development strategy in the Province of KwaZulu Natal.

- Increasing investment in the province
- Improving skills and capacity building
- Broadening participation in the economy
- Increasing competitiveness

All these require government intervention at some level. In regard to Tourism, the Strategy identifies the primary sectors of tourism to be the potential offered by the beach, cultural and eco-tourism experience.

#### **Provincial tourism priorities are:**

- Greater Durban & Pietermaritzburg area
- Drakensberg region
- Greater St Lucia & surrounding big five reserves
- South and north coast beach tourism
- Zulu Heritage & Cultural Trail
- Battlefields Route

#### **b. KZN Provincial Growth and Development Strategy 2004 (PGDS)**

KZN province has focussed its efforts in a sustainable growth and development agenda, to ensure it responds to the people's contract for poverty reduction and employment creation. Its PGDS for between 2004 and 2014, sets out, amongst other issues, the key

challenges and the objectives and targets it sets itself. The strategic objective the PGDS sets for Tourism in the province is:

“to develop a framework for the promotion of KZN as a leading tourist destination, nationally and globally, and to provide strategic support services to develop a sustainable and competitive tourism industry”

The key performance indicators set for Tourism in the PGDS are:

- i. Increase in contribution of domestic tourism to GDP;
- ii. Increase in contribution of international tourism to GDP;
- iii. Number of partnerships with national, provincial and local institutions e.g. SA Tourism and Ezemvelo KZN Wildlife
- iv. Number of domestic and international tourists; and
- v. Percentage Increase in contribution of national tourism market

The Premier also identified the rich cultural diversity, history and heritage as potential to be developed.

### **c. Tourism Growth Strategy – May 2002**

The Tourism Growth Strategy was developed to effectively drive tourism growth for South Africa.

The growth strategy lays a key strategic foundation for the SA Tourism and provincial tourism organisations to strategically deploy its resources to secure growth from tourism markets which hold the greatest potential to deliver against the objectives for tourism growth. The process of arriving at a strategy involved choices. These choices included:

- which markets to focus on;
- which segments within these markets to target;
- with what message; and
- through what medium.

Data and deep analysis informed:

- Behind which customers do we organise ourselves to win?
- How do we target these customers?

The Tourism growth strategy focused on “building and growing a sustainable international tourism market based on demand, rather than solely on what we have to offer, or what we as South Africans believe foreign tourists will like”.

The Tourism Growth strategy is focused at achieving:

- a. growth in volume:  
to increase tourism volume at high and sustainable rates;
- b. increase spend:  
increase total spend by tourists in South Africa
- c. optimise length of stay:  
optimise length of stay to maximise revenue yield in South Africa

d. improve distribution:

Improve volume and spend distribution around the country, and throughout the year

e. promote transformation:

improve activity and spend patterns to enable transformation and promote black economic empowerment

**d. Domestic Tourism Growth Strategy**

The Domestic Growth Strategy recognised the untapped potential of tourism in South Africa. It recommends that Provinces exploit the potential.

It sets out four goals:

- i. Volumes – developing a holiday travel culture
- ii. Spend – optimising spend amongst key segments
- iii. Seasonality and consumption patterns – creating year round destinations
- iv. Geographic spread – reducing the polarization of holiday travel

These goals are similar to the objectives set in the Tourism growth strategy. It also entrenches the need for the selection of segments that must be based with varying emphasis on the above criteria.

The Domestic Growth Strategy encourages provinces to:

- i. Develop a set of South African experiences related to target consumers;
- ii. Distribute appropriate information in specific places;
- iii. Facilitate co-operative product packaging and promotion programmes at national and provincial levels;
- iv. Develop marketing and distribution channels; and
- v. Encourage repeat visitation

**d. 2010 FIFA Soccer World Cup**

The hosting of 2010 FIFA Soccer World Cup offers the Province an unparalleled advantage in show-casing itself as a world-class destination. It provides the province with a temporary spike in tourism numbers, but an opportunity KZN Province to show the world that its infrastructure works, its products can be compared with the best in the world, and its service sets it apart, and that it is indeed, "beyond your expectations yet within your reach".



**SECTION B: TOURISM ENVIRONMENT INFORMING THE PROVINCIAL TOURISM POLICY**

The KZN Tourism Report compiled during the White Paper process provided the information and data used to inform the formulation of the Tourism White Paper.

**1. THE KZN TOURISM REPORT SETS OUT:**

- o Definitions
- o Volume, seasonality and geographic distribution
- o Spend
- o Value & Employment
- o Trends and projections
- o 2010 predictive demand model
- o Consumer profiles
- o Supply side profile &
- o Supply side survey results

In defining who is a "Tourist" the Report also informed the types of tourism countries enjoy. These included:

- o Leisure/Holiday Travel
- o Visiting Friends and Relatives (VFR)
- o Business Tourism (Meetings, Incentives, Conferences and Exhibitions); and
- o Business Shoppers

**2. A HEALTHY GLOBAL INDUSTRY:**

Despite several severe shocks in the last five years global tourism has grown. International arrivals broke through the 700,000,000 mark in 2002. Three years later broke through the 800,000,000 mark in 2005. In 2004 growth was 10% and in 2005 growth was 5.5%. International tourism is a large, growing and highly resilient economic sector. Europe is the worlds largest source market followed by Asia & Pacific and the Americas.

**A growing but seasonal industry:**

Global international tourism (arrivals) is growing faster than the global economy. It is, however, highly seasonal.

**South Africa has experienced a tourism boom since the 90s**

Foreign tourist arrivals went from under a million per annum to several million per annum in the early nineties. Through the mid-nineties (1994-1998) foreign tourist arrivals grew by (CAGR) 11.8%.

The steady growth continues and long haul is becoming increasingly important.

**Geographic distribution:**

Tourists are visiting fewer provinces on their trips. KwaZulu Natal increased in share of visitors from 18 to 20% in 2004, but did not increase its share of bednights in 2004, while Gauteng and Western Cape did. Certain provinces are extracting more value.

KZN receives and generates the most domestic trips. Domestic trips are short averaging between 1 and 3 days.

**Projections for the tourism industry – Optimistic outlook:**

According to the WTO, global international tourism is set to grow.

- o The 700 million mark had been passed in 2002
- o Global tourism arrivals grew by 5.5% to 808 million in 2005
- o In 2005 Sub-Saharan Africa was the world's third fastest growing tourism region (12.6%) after Central America (13.6%) and South America (12.7%)
- o The growth trend is supported by:
  - Communications advancements
  - Global shrinkage
  - Lower administrative barriers
  - Generally, Businesses (even small ones) interact over vast distances
  - Social and cultural interaction occurs over vast distances
  - Travel impact - Long distance communication does not replace travel – it stimulates travel
  - Societal changes positively impact tourism - in 2005 10% of the global population crossed a border
  - In the future the global population's mobility is set to increase

**Projections for the tourism industry:**

- o Africa will grow by 5% per annum
- o 1 billion arrivals in 2010
- o 1.6 billion arrivals in 2020

**2010 predicted demand:**

- o The South African 2010 World Cup Bid Company projected, in a draft economic impact assessment, that 2.72 million spectators will attend the event, 67% (1,822,400) South African and 33% (879,600) foreign.
- o This would include
  - 36 teams with 50 people per team or 1800 team members
  - 10,500 media
  - 5,000 VIPs
  - 500 FIFA officials
- o 500,000 foreign visitors (located outside the continent of Africa) are expected
- o Revenue from direct spectator spend is estimated at R12.7 billion
  - o For reference the CWC 2003 had attracted about 18,500 overseas visitors
- If we assume:
  - one tenth of the fans will come to KZN (since there are 10 venues around the country) and they will stay for 3 days (before going to the next place or match)
  - Then KZN will attract about 90,000 overseas visitors who will consume about 270,000 bednights or 135,000 room nights
  - This will require a supply of about 45,000 rooms

**2010 predicted demand:**

- o **KZN's roomnight stock is estimated to be, in 2010, approximately 25,000**
  - Note – based on current national base of tax registered accommodation establishments (97,600 rooms) that will grow at projected GDP rates (4.5%) pa till 2010 to 124,600. We assume that KZN's market (supply) share will increase from 17.8% (current) to 20% by 2010

- o Domestic consumption is ignored
  - It is assumed that availability and pricing will drive domestic consumers into VFR accommodation
- o Informal and unregistered tourism supply is not accounted for
  - It may be assumed that entrepreneurs are likely to approach the spike demand creatively
- o The event is approximately 40 days long

### **3. MARKET SEGMENTATION**

SA Tourism and KZN Tourism Authority conducted market segmentation exercises for most of South Africa's primary tourism source markets over the last 5 years. It has emerged that there are certain meta segments or typologies that span across various geographic borders (countries).

These include the following categories of travellers:

1. Next Stop SA – NSSA – either the Adventurous or the Pampered
2. Wanderlusters – upscale to the young
3. Family Travellers – the Cacooned or the Adventurous
4. Positive Convertible
5. Senior Explorers
6. Purpose Travellers

The core focus for KZN internationally is on Wanderlusters and NSSAs. Its secondary focus of Family explorers, MICE and "new beach lovers"

KZN's domestic focus is the:

7. Young and upcoming
8. Independent couples and families
9. Well-off homely

Of importance to KZN is the need to understand, and, act in accordance with the unique attributes of these market segments:

- o Understanding the demographics
- o Past Travel Profile
- o What are their Interests
- o Level of Awareness
- o Behaviour Profile
- o Spend patterns
- o Channels they buy from
- o Messaging to attract market
- o What type of product offering they desire
- o Who your Competitors would be for this market
- o Their Travel Desires
- o Their potential travel to South Africa
- o How do you attract and activate this market segment

### **4. SUPPLY SIDE PROFILE**

The KZNTA database as at 1 March 2006 listed some 9,367 products and service providers.

38% of these were located in the Durban Metro region followed by 12% in the Midlands and 10% in the Drakensberg.  
Accommodation made up 28% of this database followed by Historical, Religious and Cultural Assets at 11%.

## **5. SUPPLY SIDE SURVEY RESULTS**

An on-line survey with the sample drawn from the KZNTA database was conducted. Results from 72 Towns/Cities and organisations across the tourism supply chain were represented. The results confirmed that:

- Accommodation continues to be the dominant sub-sector
- The tourism industry is young in terms of industry life-cycles/maturity cycles
- The tourism industry is run by people who are, in general, new to the industry
- The supply side is dominated by micro firms (71%)
- Most employ less than 10 people

In terms of the legislative and environmental landscape, many respondents reported that:

- The focus tends to be on local issues and not on national or global issues
- There was a low level of industry organisation, interaction with government and understanding of private-public interaction points
- No focus on global competitiveness but on local intra-competition
- it is very difficult (57.1%) to identify the roles and responsibilities of the different tourism related structures within government.
- The responsibilities of the various Departments is unclear.
- It is important for tourism establishments to be graded (79.7%) and 63.8% Consumers care about going to graded establishments
- There are sufficient number of appropriately skilled employees and potential employees, however key areas of operational skills is lacking
- 82.1 % think that tourism establishments should be registered
- Reasons : accountability, credibility, exposure of establishments, standards, management, protection

The STRENGTHS of KwaZulu Natal included:

- Natural attributes / products / attractions
  - Wildlife, mountains, beach, history, culture
  - Winter weather
- Brand "Zulu" is global
- Proven ability to host major international events
- Political will to grow tourism

The WEAKNESSES

- Roles and responsibilities of different government structures are unclear
- Strategic, tactical and implementation level activities are not co-coordinated
- Industry is at the early stages of development
- No effective lobby and execution against small barriers that can be overcome, e.g. Training, crime, marketing, infrastructure
- Tends to take a short term view with local considerations

OPPORTUNITIES exist to:

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- Organise and co-ordinate Government and Private sector
- Be positioned as the Leading Events destination in Africa
- Market driven tourism development

THREATS identified:

- Global competition
- Uncompetitive pricing
- Over supply of unsustainable product offerings
- BBBEE failing
- 2010 focus point distracting from the National Tourism Growth Strategy

## **SECTION C: VISION, OBJECTIVES AND PRINCIPLES**

### **1. Vision**

To position the Province of KwaZulu Natal as Africa's leading Eco-Cultural tourism destination, nationally and internationally.

The reference to eco-cultural derives its meaning for the Province from its variety of natural resources and attributes, which includes, amongst others, the mountains, the sea, its wildlife, and its all - year favourable weather conditions. This linked with the cultural diversity of the province and the home of the Zulu people, positions it as an "Eco-cultural" destination.

It is the responsibility of the tourism role players, both public and private sector, to give effect to this Vision.

### **2. Mission**

To initiate, facilitate, co-ordinate and implement:

- a. "Experience - based" tourism marketing, and
- b. "Demand – driven" tourism development programmes;

in order to achieve the tourism growth objectives and thereby ensure:

- i. shared and sustainable economic growth and development in the Province;
- ii. the transformation of the tourism sector within the Province;
- iii. the bridging of the gap, and, ultimately eliminating the second economy.

### **3. Guiding Principles**

The province commits to growing its tourism market share by:

- a. Adopting an "experiential – beyond boundaries" approach to marketing the destination;
- b. Marketing in a "constructively competitive" manner;
- c. Striving for world class service levels;
- d. Respecting the cultural diversity of its communities and its visitors; and
- e. Ensuring responsible tourism practices.

### **4. Critical success indicators**

For Tourism to succeed in any destination, there must be an enabling environment. The enablers critical to KZN are similar to those identified within ASGISA. These include:

- a. Marketing
- b. Air access
- c. Safety
- d. Skills development.

In addition to this, the Tourism sector by virtue of its diverse supply chain, is dependent on a number of non-tourism related enablers. These include:

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- e. In the Public sector – inter alia, issues of land-use planning, infrastructure and service provision (e.g. roads, electricity, water), immigration control, Telecommunications, safety and security, health. This requires a high level of co-operation between government departments and public entities;
- f. In the private sector – these include – financial services (both on the supply- and demand-side), retail sector, transportation.

## **SECTION D: DRIVING TOURISM GROWTH**

The promise of delivery against the Tourism Growth objectives drives the passion with which the country and the province manages its tourism. In order to deliver on these objectives, it is imperative that the fundamentals are in place. In this regard one must assume that there is a clear and robust plan based on market and local imperatives. Some of the critical issues driving tourism growth is the presence of supporting strategies, plans, framework, structures and resources.

### **1. Financing Tourism**

Competitive destinations require competitive resources. The province competes and defends its market share in a global environment. To hold its own there is the need for:

- a. "competition-related' budgets for the marketing of the destination;

Funding of destination marketing, in most countries is led by Governments. This not only allows for a non-aligned, objective approach, but also allows governments to drive the macro objectives set for tourism. In providing the resources for marketing, it is a legitimate expectation of government that the tourism private sector will be joint marketing partners, supplementing its investment.

- b. continuous investment in products and services.

Product and service investment is in the main Private sector domain. The province has demonstrated its commitment by launching the Provincial Growth Fund (PGF). The PGF is an intervention to enhance growth and development in KZN, thereby contributing to ASGISA. Among its strategic objectives are to:

- i. Target productive infrastructure to crowd-in private sector investment into KZN;
- ii. Enhance the existing comparative advantages of the province by focusing on, inter alia, tourism-based development projects.

It established an Accelerated Economic Development Unit within Ithala Bank to facilitate, for example, tourism programmes, including black-owned game parks.

In addition to this, and, with a view to attracting investment into the province, the province has introduced a range of Investment incentives.

### **2. Investment Incentives**

The province has a dedicated Investment agency in Trade and Investment KZN (TIKZN). TIKZN provides the link with Investment South Africa, the country's Trade and Investment structure. Some of the key services provided by TIKZN to be leveraged for Tourism include:

- a. facilitating joint ventures;
- b. facilitate business linkages between small and big business;
- c. timeously provide relevant and reliable information to potential and existing investors and traders;
- d. assist existing and new investors with applications for investment incentives and export marketing incentives;
- e. assist foreign investors with applications for work permits;
- f. negotiate local government incentives on behalf of investors;
- g. provide project support and aftercare services to investors;
- h. assist investors to secure project and operational financing.



### **3. Foreign Investment**

The MEC for Finance and Economic Development has announced a comprehensive plan to transform the regional economy by ensuring that it grows the economy and increases investment in partnership with the private sector.

The Financing, Investment and Incentives landscape in KZN has to be established and institutionalised. It would serve tourism's purposes to form formal partnerships with relevant institutions to leverage the tourism application. The formal partnerships should go beyond a Memorandum of Understanding but also capture performance indicators and, if required, shared organisational resourcing. There is no merit in duplication.

### **4. Natural Resource Management and use**

KZN has some of the finest eco-tourism destinations in the world, visited by more than 1 000 000 visitors annually. KZN has a dedicated agency, Ezemvelo KZN Wildlife, taking care and managing its natural resources. It has regularly achieved local, national and international acclaim for its continued outstanding contribution to conservation and eco-tourism. It has achieved the declaration of the Isimangaliso Wetland Park, and the Ukhahlamba Drakensberg Park as a World Heritage Sites.

Ezemvelo KZN Wildlife is the forerunner of successful private conservation initiatives and traditional community involvement in the business of conservation and tourism. Approximately a third of KwaZulu-Natal is under some form of private conservation. Traditional communities benefit directly from the protected areas through managed natural resource use, craft markets, partnerships in eco-tourism developments and through a tourism levy. EKZNW's conservation and use objectives is captured in the KwaZulu-Natal Biodiversity Conservation Spatial Framework. It serves as a planning tool at the level of the Provincial Spatial Development Framework (PSDF) designed to promote the sustainable development of the provinces natural resources, minimise conflict with other proposed economic activities while attempting to comply with international and national agreements and obligations. The planning outcomes serve to ensure that the ecosystems are not threatened. Any threat to the system would render the biodiversity assets, and therefore, the tourism assets at risk.

It is, therefore, critical that the planning outcomes for biodiversity conservation is integrated into the District Municipality Spatial Development Frameworks.

KZN's Indian Ocean seaboard is another natural resource asset requiring planned and managed tourism development.

KZN and the DEAT's Coastal and Marine management branch, closely monitor threats of degradation and misuse. The province remains in the lead with Blue flag certification. Blue Flag status is only awarded to those beaches that achieve excellence in water quality, environmental education and information, and adhere to international safety standards. High levels of cleanliness, the quality of facilities (toilets and showers) and professional lifeguard services are key criteria for the awarding of Blue Flag status to beaches. It is critical that KZN continues to increase the number of Blue Flag beaches.

KZN also has the Natal Sharks Board (NSB), the only organisation of its kind in the world. The NSB is a service organisation that undertakes research on sharks, and, protects beach

users in KwaZulu-Natal against shark attack. It supports and promotes the conservation of sharks. The NSB services 27.5 kilometres of netting, spread at intervals along 320 km of coastline in KwaZulu-Natal, thereby providing protection against shark attack at 38 localities. The nets are serviced about 20 times per month. Tourism agencies and the private sector derive an unrivalled advantage from the work of the NSB and should co-operate, support and highlight this advantage when profiling the destination.

## **5. Cultural Resource Management**

The notion of an Eco-cultural destination is founded on the strength of KZN's rich and diverse cultural heritage. The Zulu, British and Indian traditions combined give the Province the cultural edge it enjoys. The Zulu tradition itself is home grown and not "borrowed" from other cultures. The hospitality of the people of KZN has been the bedrock of the communities. The challenge is to continue to position this unique culture, in its many manifestations, as a competitive edge. This must be done without risk of degradation on the one hand, or mediocre packaging and fulfillment on the other.

The provincial Department of Arts and Culture and Tourism has adopted the vision "a unified citizenry that embraces its cultural diversity and contributes to the social and economic upliftment of all the people of KwaZulu-Natal through arts, culture and tourism". It intends to provide and promote innovative and vibrant cultural and tourism services which address the diverse needs of our people in order to enhance their quality of life". The department is also championing the need for an assessment of offerings against opportunities, a need for transforming Arts and Culture "from being economically marginalized to becoming part of the economic mainstream".

Tourism can be that access to the economic mainstream. This pre-supposes a structured engagement between Arts and Culture, and Tourism role players, and a commitment to developing "Arts and Culture for Tourism" framework.

The conservation of the Heritage of KZN is managed by Amafa/Heritage KwaZulu Natali (Amafa), the provincial heritage conservation agency for KwaZulu Natal. Amafa was established as a statutory body in terms of the KZN Heritage Act of 1997, to be the conservation, protection and administration of the heritage resources of the Province within the terms of this Act and to generally promote and coordinate heritage conservation for the benefit of present and future generations. Heritage Resources within the Province also fall under the protection, maintenance, and management of Amafa aKwaZulu-Natali.

These include, "historically important sites; architecturally important buildings; public monuments and memorials; military cemeteries and other important graves; traditional burial places; archaeological and palaeontological sites and artefacts; rock art; meteorites; historical shipwrecks, important cultural objects and trade therein, and the traditional building techniques of the people of the Province, by way of providing protections relevant to the type of site or artefact, and its relative significance; integration of protective measures into planning, development and local government systems and by providing for the establishment of educational, training, interpretive and tourism-related projects...".

The Global competitiveness study published by SA Tourism and DEAT in 2004 highlighted the world's assessment of our "cultural tourism" products and services.

This Global competitiveness study confirmed that there is a critical need for our cultural and heritage resources to be integrated into tourism product and experience planning in a manner that appeals to the market, yet, retaining the integrity of these resources.

## **6. Infrastructure Development**

- a. One of the major developments in KZN is the Dube TradePort (DTP). The DTP is a Section 21 Company and will be converted into a statutory public entity under the Public Finance Management Act (PFMA) that is empowered to establish King Shaka International Airport Special Purpose Vehicle, which will then enter into contractual agreements with ACSA to manage and operate the airport and with the selected bidder from the private sector to design and construct the facility. The DTP, as a statutory public entity, will be mandated to drive the trade zone development, the cyber port, the agricultural zone and other associated commercial developments.
- b. The 2010 World Cup stadium development is the second major infrastructure-related programme being advanced by the provincial government in preparation for the 2010 World Cup.
- c. An important part of government's infrastructure-related strategic investment programme for the medium term is the Richards Bay Industrial Development Zone.
- d. Corridor development - other infrastructure-related strategic projects proposed is the two road corridors leading to Richards Bay, namely the Lubombo SDI corridor and the P700 linking to Ulundi and ultimately Vryheid. This investment will stimulate economic development along these nodes and open up the areas in question to tourism and related industries."

## **7. Transportation**

- a. Air:

Access is key to the success of any tourism destination. KZN has had to accept that almost all of its International tourists would have to arrive via OR Tambo International airport. This is a deterrent to particular market segments, for example, business tourism. This added to our long haul destination status as a country. This challenge will be addressed with the relocation of Durban International Airport when King Shaka International is operational in 2009.

Tourism decision makers in KZN must already be focussing on the carriers and markets.

- b. Road:

KZN is serviced with main arterial route from the south, north and west making it efficiently accessible from all parts of the country, and from the neighboring Southern African Development Community (SADC) states.

The state of the Provinces roads is constantly being upgraded. The African Renaissance Road Upgrading Programme (ARRUP), the bold roads upgrading infrastructural investment initiative aimed at fast tracking rural development in KwaZulu-Natal. As a result the Department's investment of R724 million over 5 years in the ARRUP is the biggest capital investment ever, by provincial government, in rural infrastructure. ARRUP will facilitate the promotion of cultural and eco-tourism and a diversified local economy, act as a catalyst for future investment decisions, improve access to markets and open new markets, diversify

and create new types of employment, raise the standard of living in rural areas to a more equitable level, change consumer patterns, and reduce rural/urban migration. Efficient road networks support planning for tourism distribution in the province.

Other road and transport programmes supporting tourism growth in the province include:

i. Adopt-A-Highway

This project entails the KZN-Department of Transport entering into an agreement with a contractor or a local non-profit organisation, such as a conservancy, to erect advertising signs at one kilometre intervals according to predetermined specifications. The income the contractor or conservancy derives from this advertisement is used for grass cutting, removal of noxious weed, litter collection and drain clearing - using emerging contractors at no cost to the KZN-DOT;

and

ii. Asiphephe - Zero Tolerance Manifesto

iii. A road safety initiative aimed at passengers, pedestrians and drivers.

c. Sea

Over the course of the past three decades, the cruise industry has emerged as a major sector of the worldwide travel and leisure business. In 2000, cruise lines welcomed over 10 million passengers on 240 ships. Once limited to cruise itineraries in the Caribbean and Mediterranean, cruise lines now offer vacations in nearly every conceivable sailing region worldwide. With a number of new cruise vessels scheduled for delivery by 2005, and a vast majority of travel and leisure enthusiasts still new to the world of cruising, most industry analysts agree that the cruise industry still has a significant growth period ahead. Continued growth of the industry will further opportunities for both established and emerging cruise destinations to welcome these expanded operations and accrue the financial and social benefits resulting from them.

The cruise tourism industry is unique in the manner in which it provides a combination of transportation, accommodation, entertainment and destination services for an emerging tourist-source market labelled the 'cash-rich time-poor' consumers. With two well resourced ports and the planned DTP, KZN is considered as having the potential to offer cruise tourism facilities for both arrivals and departures for international and domestic 'fly-cruise' packages as well as several destinations for the anticipated growth of this sector of the tourism industry, within its location of the south-western part of the Indian Ocean.

d. Rail

Interest for rail tourism is fast growing both from a domestic and international point of view, where present demand far surpassed existing capabilities. SARTAG members transported some 19 103 passengers last year, 360 direct jobs were sustained and the annual industry turnover was in excess of R70m, and rail tourism contributes some R150m to the South African economy every year.

KZN with its pristine landscape offers a limited rail tourism experience, leaving a possible market niche untapped.

e. Border posts

Currently extensive use is made of land border posts in KZN, with limited use of sea and air facilities. A number of developments and protocols will result in increased border activity in the future. These are:

- i. The King Shaka International Airport;
- ii. Dube TradePort;
- iii. The introduction of the SADC UniVisa for international visitors;
- iv. The SADC Visa Exemption for SADC nationals; and
- v. Ratification of the SADC Facilitation of Movement Protocol.

For tourism to benefit from this increased flow there has to be effective, efficient and tourism friendly servicing. This requires inter-governmental co-ordination in regard to infrastructure design, human resources, training and technology provision.

## **7. Safety and Security**

It is a given that with development comes crime. The challenge therefore lies in putting in place systems and structures towards the effective combating of crime. The effective combating of crime in the Province will have a direct impact on the creation of new opportunities for effective and sustainable economic growth. One of such opportunities is growing Tourism in KwaZulu-Natal. In deriving a comprehensive response to combating crime, integrated partnerships with all role-players in the crime, justice, safety and security arena is essential.

a. Programmes:

The Department of Community Safety and Liaison, in KZN, maintains that co-ordinating the efforts of key role players in the Province is crucial. Working together with these key role-players, some of which include the SAPS, the Independent Complaints Directorate (ICD), the Community Policing Forums, the Durban Metro Police and Local Government, the Department strives towards combating crime through the following Programmes:

- i. Monitoring and Evaluating police service delivery and compliance with National policy standards, and, thereafter, making recommendations for redress, if required;
- ii. Addressing service delivery complaints against the police to support the raising of service standards;
- iii. Enhancing the capacity of Community Policing structures to improve co-operation between the police and the community;
- iv. Develop and execute Social Crime Prevention programmes at the Provincial and Local level;
- v. Establish Community Safety Forums, thereby consolidating the Community Safety Network structure;
- vi. Establish and ensure the effectiveness of a Victim Support Network, with a particular focus on ensuring the effectiveness of SAPS Trauma Centres and the implementation of special support programmes for vulnerable groups.

b. Local Municipalities:

The local, municipal level is characterized by intense development. Yet at this level, there seems to be a lack of integrated planning with the Safety and Security Sector (e.g. when undertaking local housing projects or tourism infrastructure development, it is important to take into consideration the proximity to infrastructure such as the nearest police station or schools).

c. Local Councils have Integrated Development Plans (IDP's) and in KZN the Department has undertaken to incorporate Community Safety Plans into all IDP's. The Department insists that IDP's must be resourced to support crime prevention.

d. Designing out Crime:

Development experts need to look at ways of designing out crime through development, thereby creating a stable environment, promoting investment and ultimately growing Tourism.

## **8. Regional Co-operation**

KZN shares its borders with three of the fourteen SADC countries – Lesotho, Swaziland and Mozambique.

a. The SADC member states have set themselves a range of objectives for co-operation. A key objective is to:

“Achieve development and economic growth, alleviate poverty, enhance the standard and quality of life of the peoples of Southern Africa and support the socially disadvantaged through regional integration”.

b. The Regional Tourism Organisation of Southern Africa (RETOSA), the tourism agency within the SADC organ, is tasked with progressing regional tourism cooperation intended to develop the combined tourism interests of its fourteen member states well into the next century. It markets and promotes the region in close cooperation with the Region's national tourist organisations and the private sector.

The fourteen member countries developed and signed a Protocol on the Development of tourism in the SADC Region. In Article 5 Member States undertook “to endeavour to make the entry and travel of visitors as smooth as possible and shall remove practices likely to be obstacles to the development of travel and tourism for both regional and international tourists by:

- having visa requirements for regional tourists who wish to enter their territory as visitors, abolished, in furtherance of existing and future SADC Protocols; and
- having a tourism UNIVISA which will facilitate movement of international tourists in the region in order to increase the market share and revenue of the region in world tourism on the basis of arrangements to be negotiated and agreed upon by Member States;

**There will, therefore, be two VISA systems applicable:**

**i. UNIVISA System**

This will be a common VISA system that will apply to non SADC international - long haul - tourists travelling to and within the region in order to ease accessibility of the tourist to the region and encourage multi-destination travel within the region; and

**ii. VISA exemption system**

This will apply to intra-regional SADC travellers within the region in order to facilitate smooth entry of SADC Nationals to and out of SADC member states.

This system will have a positive impact on tourism, but also requires capacity and resourcing at the border posts. The Province will also require to review the way visitor statistics is gathered.

KZN with its three SADC country neighbours is party to a number of regional initiatives:

- i. Lubombo SDI: a corridor stretching from the Isimangaliso Wetland Park and along the Indian Ocean coastline to Ponta do Ourao in Mozambique, embracing Jozini Dam and game reserves in Swaziland, it is focused on tourism and major agricultural development opportunities.
- ii. KZN Boasts Two of SA's Six Transfrontier Conservation Areas (TFCA's). A transfrontier park refers to a cross- border wildlife conservation area where the responsible authorities agree to manage those areas as an integrated unit. The authorities also agree to remove, where possible, all human barriers within the area so that animals may roam freely. KZN's two TFCA's are:
  - The Lubombo transfrontier park, partially in northern Kwazulu-Natal, actually consists of three parks - one between SA and Swaziland, one between SA and Mozambique, and one between Mozambique and Swaziland.
  - The Maloti Drakensberg transfrontier conservation and development area - also in KZN. It will include areas in the Eastern Cape, KwaZulu-Natal, and Free State provinces on the South African side
- iii. The 33 kilometre gravel Sani Pass Road which runs from Himeville through to the Lesotho Border is set to become accessible to all types of vehicles soon. The Sani Pass Road, also known as Main Road 318, has certain extremely steep and treacherous sections, particularly as it approaches the Lesotho Border. A section of the road is currently restricted to 4X4 vehicles only. However, both the governments of South Africa and Lesotho intend to make the exclusive use of 4X4 vehicles on this road a thing of the past. In the long term it is imperative that the entire length of the Sani Pass Road be upgraded.

A framework is required to give effect to the regional tourism objectives South Africa (therefore KZN) is party to:

- To increase the volume of business to the Region;
- To motivate broader intra-regional product programming in the target markets;
- To increase the awareness of the travel trade in source markets of the Region's multifaceted products;
- To increase consumer awareness and motivation in Southern Africa of the benefits of leisure travel in the Region;
- To identify and develop market niches for the region; and
- Constructive Cooperation

## **SECTION E: INTERGRATED TOURISM DEVELOPMENT**

### **1. Demand Driven Tourism Planning**

The global competitiveness study and KZN tourism Report findings support *constructive competition*. It tells us that the tourism market must be increased, the product platform broadened with innovative and differentiated products, which position us to provide world class products and services. We will then be positioned to fight for our share of the discretionary spend and grow our tourism base.

We are also cognisant that for there to be an effective growth in the market the product and service matrix must be aligned to market needs. On this basis market needs must inform supply, and by implication, inform sustainable product development. There is no point in developing in a vacuum.

The principles presented below apply as much to the established private sector products and services as it is to emerging.

In progressing the *demand-driven approach* to development, it is necessary to consider the process of travel and tourism decision making by the customer. We are aware that experiences drive the tourism destination choice, and therefore, need to respond with products and services accordingly. This is the only means by which development can be sustainable and successful.

A cluster of enablers and offerings must be combined to create the experience hub. This hub could exist in established tourism nodes, developing nodes, and even a combination of both. Again, it is not driven by geography, but a seamless integration of experiences. For example, a traditional Zulu cultural itinerary does not have to be limited to a particular locality. It can be a combination of the different elements of the cultural experience such as the established routes, food and beverage experiences, retail opportunities, entertainment and accommodation. And it can be offered against world class standards. All too often these experiences are reduced to "community based" tourism products, are marginalized from the main stream, and not integrated into the macro product and service offerings. As a result tourists do tend to take a day out of their itineraries to pay homage to the communities, and return to the established accommodation establishments for their high-end spend activities, but leave feeling less than fulfilled.

In 1999 The Cluster Consortium identified that "in the typical tourism cluster, for example, the quality of the visitor's experience depends not only on the appeal of the primary attraction but also on the quality and efficiency of the complementary businesses such as hotels, restaurants, shopping outlets, and transportation facilities. Because the entities of the cluster, both primary and supporting, are ultimately interdependent, good performance by one drives and promotes the success of the others. Once a cluster begins to form, it soon attains a synergetic "critical mass" - a self-reinforcing cycle which supports and accelerates growth. "

This is concurrent with how most mainstream tourism nodes were developed in South Africa and globally, Sandton and Las Vegas will not be what they are today if these clusters did not exist.

*The structure of this Policy document does not seek to differentiate tourism development principles for main stream and emerging tourism destinations. What it will, however, set out is the special interventions required to address the differing circumstances. Hence the approach is an Integrated tourism development approach.*



## 2. Product Development

An eco-cultural tourism destination needs to reflect this in everything that represents its identity and in everything it delivers on this promise. This requires planning and the development of a product development framework for the province. Investors would like the re-assurance that they are investing in a province that has a plan for its tourism infrastructure and product development, that other developers following them will be guided by this framework as well.

Such a framework can only be developed if the destination understands its markets, effectively projects its market share, agree the experience it seeks to provide to the market, establishes the experience routes, and determines the product and service matrix.

- a. Private sector: product development is essentially driven by the private sector and should be encouraged to remain as such;
- b. Public sector: the province may be the custodians of tourism assets and seek to have the private sector manage and operate this.
- c. Private – Public sector partnerships (PPSP): "South Africa has established a firm regulatory framework for national and provincial institutions to enter into public private partnerships. This is set out in Treasury Regulation 163 issued in terms of the Public Finance Management Act, 1999 (PFMA). Furthermore, National Treasury's PPP Manual and Standardised PPP Provisions have been issued as PPP practice notes in terms of section 76(4)(g) of the PFMA to make the application of the PFMA and its regulations easier. Municipal PPPs are regulated under the Municipal Finance Management Act, 2003 (MFMA) and its regulations, and similar PPP guidance is being devised for this sphere of government.

South Africa's tourism industry has experienced considerable growth in the last decade, but despite the many opportunities that exist, the development of tourism-based businesses on state-owned land has been slow. The PPP Manual and Standardised PPP Provisions cannot, however, be summarily applied to tourism PPP projects. National Treasury therefore sought to boost this strategic sector of the economy by providing practical guidelines in the form of this PPP Toolkit for tourism. It makes the PPP process relevant to the particular characteristics of the country's nature and heritage tourism industry. The Toolkit should make it easier for institutions and the private sector to enter into tourism-related partnerships on state property managed by national and provincial government institutions".

## 2. Training & Development

The engine of the tourism sector is its human resources. The tourism experience provided is influenced by the capacity of the service providers. To provide globally competitive service standards requires trained and skilled people. If the sector is to deliver on its job creation potential, it is necessary to invest in its human resources.

The Tourism, Hospitality and Sport Education Training Authority (THETA), is the Sector Education and Training Authority (SETA) established under the Skills Development Act (No 97 of 1998) [the Skills Act] for the Tourism, Hospitality and Sport Economic Sector. A SETA's main function is to contribute to the raising of skills - to bring skills to the employed, or those wanting to be employed, in their sector. They have to do this by ensuring that people learn skills that are needed by employers and communities. Training must be to agreed standards, within a national framework wherever possible.

Training is not only to be confined to the private sector, training of public sector employees engaging in tourism and local economic development activities must also be undertaken.

KZN must at regular intervals audit its skills supply and demand, establish its skills gaps, and develop a relationship with its institutions of higher education, colleges and training providers to ensure that the critical and relevant skills are being developed.

The KZN Tourism report identifies a shortage of graduates and customer service personnel within the sector, yet the country reports a high graduate unemployment rate.

### **3. Enterprise Development**

The tourism sector is an attractive enterprise opportunity for Small, medium and micro enterprises (SMMEs). Internationally, the sector is made up of more SMMEs (in number) than larger enterprises. It is the personal service nature of the business in this sector that lends itself to small business. Not all businesses are reliant on major infrastructure and assets to provide a relevant quality service. At the same time, SMME development must not be stereotyped to mean "in *their* rural locality only". "Community based tourism" stemming from the Tourism White paper's principle of: "*tourism must be community based*" did not intend the engagements of communities to be relegated to rural locales only. SMMEs must, and, should operate where the market dictates.

KZN can be the leader in pursuing an integrated approach to Tourism development.

It is also appreciated that the larger tourism businesses can only provide employment to the extent of their business needs. A large portion of the employment is provided by businesses in the SMME category.

A large proportion of the people of the province have been previously excluded from providing products and services within the tourism supply. They are now keen to provide such a service. This is necessary if the province intends providing the "experiences" it promises. The true ethos of the eco-cultural experience will not be delivered if this is not done.

It is, therefore, necessary for SMMEs to receive the support they need to establish and operate successful businesses. SMMEs require support in different areas, these include, but is not limited to:

- a. Access to finance;
- b. Access to information;
- c. Sustained market linkages;
- d. Technical support;
- e. Capacity building ;
- f. Business support; to more importantly,
- g. Integration into the tourism main stream.

There are a range of support services providing by a multitude of government agencies nationally, provincially and locally. For there to be impact on tourism entrepreneurs there is a need for:

- a. Tourism SMME support to be rationalized;

- b. Tourism SMME support services to be institutionalized – while leveraging from the existing range of services;
- c. Solution sought from International and national best practices – for example the success of co-operatives. The province has committed to this as an economic development approach where relevant and applicable; and
- d. Government to demonstrate its commitment to SMMEs by providing a SMME friendly procurement and financial management environment.

#### 4. Integration Of Previously Excluded Communities

Apartheid restricted the majority of South Africans from meaningful participation in the economy, confined the creation of wealth to a racial minority and imposed underdevelopment on black communities. The result is an economic structure that today still excludes the vast majority of South Africans. In order to develop our country's economy and its people, we need to ensure that all South Africans are integrated into the economy and this will only be possible if our economy builds on the full potential of all persons and communities. "Government's objective is to achieve this vision of an adaptive economy characterised by growth, employment and equity by 2014.

- a. **The Broad-Black Economic Empowerment Strategy** is a necessary government intervention to address the systematic exclusion of the majority of South Africans from full participation in the economy. De-racialising the South African Economy and laying the foundation for Broad-Based Black Economic Empowerment. Some of the legislation introduced, and relevant to the tourism sector, includes: The Promotion of Equality and Prevention of Unfair Discrimination Act; Extension of Security of Tenure Act; Restitution of Land Rights Act; Employment Equity Act; National Empowerment Fund Act; Competition Act; and Preferential Procurement Policy Framework Act. In addition, government has implemented various policies, strategies and programmes aimed at overcoming economic inequalities and underdevelopment, including the Integrated Human Resources Development Strategy; Urban Renewal Programme; Integrated Sustainable Rural Development Programme; the Tourism Transformation Strategy; and, the National Small Business Development Promotion Programme.

South Africa needs a focused BEE strategy to achieve the broad-based economic empowerment of black persons - a generic term, which means indigenous Africans, Coloureds and Indians - in our country. This will facilitate growth, development and stability in our economy.

The successful implementation of the BEE strategy will be evaluated against the following policy objectives:

- i. a substantial increase in the number of black people who have ownership and control of existing and new enterprises;
  - ii. a substantial increase in the number of black people who have ownership and control of existing and new enterprises in the priority sectors of the economy;
  - iii. a significant increase in the number of new black enterprises, black-empowered enterprises and black-engendered enterprises; and
  - iv. a significant increase in number of black people in executive and senior management of enterprises.
- b. **The Broad-based Black Economic Empowerment (BBBEE) Act** of 2003, was promulgated in January 2004 to, inter alia, establish a legislative framework for

the promotion of black economic empowerment; to empower the Minister to issue codes of good practice and to publish transformation charters.

In addition, in order to promote the purposes of the Act, the Minister may codes of good practice on black economic empowerment that may include:

- i. the further interpretation and definition of broad-based black economic empowerment and the interpretation and definition of different categories of black empowerment entities;
- ii. qualification criteria for preferential purposes for procurement and other economic activities;
- iii. indicators to measure broad-based black economic empowerment;
- iv. the weighting to be attached to broad-based black economic empowerment indicators; and
- v. guidelines for stakeholders in the relevant sectors of the economy to draw up transformation charters for their sector;
- vi. provisions for publishing in the Gazette for general information and promote a transformation charter for a particular sector of the economy, if the Minister is satisfied that the charter:
  - has been developed by major stakeholders in that sector; and
  - Advances the objectives of this Act.

The Tourism BBEE Scorecard and Charter was developed by major stakeholders and was launched in May 2005, a Tourism BEE Charter Council was appointed in 7 October 2005 to drive implementation of Tourism Charter and Scorecard targets as set out in the Tourism BBEE scorecard.

KZN Province would develop a Plan of Action to ensure the implementation of the charter and scorecard, establish mechanisms to monitor, evaluate and report on progress.

## **5. Quality Assurance**

Section 18 & 19 of The Tourism Act, No.72 of 1993, mandates the National Minister to establish a star grading and classification scheme in respect of accommodation establishments and certain prescribed sectors.

The Tourism Grading Council of South Africa (TGCSA) was appointed in August 2002. The council is made-up of representatives from all sectors of the Tourism Industry. The TGCSA was tasked with the main responsibility of providing a framework and process for grading across all sectors of the tourism industry which meet the expectations of both the industry itself and the consumer.

The TGCSA introduced the new star grading system into accommodation establishments and subsequently into Conference venues and restaurants. Quality assurance is a fundamental for globally competitive destinations. It provides tourists confidence in products and services, and also serves as a industry benchmark.

KZN needs to actively champion the roll-out of grading to all relevant product and service providers, if it seeks to create confidence in the market.

## **6. Youth Development**

Young people between 14 and 35 years of age, make up 39% of South African society. Young people clearly comprise a substantial part of South African society. Due to the history of our country and policies of past governments, a significant number of young women and men have not been afforded the opportunity to develop their full potential.

Young women and men are, in particular, recognised as a vital resource whose future prospects are inextricably tied to that of the country as a whole. President Mandela pronounced in May 1994, "youth are the valued possession of the nation. Without them there can be no future". It is critical that KZN seeks to actively develop and engage its youth in the tourism sector in jobs, enterprises, in the public sector, and, in growing the tourism market.

## **7. The Role and Support of Women in Tourism**

The SA government has begun to position women more aggressively in the economy. "Equality and Equity are the Cornerstones of our democracy, yet women have still not been major beneficiaries of the BEE process. Empowering women, and in particular black women, is an economic factor".

- a. Women have emerged as a major employment force in the Tourism private sector. They have demonstrated their ability to provide the levels of hospitality and service the sector requires. The BEE scorecard sets out targets for employment of women, and in particular, black women. To achieve these targets, there is a need for particular attention to training women for integration into the all hierarchical levels of the organisation;
- b. Women entrepreneurs seek support for access to finance, capacity building, access to markets, and mainstreaming of informal and rural women's enterprises.
- c. The province can also leverage the support of women in regard to community development and tourism awareness;

When dealing with women as stakeholders within the sector, it is also important that planning in tourism considers the multiple role and challenges, particularly, women in the rural areas face. The need for child care facilities is one such requirement.

## **8. Accessibility A Key To Tourism Use**

In excess of 4% of South Africa's population are affected by some form of disability. This constitutes a significant share of the Human capital and market within the country. It is therefore important that all aspects of the tourism sector's daily business considers this constituency. Consideration must be given to, and programmes developed, to address the meaningful role to be played by the disabled. This must include:

- Employment
- Enterprise Development
- Management &
- Products alignment

The rights of people with disabilities are protected by the South African Constitution. Government departments and state bodies have a responsibility to ensure that, in each line function, concrete steps are taken to ensure that people with disabilities are able to access the same fundamental rights and responsibilities as any other South African.

## **9. Rights of Children**

The South African Childrens' Charter, and the Constitution of our country recognises the Rights of Children.

“All children have the right to be protected from all types of violence including: physical, emotional, verbal, psychological, sexual, state, political, gang, domestic, school, township and community, street, racial, self-destructive and all other forms of violence; All children have the right to be protected from child labour and any other economic exploitation which endangers a child's mental, physical, or psychological health and interferes with his / her education so that he / she can develop properly and enjoy childhood”.

The sexual exploitation of children is a sad reality of the world in which we live and tourism is not immune. The phenomenon of sexual exploitation of children in tourism (or as it is more commonly known as “child sex tourism”) affects at present almost every country in the world.

The World Tourism Organization (WTO) became actively involved in the struggle against organized sex tourism, and particularly the sexual exploitation of children, more than ten years ago, having been alerted of this phenomenon by various NGOs, notably ECPAT (End Child Prostitution, Child Pornography and Trafficking in Children for Sexual Exploitation in Tourism), to create a travel environment that is protective of children.

Three sectors of society need to be engaged against the child sex trade: governments, the traveller, and companies in the travel and tourism industry.

The World Tourism Organisation recommends that the business sector, including the tourism industry, be mobilised against the use of its networks and establishments for the commercial sexual exploitation of children. It has set up a task force with the following objectives:

- i. to build awareness among the tourism sector, governments and tourists
- ii. to encourage the tourism industry to engage in good and ethical practices, to adopt professional codes of conduct and other self-regulatory measures,
- iii. to invite governments to take administrative and legal measures, such as designating focal points (contact persons) within their national tourism administration, establishing emergency hotlines, strengthening national legislation against sexual abuse of children in tourism and improving law enforcement.
- iv. to encourage co-operation between the public and private sector, as well as between tourist generating and receiving countries, and
- v. to monitor the fight against the sexual exploitation of children in tourism networks at national and international level.

KZN Province must work with organisations such as Child Line in regard to support on this issue.

## **10. HIV and AIDS**

South Africa is currently experiencing one of the most severe HIV epidemics in the world. By the end of 2005, there were five and a half million people living with HIV in South Africa, and almost 1,000 AIDS deaths occurring every day, according to UNAIDS estimates. KZN is one of the most severely affected Provinces in the country. AIDS has the potential to create severe economic impacts in the Province.

It strikes people in the most productive age groups and is essentially 100 percent fatal. The effects will vary according to the severity of the AIDS epidemic and the structure of the

national economies. The two major economic effects are a reduction in the labour supply and increased costs.

Labour Supply is affected:

- If the loss of young adults in their most productive years will affect overall economic output
- If AIDS is more prevalent among the economic elite, then the impact may be much larger than the absolute number of AIDS deaths indicates

Costs:

- The direct costs of AIDS include expenditures for medical care, drugs, and funeral expenses
- Indirect costs include lost time due to illness, recruitment and training costs to replace workers, and care of orphans
- If costs are financed out of savings, then the reduction in investment could lead to a significant reduction in economic growth.

Every sector of society has a role to play in regard to fighting the scourge of Aids. The Tourism Private Sector and Government should commit to supporting HIV and Aids awareness programmes, and more importantly, develop a programme of action around this.

## **SECTION F: GLOBAL COMPETITIVENESS: MARKETING FOR SUCCESS**

### **1. Market segmentation**

South African Tourism has performed in pursuance of the Tourism Growth Strategy (TGS) around a demand driven philosophy. This is based on consumer research and insight. The methodology applied was segmentation. This allows the most attractive potential tourists to be identified and targeted in an efficient, focussed and co-ordinated way.

In synergy with both the International Tourism Growth Strategy and the Domestic Tourism Growth Strategy, KZNTA has identified, and must continue to identify, the set of segments from the broader set of TGS segments to target. This ensures that the marketing and other resources of the province are applied while enjoying the slipstream effects of the marketing spend of Brand South Africa, South African Tourism, DTI, other provinces and the private sector.

### **2. Positioning the Province**

A Destination must have a unique proposition to offer to its markets if it is to remain competitive.

The GCP Report shows the opportunities to position the province and create products that will give tourists the experiences they desire but are not currently using. The positioning suggested by these findings and other such studies must be taken into consideration when positioning the Province.

### **3. Key competitive indicators**

"Competitiveness of tourist destinations has become increasingly important for tourist destination countries as they are striving for a bigger market share of the fast growing industry of travel and tourism. The issue is especially crucial for many 'tourism dependent' countries, which rely heavily on travel and tourism industry for their economies. Moreover, the role of travel and tourism industry in most countries also tends to increase overtime, further highlighting the importance of travel and tourism industry in the economy. Due to the multidimensional nature of competitiveness measures, it is important to identify the elements that compose the competitiveness of tourist destinations. The Competitive Monitor (CM), distinguishes eight tourism competitiveness indicators which are provided for over 200 countries, enabling specific and comparative analyses of the industry to be undertaken. The eight main themes included in the CM are *price competitiveness, infrastructure development, environmental quality, human tourism indicator, technology advancement, human resources, openness and social development*. It could be useful and necessary to have an aggregate/composite index to represent the overall tourism competitiveness that can be used to summarise the overall tourism performance of countries." *Christel DeHaan*.

These indicators mirror some of the accepted objectives for tourism growth. It would be useful for KZN to consider analysing its competitiveness regularly based on some, if not all, of the competitive indicators. This would give the province an indication of not only how it is performing, but also inform its supply side interventions.

### **4. Branding the Destination**

The DMO develops and maintains the Brand after gaining consumer insights. These insights must inform:

- a. Brand identity;



- b. Brand positioning; and
- c. Communication

## **5. Packaging for success**

In order to package or configure for success as an industry, interventions must be made that specifically enhance the competitive areas shown above.

That is to say idea driven or isolated initiatives should give way to an integrated strategic approach. Simply put: working toward a common effort toward a broadly agreed goal helps to create a critical mass for Africa, South Africa and hence KZN in a competitive global marketplace.

The specific flavour of packaging, using the term in the broadest sense, is at this early stage of the game, less important than creating alignment and synergy in respect to marketing, product development and in this instance the drafting of legislation. This implies that packaging and configuration must first be co-coordinated then optimised rather than optimised in several places at the same time, in different directions.

Given the range of tourism offerings globally available to not only to international tourists but the also as attractively to our domestic tourist, it is necessary to ensure that the destination is top of mind when the decision is being made. The diagram below sets out the chronology of the customer thinking. Tourists tend, firstly, to make a conscious decision to travel, this decision is followed by the decision on *the experience* they are seeking, only then does geography enter the decision – making process. The geographical consideration is also linked to the time available.

For tourism in KZN to grow to its fullest potential, there is a need for the various experiences in the province to be developed, packaged and communicated to the market as experiences versus geography. Tourists are buying experiences and are less concerned about which municipal jurisdiction it falls into. To take geography to the market serves to confuse the messaging, and misses the target market. They go to the competition who are talking to them in the language they want to hear.

## **6. Tourism Knowledge Management**

The most basic strategic fundamental of tourism industry growth is not in place in South Africa yet. That is a reliable and consistent way to measure the size of the industry.

Without proper industry size measurement it is impossible to ascertain the size of the industry relative to the economy. Therefore the importance of tourism's contribution to the national, provincial and local economies is reduced to modelled or estimated number, or worse still, speculation.

Furthermore, the growth or decline of the sector cannot be identified. If there is growth, it cannot be determined how fast the growth is and what the characteristics of that growth might be.

Those are the basics. The next most important level of knowledge is related and states certain tourism metrics so that the correct interventions that will grow the industry can be made. In the absence of this information, strategic choices become speculative choices driven by anecdote and experiential knowledge, both of which are useful but in the

context of competing against countries that have experiential knowledge and data foundations to optimise their decisions, it simply is not good enough.

There are deeper levels of strategic tourism knowledge that are required. They include accurately tracking BBBEE indices, environmental impact data, community and social impact data, consumer insight, future projections, marketing intelligence, supply side and industry data and several others.

The reasons for the lack of tourism knowledge are:

- a. the definition and very nature of tourism makes it difficult to measure
- b. the industry is relatively young and
  - i. has not developed integrated information collection systems
  - ii. is still occupied with internal competition and is not well enough organised to manage industry wide information management systems and data
- c. Administrative data (immigration) is required and this information is not available to the private sector or the public domain
- d. Tourism research is expensive and carried out primarily by government bodies. A lack of transparency and data sharing makes it impossible for the tourism industry to interpret and analyse the data independently
- e. There are a large number of tourism research activities taking place but they are fragmented and disjointed

The solution is to create robust, independent, transparent and integrated tourism knowledge systems. This will occur as the industry consolidates and moves, in terms of industry life-cycles, from an internally competitive developing sector to a globally competing mature sector. Also critical to this, is for government agencies to publish tourism data such as Tourism Satellite Accounts and for other critical data to be published into the public domain for consumption by the private sector. This will occur as the primary use of tourism data evolves from PR to strategic business applications.

Global best practice suggests the creation of an independent National Bureau of Tourism Research. KZN has ensured a Research component exists within its tourism marketing authority. This has no doubt enhanced its position against other provinces. The relationship with Universities and colleges must be formalized and the merits of a SADC Centre of Excellence for Tourism research and education to be established in KZN must be explored.

**SECTION G: PARTNERS IN TOURISM**

Schedule 4 of the Constitution of South Africa sets out the Functional areas of concurrent national, and, provincial legislative competence. In Part A it identified Tourism at a Provincial level and in Part B Local Tourism as outlined in section 155(6)(a) and (7).

The Tourism White Paper set out a framework for tourism concurrent with the provisions of the Constitution of South Africa. The White Paper recognised the need for a range of role players to “ignite the engine of tourism growth”.

**Within the public sector** it identified the need for, and thus the roles of:

- a. Government departments;
- b. Destination marketing organisations; &
- c. Other public entities.

**Destination Management Organisations (DMO's)** are an international phenomena and considered best practice for marketing of destinations. Its core competence is marketing, it bridges the public and private sector objectives, operates with a level of flexibility to ensure that the destination can be competitively positioned.

The grid below outlines the:

- Tiers at which tourism operates;
- Political leadership;
- Executive leadership; and
- Respective co-ordinating structures.

| TIER OF GOVT.   | Political Leadership            | Co-ord. Structure                                 | Executive/ Management Leadership | Co-ord. Structure          | Destination Marketing Structure                         | Co-ord. Structure  | PRIVATE SECTOR e.g.  |
|-----------------|---------------------------------|---|----------------------------------|----------------------------|---|--------------------|--|
| <b>FUNDING</b>  | <b>Public Sector/Government</b> |   |                                  |                            |   |                    | Private sector   |
| <b>National</b> | <b>Minister of Tourism</b>      | <b>Minmec PFC</b>                                 | <b>Director General - DEAT</b>   | <b>Miptec</b>              | <b>SAT</b>  | <b>CEO's Forum</b> | <b>Fedhasa<br/>TBCSA<br/>SATSA<br/>NAA etc</b>   |
| <b>Province</b> | <b>MEC for Tourism</b>          | <b>PFC PTC</b>                                    | <b>Head of Department - DACT</b> | <b>PTF</b>                 | <b>KZNTA</b>  | <b>PTF</b>         | <b>Provincial chapters of above</b>  |
| <b>District</b> | <b>Mayor</b>                    | <b>Mayoral Committee PFC or similar structure</b> | <b>City/ Municipal manager</b>   | <b>DTF</b>                 | <b>District Tourism Office</b>                          | <b>DTF Mtg</b>     | <ul style="list-style-type: none"> <li>•CTA's</li> <li>•Local branch of Associations;</li> <li>•District Private Sector Forum</li> </ul> |
| <b>Local</b>    | <b>Mayor</b>                    | <b>Mayoral Committee PFC or similar structure</b> | <b>Municipal Manager</b>         | <b>Local Tourism Comm.</b> | <b>Local Tourism Office (market/ Community focused)</b> | <b>LTC</b>         | <ul style="list-style-type: none"> <li>•CTA's</li> <li>•Local Private sector Forum (if required)</li> </ul>                              |

The roles set out below highlight that that are critical and must be read with those detailed in the Tourism White Paper.

## **1. Role of National Government**

National government will play the following key roles in the development and promotion of the tourism sector:

- a. Policy and Strategy
- b. Facilitation and implementation
- c. Coordination
- d. Regulation and monitoring
- e. Development promotion
- f. Facilitation and implementation
- g. establish a safe and stable political and economic environment for tourism to flourish;
- h. ensure the safety and security of residents and visitors facilitate and provide appropriate incentives for private sector investment in tourism ;
- i. establish and facilitate enabling and appropriate legal and fiscal frameworks for the industry;
- j. facilitate the development of a tourism culture in South Africa and the supply of skilled manpower for the industry;
- k. promote tourism as a national priority;
- l. formulate, monitor and update a national tourism policy and strategy, in collaboration with relevant stake-holders; and
- m. facilitate the sustainable and responsible development of the tourism industry, by formulating appropriate development guidelines and regulatory measures establish and maintain standards of facilities and services

## **2. Role of the National DMO**

“The organisation will have overall responsibility for policy support marketing, research, development, standards and promotion.

International marketing should mainly be the responsibility of the national tourism organisation. However, marketing and promotion plans for South Africa as a whole should be developed jointly with the provinces and the private sector”.

**In particular, S A Tourism should achieve the following objectives as the National DMO:**

- a. Position South Africa as a leading tourist destination and also increase its market profile as a preferred tourist destination both within Africa and the world tourist markets;
- b. Develop and implement marketing initiatives and campaigns aimed at increasing the market share of South Africa within the African and overseas tourist markets;
- c. Provide maximum marketing exposure of products within identified areas most populated by previously disadvantaged groupings;
- d. Facilitate the generic marketing of the province's diverse tourism products;
- e. Create market platforms for marketing of these products;
- f. Collaborate on efforts of penetrating the Domestic market in South Africa;
- g. Enhance tourism awareness within the province aimed at mobilizing in particular the untapped domestic markets;
- h. Facilitate the increase of financial and human resource capacity to market South Africa;

- i. Plan and review Provincial marketing initiatives;
- j. Ensure on-going communication with PTA's;
- k. Evaluate overall performance of marketing efforts at least annually; and
- l. Co-ordinate with other parallel initiatives marketing South Africa, e.g. IMC

### **3. Role of the Provincial Government**

“At the provincial level, the provincial government takes on similar functions as at the national level”, and be the provincial partner of the National department of Tourism.

**In addition to these functions, the Department should work closely with the province’s DMO and municipalities to:**

- a. implement National principles, objectives and policy guidelines as is appropriate to local conditions;
- b. deliver on legislative and statutory obligations;
- c. develop Provincial tourism Policies and support municipalities in developing local tourism policies;
- d. Public sector co-ordination to ensure an Integrated Tourism Development approach;
- e. co-ordinate and support municipalities to integrate Tourism into their Integrated Development plans, and, to deliver on their public sector mandate in regard to tourism;
- f. develop a master plan for tourism in KZN that sets out the key strategic objectives and the plan to achieve these objectives;
- g. facilitate the development of market - driven products and services, in response to the DMO's market intelligence;
- h. Investment facilitation through existing provincial and local agencies ;
- i. Spatial development co-ordination;
- j. Quality Assurance;
- k. Registration of tourism businesses;
- l. Registration of tourist guides;
- m. Champion, monitor, evaluate and report on transformation, and in particular on BBBEE; and finally to
- n. play a prominent role in tourism development activities such as:
  - i. the involvement of local communities;
  - ii. environmental management;
  - iii. safety and security of visitors;

### **4. Role of Provincial DMO**

International best practice has proven that an independent public entity is the best institutional structure to carry out the functions of provincial tourism marketing. It is recommended that the structure of provincial DMO reflect as closely as possible the National DMO.

**The role of the Provincial DMO is to:**

- a. Develop the tourism brand for the province;
- b. Develop a Domestic Plan strategy;

- c. Develop and agree the international marketing strategy and programmes with SAT;
- d. Market and promote the province in competition with other provinces;
- e. Align provincial marketing strategy and programmes to SAT's programmes;
- f. Execute provincial initiatives in markets province develops independently and where National presence is non-existent;
- g. Support district and local DMO's to:
  - i. Develop marketing strategies;
  - ii. Identify market-driven experience offerings;
  - iii. Linking previously disadvantaged product and services providers to tourism markets;
  - iv. and with the implementation support in pursuit with destination marketing Develop experience
- h. Co-ordinate marketing initiatives with private sector partners and other relevant stakeholders;
- i. Undertake Destination Development Planning – to inform the development of the province's experience offerings based on market intelligence;
- j. Create a Tourism Knowledge Management system based ongoing research;
- k. Monitor and report on Tourism growth in the province;

#### **5. Role of District Councils**

- Integrating provincial tourism objectives into District plans and priorities;
- Driving the development of and implementation of local tourism policy;
- Urban and rural planning and development of tourism products and services;
- Budget for the effect implementation and growth of tourism in line with the Provincial objectives;
- Allocate Institutional capacity and dedicated and skilled Human resources to perform tourism functions;
- provision and maintenance of tourist services, sites and attractions and public services;
- provision of local infrastructure;
- Creation and co-ordination of tourism experience routes across its district and beyond municipal boundaries;
- market and promote specific local attractions; and
- Providing Tourism support to entrepreneurs and investors.

#### **6. Role of Local Government**

Part A of the constitution identifies tourism at a Provincial level and in Part B Local Tourism as outlined in section 155(6)(a) and (7).

The provincial experience offering is a combination of the local offerings. Local government is even closer to the product than the national or provincial governments. The exact role of the local government in the tourism development thrust will be determined by local conditions existing at the provincial levels and most importantly, the availability of the necessary financial means and skills base to carry out the respective functions.

Local government must be organised to deliver on:

- Integrating tourism policies into local economic development plans;
- Implementing local tourism policy;
- maintenance of specific aspects of the tourism product at local level;

- provision and maintenance of tourist services, sites and attractions and public services;
- Maintaining database of registered tourism products and service providers;
- Drive quality assurance;
- provision of local infrastructure;
- health, safety, licensing and local by-law compliance;
- local information services;
- facilitate the participation of local communities in the tourism industry

## **7. Role of the Private Sector**

The Private sector should own and therefore drives tourism. The private sector is not only the large established players. It is made up of large, medium, small and micro businesses. It is the partner that views the tourism master plan and the experience profile of the province, understands the market opportunities, and therefore:

- a. Invests in tourism plant and service provision;
- b. Develops the tourism product;
- c. Packages the experiences;
- d. Operates and manages tourism businesses;
- e. Provides the services;
- f. Creates jobs and trains personnel; and
- g. Has to be the agents of transformation by supporting the entry of other players – whether small, medium or large.

It is important for the private sector to be organised in order to be able to pursue a dialogue with government and public entities, provide a co-ordinated input into the tourism partnership, and also to develop for itself, a bench mark. In organising themselves, it is critical that the traditional divisions of the past are eliminated and a united business sector emerges. The racial, size and geographically defined approach to associations merely serve to entrench the divisions, and dilutes the impact the sector could have in growing tourism, and also in pursuing the transformation objectives.

It is recommended that the DMO establishes a Provincial Tourism Private sector forum to co-ordinate communication and grow tourism in KZN for the benefit of all.

## **8. Role of Labour**

As the world's fastest growing industry, tourism has enormous potential to contribute to job creation across Southern Africa. But too often tourism only creates a few badly paid jobs, few links are made to the local economy and profits flow out of the country. The right kind of investment is critical for Southern Africa to reap the potential rewards of tourism.

In addition, the South African labour market is characterised by an oversupply of unskilled workers and a shortage of skilled ones. High population growth constantly exceeds the growth in employment demands. This is compounded by the consistent loss of jobs in the formal sector, as the country's economy moves away from labour-intensive to capital-intensive operations.

The role of labour is, therefore, to:

- a. Ensure that it is aware of the challenges and opportunities of the sector and responds to these with the appropriate supply of human resources;
- b. Provide quality assured services for the sector's sustainability;
- c. Ensure fulfilment of Employment equity and BBBEE targets;
- d. Ensure continuous skills development striving for service excellence;

- e. Trade unions play an important role in South Africa's labour relations - strong trade unions are necessary for effective collective bargaining.

## **9. Role of Communities**

The Tourism White Paper espouses the principle of "community based" tourism. To deliver on this the role of communities is to:

- a. Encourages tourists to visit the destination and experience what it has to offer, thus benefiting the community economically;
- b. Encourage and develop ways in which a community can be more aware of, and skilled, in tourism, so that members of the community treat tourists correctly;
- c. Ensure as custodians of local tourism that the right kind of market-driven and sustainable tourism infrastructure is developed and effectively managed in its locality – this includes, attractions, accommodation, roads and shops for tourists;
- d. it is necessary for communities to be organised into Community tourism organisations to enable it to provide a co-ordinated point of dialogue and negotiations, lobby effectively, build capacity, leverage opportunities; and derive the true benefits of tourism;
- e. CTO must be representative of all people in the community. It must be autonomous. It must be ensured that the CTO focuses on being truly representative of the communities, and not take on the role of DMO or a "for profit" role. This will distract from its community mandate, and may result in benefiting a few rather than the community at large
- f. Be in touch with and have input into local planning, with for example the IDPs, LEDs, and the Provincial Tourism Master plan;
- g. Be part of the process when projects are agreed, this includes but not limited to, rejuvenation projects, poverty alleviation projects, and capacity building projects; and
- h. Champion compliance of BBBEE objectives.

## **10. Role of Not-for-Profit Organizations**

NGOs, CBOs, and Community Trusts play an important role in South Africa, as we seek to address the disparities in our country and progress our growth objectives.

The organisations are expected to be responsive to the needs and welfare of the people, and operate in an accountable and transparent manner. Most NGOs and CBOs have adopted the Millennium Development Goals to inform their programme of action, and as such provide an extremely important role in tourism as champions and capacity builders of:

- a. poverty eradication;
- b. universal primary education;
- c. gender equality and women empowerment;
- d. environmental sustainability;
- e. partnerships for development



### **11. Role of the Media**

Tourism operates in a global environment, the messages we communicate serves to either grow our tourism market share or negatively impact on it. The South African Editors' Forum (SANEF) developed a set of principles which to a large extent informs the role of media in Tourism. The tourism sector looks to the media to:

- a. be a representative and credible partner in society;
- b. provide responsible reporting on the destination;
- c. Create awareness of importance of tourism to all citizens of the province;
- d. Objectively promote the province; and
- e. Provide educational and informative tourism coverage.

### **12. Role of Conservation Agencies**

As the custodians of the province's natural resources, the role of Conservation agencies, in regard to Tourism is to:

- a. ensure responsible and sustainable development and use;
- b. implement market driven development and utility;
- c. ensure community participation in the conduct of its mandate;
- d. To provide leadership and encourage partnership in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations (*UNEP*);
- e. build recognition of the many ways in which human lives and livelihoods, especially of the poor, depend on the sustainable management of natural resources (*UNEP*).
- f. Communicate and educate communities on sustainable use and conservation of natural resources (*IUCN*).

### **13. Role of World Heritage sites and Agencies**

The United Nations Educational, Scientific and Cultural Organisation (Unesco) protects what it considers 'important' parts of the Earth by inscribing them as World Heritage Sites. Once proclaimed, these sites are considered sacred and conservation treaties shield them from the threats of social and economic conditions and natural decay. They are saved to ensure that families in the future also have an opportunity to see untouched, natural beauty and important historical landmarks.

In recognition of the wondrous, natural beauty and rich cultural heritage of our planet, more than 700 sites around the world have been inscribed as World Heritage Sites by UNESCO to date.

KZN Province is blessed with two World Heritage Sites.

- a. The Greater St Lucia Wetland Park has both one of the largest estuary systems in Africa and the continent's southernmost coral reefs. In granting it World Heritage status in 1999, the World Heritage Committee noted the park's "exceptional biodiversity, including some 521 bird species".
- b. The uKhahlamba Drakensberg Park has outstanding natural beauty, Africa's highest mountain range south of Kilimanjaro, and the largest and most concentrated series of rock art paintings in Africa - making it a World Heritage site of both natural and cultural significance.

The protection and management of World Heritage sites is governed by 'Convention Concerning the Protection of The World Cultural and Natural Heritage' adopted by UNESCO in November 1972. It requires Government's to ensure that World heritage sites in their countries are protected and managed effectively.

uKhahlamba Drakensberg Park is managed by Ezemvelo KZN Wildlife in line with the convention, and the iSimangaliso Wetlands Park Authority was established to deal with three broad areas:

- i. The management of the wildlife and ecological systems of the area;
- ii. commercial activities that include the development of nature-based tourism business and associated infrastructure in the park; and
- iii. Improvements in the social and economic living conditions of people living in the area.

#### **14. Role of Arts & Culture**

Arts and Culture in South Africa seeks to develop and preserve South African culture to ensure social cohesion and nation-building. Tourism succeeds on the basis of an organised, creative and effective Arts and Culture constituency.

The role, therefore, of Arts and Culture in tourism is:

- a. Develop and promote arts and culture in South Africa and mainstream its role in social development;
- b. Develop and promote the official languages of South Africa and enhance the linguistic diversity of the country. This is critical as we move towards attracting tourists speaking diverse languages;
- c. Improve economic and other development opportunities for South African arts and culture nationally and globally through mutually beneficial partnerships, thereby ensuring the sustainability of the sector;
- d. Inform the strategic direction for the identification, conservation and promotion of cultural heritage;
- e. Guide, sustain and develop the archival, heraldic and information resources of the nation to empower citizens through full and open access to these resources. This informs the content of what tourism packages in regard to tourism experiences;
- f. seek out opportunities for transformation and economic empowerment of local communities;
- g. Invest in and develop innovative and high quality Cultural experiences for tourism e.g. Film, Design and Fashion, arts, and crafts.

#### **15. Role of Heritage**

The South African Heritage Resources Agency (SAHRA) mission and objectives sets out many of the roles Heritage should be playing in Tourism:

- h. to encourage public understanding and enjoyment of the provincial estate and to promote public interest and involvement in the identification, assessment, recording and management of heritage resources;
- i. to coordinate and monitor the identification of our heritage;
- j. to set a norm and standards and maintain the management of heritage resources;
- k. to nurture an holistic celebration of our history;

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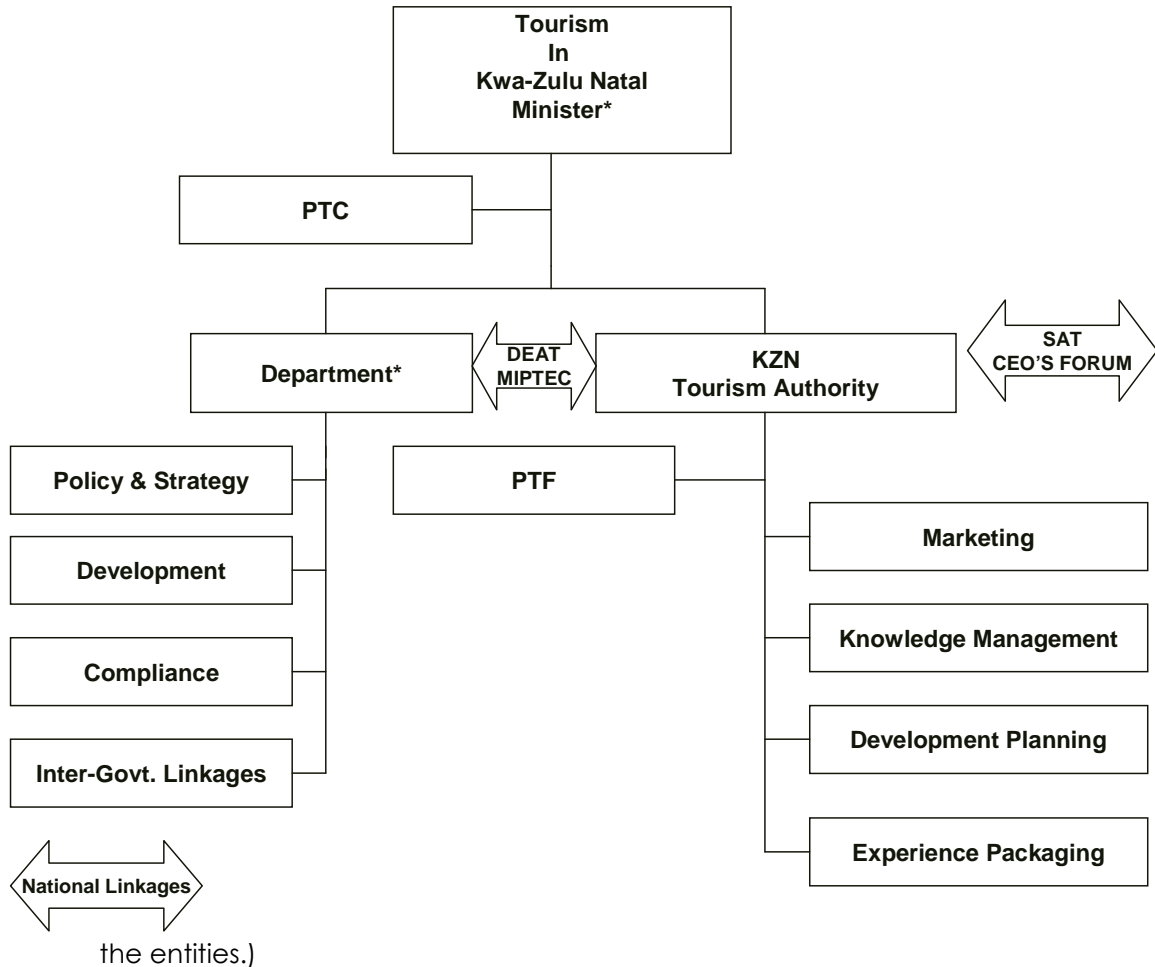
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- i. To develop an integrated and interactive system for the management of the national heritage resources. This is critical to tourism, if tourism is to be able to showcase the full extent of our heritage.

**SECTION H: ORGANISING TOURISM FOR SUCCESS**

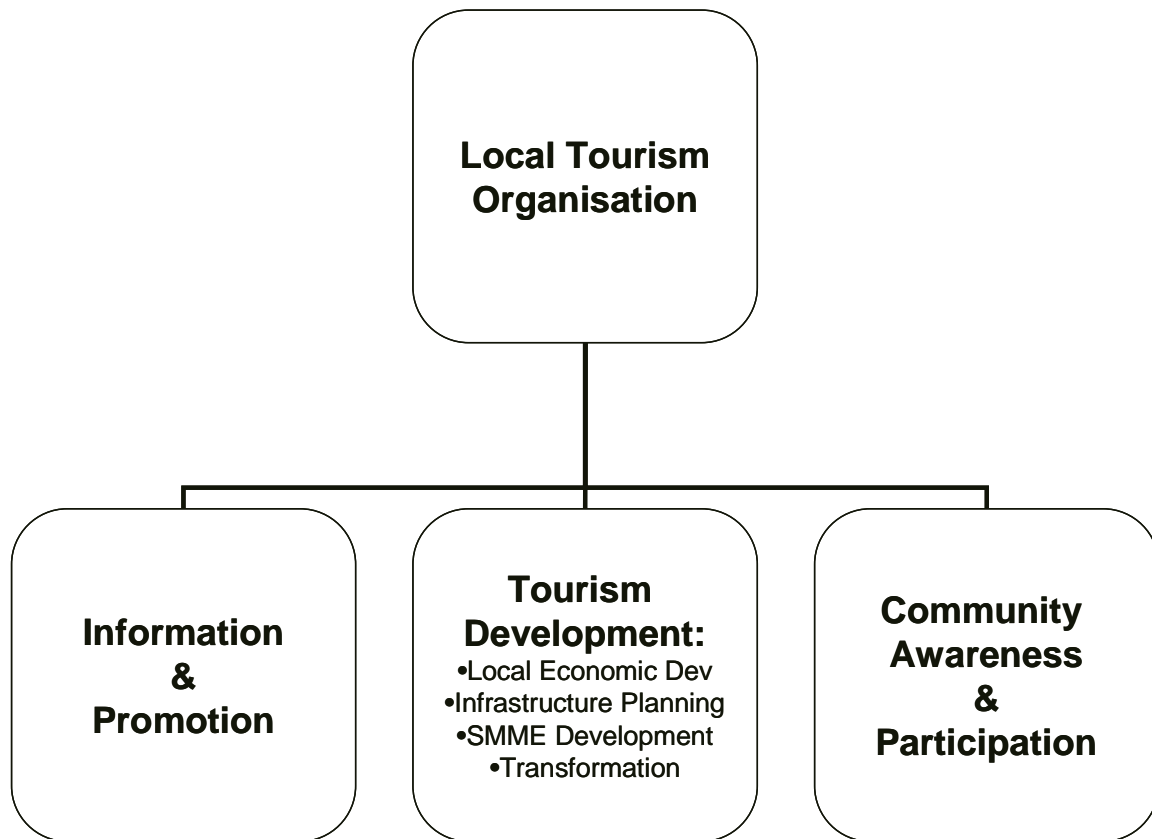
The section on 'Partners in Tourism' sets out the roles of the various partners.

1. The structure below sets out the macro **functions to be delivered at a Provincial level** and hence the critical competencies required to deliver on these functions. It is expected that these core competencies would be supported by appropriate resources. (This structure, therefore, does not represent an Organogram of any of



## 2. District and Local Authorities

The role of Districts and local authorities will not be effective if the resources, human and financial, are not dedicated to these structures. At the minimum the **structure needs** to allow for:



## 3. Financing and Resourcing Tourism

The funding of tourism is always a critical point of departure. The best of policies and plans have no chance of success unless the resources are available.

Tourism operates in a globally competitive environment. To attract the attention of the market, and to undertake the development necessary, funds are required.

- a. the Province must budget competitively for tourism marketing and invest in tourism related public sector infrastructure;
- b. The department and tourism authority should investigate programmes within other departments at provincial and national level which have a tourism relevance. These programmes generally have funding committed. These programmes can then be leveraged for resources. Examples of this is the Provincial Growth Fund, the 2010 plans, and Provincial Economic development plans;
- c. The role of the private sector in co-funding marketing needs to be explored. In this instance, one must not only look at the tourism supply chain, but the wider private sector. The construction, the ICT and financial services sector are just a few examples of the sectors to benefit with the growth of tourism.

- d. There is a range of services being provided by the tourism authority in pursuance of developing the Tourism private sector. These include Research, registration, quality assurance, referrals etc. The province needs to look at a model for these services, and outputs (in the case of research), to be co-ordinated by an independent unit within the structures, so as to generate revenue. Even if these services are offered at a cost recovery rate, it assists the tourism entities to deploy its limited budgets more effectively;

PPPs – these are to be encouraged where applicable, to avoid the risk of the entities competing with its stakeholders, running the risk of losing its objectivity, and more importantly, being involved in a competency it is not resourced for.

#### **4. Governance and Compliance**

To effectively manage any structure and ensure performance, it is necessary to have guidelines in place. A body of legislation, including the PFMA, MFMA, and Kings Code for Governance, informs how we conduct and manage our daily affairs.

It is recommended that the Provincial Minister develop and implement the following framework for governing tourism in the province:

- a. A Shareholder compact:

There is in general a thrust towards improving Corporate Governance in South Africa, and Government has highlighted the issue of Corporate Governance as a focus area in the public sector as well. This focus has led to the creation of the Protocol on Corporate Governance in the Public Sector (Protocol), which encompasses not only the application to State Owned Enterprises of the recommendations of the King 2 Report on Corporate Governance, but also the system by which State Owned Enterprises are to be supervised and their performance monitoring by the Shareholder (that is, the Minister). Points covered in the shareholder's compact include:

- i. subscribing to good corporate governance and wish to improve transparency;
- ii. accountability and sound management;
- iii. Performance Agreement or Service Level Agreement as required in terms of the Regulations to the PFMA;
- iv. performance targets for SOEs as indicated in the strategic and business plans;
- v. parameters of the relationship between the Shareholder and KZNTA;
- vi. the underlying principles of the Protocol which requires freedom of the Board to govern, and of Management to manage the business in a vigorous and enterprising manner, balanced with the exercise of that freedom within the agreed mandate; and
- vii. a framework of effective accountability.

The Shareholder Compact is also in keeping with the provisions of the Public Finance Management Act, 1 of 1999, and the Regulations promulgated in terms thereof.

- b. A Board Charter:

The KwaZulu-Natal Tourism Authority (KZNTA), which is an entity governed by the KwaZulu-Natal Tourism Act of 1996, is a Schedule 3C public entity as defined by the Public Finance Management Act no 1 of 1999. The Protocol on Corporate Governance in the Public

Sector, and the King 2 Report on Corporate Governance, to their activities in order to regularize and improve the corporate governance of KZNTA.

The Board Charter sets out the corporate governance policies of KZNTA, as adopted by the Board, and as endorsed by the Shareholder Compact between KZNTA and the Minister (who is defined as the "Shareholder" for the purposes of the Charter).

c. Performance Agreements:

For the Shareholder Compact to be an effective performance agreement, it is imperative that it represents what the Provincial Government, as Shareholder requires from KZNTA. This requires integration at Provincial Government level between various ministries to provide a single integrated performance agreement with KZNTA, which is the culmination and integration of the requirements of various ministries. The Shareholder, represented by the MEC must ensure that such integration takes place.

d. Memorandum of Understanding:

The success of tourism is dependant on a range of enablers. This extends to, amongst others:

- i. National government departments and provincial public entities;
- ii. Provincial government departments and provincial public entities;
- iii. Local government structures;
- iv. KwaZulu-Natal Local government association;
- v. Private sector associations;
- vi. Community groupings; and
- vii. Diplomatic Corps

It is often necessary to work in partnership with such organisations. These relationships need to be governed and expectations accurately recorded. To this end parties should sign "memoranda of agreement" that sets out in clear terms the:

- Objective of the agreement;
- Duly authorized and mandated parties to the agreement;
- Term of agreement;
- The roles and responsibilities of parties;
- terms of engagement;
- limits to liability; and
- Provision for cancellation.

## 5. The Way forward

The following needs to be actioned to ensure that tourism is resourced and activated to achieve the growth objectives:

- a. KZN Tourism Act Regulations to be formulated;
- b. Municipal Tourism policy developed;
- c. Tourism resources;
- d. Funding framework to be developed and agreed; and
- e. Governance Protocol to be adopted.

\_\_\_\_END\_\_\_\_