

# LOCAL GOVERNMENT TOURISM CONFERENCE REPORT

THEME:

"TOURISM: A CATALYST FOR LOCAL ECONOMIC  
GROWTH JOB CREATION AND TRANSFORMATION

30-31 MARCH 2015





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## ACRONYMS

<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>CATHSSETA</b>	Culture Art Tourism Hospitality and Sports Sector Education and Training Authority
<b>CEO</b>	Chief Executive Officer
<b>CLLR</b>	Councillor
<b>COGTA</b>	Cooperative Governance and Traditional Affairs
<b>CTA</b>	Community Tourism Association
<b>DHA</b>	Department of Home Affairs
<b>DIRCO</b>	Department of International Relations and Cooperation
<b>dti</b>	Department of Trade and Industry
<b>DTGS</b>	Domestic Tourism Growth Strategy
<b>EDP</b>	Economic Development and Planning
<b>EPWP</b>	Expanded Public Works Project
<b>FET</b>	Further Education and Training
<b>FTT</b>	Fair Trade Tourism
<b>IDC</b>	Industrial Development Corporation
<b>IDP</b>	Integrated Development Plan
<b>LED</b>	Local Economic Development
<b>MEC</b>	Member of the Executive Committee
<b>MMC</b>	Member of the Mayoral Committee
<b>NDP</b>	National Development Plan
<b>NDT</b>	National Department of Tourism
<b>NT</b>	National Treasury
<b>NGP</b>	National Growth Path
<b>NSFAS</b>	National Student Financial Aid Scheme
<b>NTSS</b>	National Tourism Sector Strategy
<b>PPP</b>	Public Private Partnerships
<b>PTC</b>	Provincial Tourism Committee
<b>PTF</b>	Provincial Tourism Forum
<b>PGDS</b>	Provincial Growth and Development Strategies
<b>SALGA</b>	South African Local Government Association
<b>SAT</b>	South African Tourism
<b>SATSA</b>	Southern Africa Tourism Services Association
<b>SMMEs</b>	Small Medium Micro Enterprises
<b>STATS SA</b>	Statistics South Africa
<b>SPLUMA</b>	Spatial Planning and Land Use Management Act
<b>TBCSA</b>	Tourism Business Council of South Africa
<b>TGCSA</b>	Tourism Grading Council of South Africa
<b>TIP</b>	Tourism Incentive Programme
<b>TOMSA</b>	Tourism Marketing South Africa
<b>TSI</b>	Tourism Safety Initiative
<b>UA</b>	Universal Accessibility
<b>UNISA</b>	University of South Africa
<b>UNWTO</b>	United Nations World Tourism Organization
<b>WTTC</b>	World Travel and Tourism Council

## **ACKNOWLEDGEMENTS**

The National Department of Tourism (NDT) would like to express its appreciation to all individuals who made an outstanding contribution to a successful 2015 Local Government Tourism Conference.

In particular, we would like to thank our guest speakers, presenters, facilitators and rapporteurs for sharing their knowledge and skills with the delegates. Most importantly to all the delegates who made the time to attend, participated and demonstrated their commitment towards the growth and development of the tourism sector.

We would also like to acknowledge the support received from our strategic partners such as the Ministry of Cooperative Governance and Traditional Affairs (CoGTA) and the South African Local Government Association (SALGA). Various sponsorships from the industry are also appreciated.

Sincere thanks to the organising team within the National Department of Tourism whose hard work and dedication ensured that the Conference was a success.

## 1. BACKGROUND AND INTRODUCTION

Tourism is recognised as one of the significant economic sectors in the South African economy. This is because of its growth prospects, labour absorbing capacity and worthy contribution to the country's Gross Domestic Product (GDP). As at 2013, the jobs and GDP contribution by tourism stood at 665 000 (direct employment) and almost 3% of GDP. The Cabinet approved New Growth Path (NGP) also identifies tourism as one of the six core pillars of growth, with a target of 225 000 additional jobs to be created by the tourism sector by 2020. Also, the 2010/11-2012/13 Industrial Policy Action Plan identified tourism as one of the areas expected to contribute to the development of rural areas.

The National Development Plan (NDP), which is the country's long-term planning framework for future socio-economic development, also sets job creation as a dominant priority in the country, with the aim of significantly reducing levels of unemployment by 2030. It also prioritises infrastructure development and tourism as areas that would play a major role in the reduction of unemployment.

Such enormous expectations require a cohesive tourism sector, with clearly defined and agreed upon focus areas to enable it to deliver on national expectations and priorities. Despite the sector being seen as critical to job creation, challenges such as poor alignment, uncoordinated planning and uneven implementation of tourism programmes remain. There is also insufficient tourism resourcing, low profiling of the sector and lack of sectoral transformation is still a challenge.

In view of the above context, the National Department of Tourism convened a Local Government Tourism Conference, where each sphere would review the challenges faced by others and their concerns pertaining to tourism development could be shared as a collective. This platform was also used to develop a common approach to tourism development amongst spheres of government, including private sector and it is hoped that resolutions collectively agreed to are to be implemented by all.

## 2. LOCAL GOVERNMENT TOURISM CONFERENCE OVERVIEW

The Conference was organised in partnership with the Ministry of Cooperative Governance and Traditional Affairs and the South African Local Government Association under the theme “Tourism: A Catalyst for Local Economic Growth, Job Creation and Transformation”. The event took place over two days, on the 30<sup>th</sup> and 31<sup>st</sup> of March 2015 at Emperors Palace, Kempton Park, Gauteng. Conference proceedings were facilitated by Ms Eleni Giokos, who is currently a Senior Anchor and Financial Journalist for Bloomberg TV.

The first day constituted three sessions. Session one took the form of a Political Programme to set the scene for the proceedings. The second and third sessions were organised under the sub-themes Policy and Governance and Enhancing Destination Competitiveness respectively.

Welcome remarks were delivered by Councillor Thumbu Mahlangu, Member of the Mayoral Committee (MMC) for City Planning and Economic Development in Ekurhuleni Metro. Mr Victor Tharage, Director-General (Acting) in the National Department of Tourism (NDT) outlined the objectives of the Conference.

The National Chairperson of the South African Local Government Association (SALGA), Councillor Thabo Manyoni delivered an address titled “A Call to Action: The Role of Local Government in Promoting and Transforming Local Tourism”. The Minister of Cooperative Governance and Traditional Affairs, Mr Pravin Gordhan addressed delegates on “Provision of Catalytic Infrastructure to Stimulate the Local Tourism Economy as Part of the Back to Basics Programme”.

The key note address was delivered by the Minister of Tourism, Mr Derek Hanekom who, amongst other things, reflected on the growth and value of tourism in South Africa, as well as the current challenges confronting the sector. The session also included facilitated panel discussions by Members of the Executive Council (MECs) responsible for tourism on Current Intergovernmental Relations and their Implications on Tourism Development: A Provincial Perspective. Members of Mayoral Committees (MMCs) responsible for Economic Development and Tourism also engaged on and unpacked the Conference theme.

Sub-themes, Policy and Governance and Enhancing Destination Competitiveness, took the form of facilitated panel discussions which boasted influential speakers. The focus was on key issues impacting on the growth and development of tourism at local government. Issues that were discussed included current policy developments in tourism and their implications for local government, amongst others.

There was also a focus on how to improve collaboration with other government departments and industry to unblock obstacles to tourism growth, with a view to improve integrated planning. The economic importance of tourism, especially with regard to local and rural economic development, including achieving tourism transformation was also discussed.

The second day comprised of three further sessions, with the first one being a facilitated panel discussion under the theme Promoting Responsible Tourism. Case studies on Community Beneficiation, Job Creation and Responsible Tourism were shared with the audience.

Session two was dedicated to commissions and this is where detailed discussions on some of the topics discussed briefly during plenary occurred. These commissions were chaired by appropriate persons assisted by rapporteurs whose responsibilities was to draft and present feedback reports based on the deliberations during the commissions. Session three took the form of a report back session from commissions, including closing remarks and vote of thanks by the Director-General (Acting) and Minister of Tourism respectively.



### **3. CONFERENCE PROCEEDINGS: 30 – 31 MARCH 2015**

#### **3.1 SESSION 1: SETTING THE SCENE**

##### **3.1.1 Welcome Remarks**

**Councillor (Cllr) Thumbu Mahlangu**

**MMC for City Planning and Economic Development, Ekurhuleni Metropolitan Municipality**

Cllr. Mahlangu welcomed the hosting of the Conference in Ekurhuleni stating that a platform of this nature was long overdue. He stated that the Conference “hits at the core” of the local government function in terms of advancing local economic development through tourism.

Cllr. Mahlangu highlighted that the Metro took strategic decisions, which amongst others, included developing Ekurhuleni as an Aerotropolis City. He said that the Municipality will leverage on OR Tambo International Airport to further develop and promote tourism in Ekurhuleni.

Furthermore, Cllr. Mahlangu acknowledged that Ekurhuleni had not capitalised on its strategic location as a home to OR Tambo International Airport, highlighting that tourists cannot only pass through the region without spending money in the local economy. The MMC indicated that this is a situation that the Metro is determined to change through the aggressive development of tourism. He concluded by stating that he was hopeful the Conference will assist the Municipality towards the realisation of these objectives.

##### **3.1.2 Objectives of the Conference**

**Mr Victor Tharage, Director-General (Acting): National Department of Tourism (NDT)**

Mr Victor Tharage highlighted that the Local Government Tourism Conference is a platform for tourism stakeholders to have a dialogue about tourism development within localities where people live. The Director-General (Acting) also stated that the Conference serves as a forum to inform the plans of the different spheres of government and to explore ways on how to support each other and share best practices; and most importantly to ensure a synchronised approach in the development of tourism with the ultimate intentions of creating jobs and advancing economic transformation.

##### **3.1.3 A Call to Action: The Role of Local Government in Promoting and Transforming Local Tourism, Councillor Thabo Manyoni, National Chairperson: South African Local Government Association (SALGA)**

Cllr. Thabo Manyoni shared his perspective on the role of local government in promoting and transforming local tourism, arguing that tourism presents an ideal opportunity to tackle some of the pressing development challenges in local areas. He also indicated that all development takes place in Municipal spaces and therefore greater collaboration between all spheres of government on concurrent functions is necessary in order to ensure a meaningful impact on the development agenda. Cllr. Manyoni hailed tourism as the only sector that has generated growth in recent years despite depressed global economic conditions and therefore called on the recognition of tourism as an economic niche which needs to be strategically and jointly exploited.

He highlighted SALGA’s Small Town Regeneration Programme aimed at revitalising localities with great potential, but running a risk of becoming ghost towns. He stated that SALGA is eager to partner with NDT in the regeneration of small towns and that the Department could consider adopting a few of these to revive their economies through tourism.

He indicated that whilst local government is committed to the fulfilment of its traditional role, it is also equally determined to consider new measures to increase tourism visits and spend in their localities. To this regard, the Chairperson applauded departmental programmes such as the Sho't left campaign which can be used to profile local destinations and Municipal innovations. A call was made to Municipalities to develop and support innovative tourist activities and attractions in their localities, stage recreational and entertainment events to profile local artists and draw the world to visit their destinations.

The SALGA Chairperson further stated that Municipalities should profile sites that have the potential to be used for movie productions as this would not only bring visitors but also create more interest from the local and international movie industry. He urged Municipalities to tell their stories and showcase their local heritage to expand the economic activities and bring about developmental aspirations.

He applauded the NDT for undertaking an audit of underutilised state owned tourism facilities as this was in line with the need for innovative ways to make holiday making more affordable. He further remarked that there are many of these facilities that are visitor ready but are under-marketed and can be optimised if Municipalities are provided with hands-on specialised support to profile these facilities and stimulate the appetite of local communities to enjoy them. While Municipalities are earnestly working on reducing red tape and making it easier to setup tourism establishments in townships and rural space, South African Tourism (SAT) and the Tourism Grading Council of South Africa (TGCSA) were urged to explore ways to collaborate with Municipalities to put these areas on a "tourism map" with a view to enhance their competitiveness.

Cllr Manyoni concluded by conveying SALGA's support in exploring tourism as a catalyst for economic growth, job creation and transformation and called for active partnerships with the local government sector to realise greater economic development outcomes. He called upon tourism stakeholders to use tourism to catalyse the transformation of local spaces for the benefit of the people.

### **3.1.4 Provision of Catalytic Infrastructure to Stimulate the Local Tourism Economy as part of the Back to Basics Programme**

#### **Mr Pravin Gordhan, Minister of Cooperative Governance and Traditional Affairs (CoGTA)**

The Minister of Cooperative Governance and Traditional Affairs, Mr Pravin Gordhan's presentation reflected on a 2014 World Bank Report, titled "Tourism in Africa: Harnessing Tourism for Growth and Improved Livelihoods", that concluded that "tourism is a powerful vehicle that can fuel the economic transformation of countries; create decent jobs; accelerate reforms; provide opportunities for the development of remote regions; diversify exports; increase domestic consumption; enable infrastructure improvement; empower women; young people and marginalised populations; stimulate cultural heritage and environmental conservation and improve the national image".

He emphasised that tourism is particularly relevant as South Africa grapples with the "growth dilemma" with the key challenge being to search for new sources of growth as traditional sectors were not performing. The Minister further stated that tourism has a huge and significant potential to play in the economic growth of the country, and contended that there is a need to better understand the tourism value chain and get the synergies right to facilitate economic benefits. A critical question was "how to spread the benefits that accrue from the tourism value chain so that it would not only be big players who extract benefits". The Minister emphasised the importance of benefit sharing in the value chain to ensure inclusivity and the need to understand the expectations of tourists that visit South Africa's regions, whether in Kokstad, Sol Plaatjie or Lydenburg.

He indicated that tourists expect reliable services like clean water, lights, well-maintained road infrastructure, reliable information services, clean public facilities, visible tourism signage, etc. The Minister posed a question as to what then is the role of local government in meeting the above expectations.

He indicated that these expectations can only be met by 'getting back to basics' and through the provision and efficient maintenance of reliable infrastructure. He emphasised the importance of taking care of simple things such as ensuring that the traffic lights are working properly, as this plays a huge role in the attractiveness and the ambiance of a destination.

The Minister stated that it is important to recognise the significance of tourism as a source of business and revenue for all three spheres of government. Furthermore, he stated that the infrastructure that is developed to support tourism would also be beneficial to local communities, hence the need for innovative collaborative partnerships. The Minister further emphasised the significance of integrated intergovernmental planning and delivery as a key imperative for all the spheres of government, particularly local government.

He indicated that local plans cannot be different from the plans of National and Provincial Government and therefore infrastructure investment requires proper coordination between the three spheres. The Minister concluded by pledging support to the Conference and made a commitment for a continued partnership on behalf of the Ministry of Cooperative Governance and Traditional Affairs (COGTA).

### **3.1.5 Opening Address Mr Derek Hanekom, Minister of Tourism**

The Minister of Tourism, Mr Derek Hanekom welcomed all delegates at the Conference. He underlined the importance of tourism to the economy, highlighting that the economic activity across the tourism value chain makes a significant contribution to the country's Gross Domestic Product (GDP). He mentioned that tourism already provides substantial resources to advance economic transformation.

The Minister stated that whilst it was clear that tourism as measured through traditional methods such as tourist arrivals, the number of jobs supported by tourism and contribution of tourism to GDP was a force for good. The extent to which it was a "force for good" required alternative ways of measuring the impact of tourism, including how inclusive the tourism growth is and how many marginalised people and communities are brought into the tourism mainstream. There is also a need to measure how successful the sector is in promoting responsible tourism that is socially, commercially and environmentally sustainable. Ultimately, the success of tourism will be judged by how much it is contributing towards the efforts to substantially reduce poverty, inequality and unemployment in the country.

The Minister emphasised the need for more inclusive growth to address inequality through radical economic transformation. To achieve this, the Minister called on all spheres of government to increase the number of tourism projects and programmes that are led by and benefit communities. Tourism stakeholders were urged to take joint responsibility for better alignment and integration across all spheres of government in order to develop the capacity for local government. Most importantly, the Minister also highlighted the need to move from assessing the present to planning for the future.

He also highlighted a number of programmes implemented by the NDT that are aimed at strengthening local government and geared towards building a strong and sustainable tourism sector that improves the lives of all South Africans. These include:

- The Tourism Capacity Building Programme for Local Government through which more than 200 Tourism Practitioners and Policy Makers have been trained across 61 Municipalities in the country. The next step is to provide training to more Municipalities and to decentralise training for easier reach;
- The recent launch of the Tourism Incentive Programme (TIP) focusing on market access for SMMEs, grading support and investment in destination enhancement. He said as the programme expands, it will include the retrofitting of establishments to improve access to people with disabilities;
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- Recent completion of the tourism needs assessment study of eight South African World Heritage Sites, which will see the funding of infrastructure needs such as interpretative signage at the Richtersveld, Mapungubwe, uKhahlamba Drakensberg and the Baviaanskloof in the Cape Floral Regions. He said the Department will also invest in skills development programmes to improve the tourism product and tourist experience at these sites;
- The development of the amended Tourism Broad-Based Black Economic Empowerment (B-BBEE) Sector Code, to address imbalances in the ownership of tourism enterprises, skills development and stimulation of suppliers, which will lead to the transformation of the industry and bring fundamental change.

The Minister also reflected on the current challenges confronting the sector which have been summarised as follows:

- The need for alignment of marketing efforts as it does not make sense to have the National, Provincial and cities/ local government exhibiting separately at trade shows;
- The current visa regulations that are widely seen as a significant obstacle to increasing travel to the country;
- The need to address the issue of affordability and accessibility which continue to be a barrier to many South Africans from experiencing tourism in their own country;
- The need to collectively scan the industry to identify its strengths, weaknesses and identify areas that need improvement.

Some of the challenges faced by the sector require legislative and regulatory review in order to unlock the full potential of the tourism sector. In this regard, the Minister referred to the upcoming review of the National Tourism Sector Strategy (NTSS) and the review of Tourist Guiding Regulations. The Minister concluded by stating that tourism happens at the local sphere of government and that is why local government is best placed to support the sector.

Furthermore, the Minister emphasised that the role of the NDT goes beyond policy formulation, regulation and destination development. As such, the Department will continue to encourage service excellence through the Annual Lilizela Awards, encouraging strong partnerships between the TGCSA, Provinces and Municipalities to get more establishments graded and intensify the efforts to improve the quality of tour guiding, amongst others.

He committed the Department to continue its support for the development of community based projects and ensure that they are sustainable as they do not only create job opportunities in areas characterised by high unemployment, but also create new facilities that are affordable and accessible to low income travellers.

The Minister also emphasised that the role of local government in tourism is critical as it provides the utilities and infrastructure on which the industry is based. He then expressed his appreciation to both the participants and Conference partners for making the event possible. He further expressed the need for the NDT to identify possible impediments to the growth of tourism and take action to address them. These could include addressing the perceptions around crime and tourist safety by putting in place appropriate measures to ensure their safety at key tourist sites.

### **3.1.6 Current Intergovernmental Relations and their Implications on Tourism Development: A Provincial Perspective (Facilitated Panel Discussion)**

#### **Members of the Executive Council (MECs) Responsible for Tourism**

The panel discussion comprised of five MECs responsible for the Tourism Portfolio in Provinces, namely:

- MEC Sakhumuzi Somyo from the Eastern Cape;
- MEC Desbo Mohono from North West;
- MEC Mike Mabuyakhulu from KwaZulu-Natal and;
- MEC Seaparo Sekoati from Limpopo.

The MECs provided a brief Provincial outlook on the current intergovernmental relations and their implications on tourism development. MEC Somyo started by acknowledging that tourism is about partnerships and requires an inclusive approach by all partners, including the private sector. He remarked that there needs to be a dedicated focus on infrastructure development to facilitate access and provision of services such as water and therefore planning for infrastructure development is critical. The MEC also emphasised the importance of skills development to enhance the capacity of those that are managing tourism “pay points” as well as to improve the quality of the product offerings.

MEC Mohono highlighted the importance of understanding the profile of one’s area in order to advance development. For example, in recognition of the North West Province being a rural region, the Province has taken a decision to focus on villages, townships and small towns to develop tailor-made products that fit with the characteristics of the destination. The MEC stated that the Province continuously seeks to improve collaborative partnerships with the Municipalities in order to attract the resources and invest in infrastructure development to make a meaningful impact and ensure that the “silo mentality” is done away with.

MEC Mabuyakhulu indicated that the Province of KwaZulu-Natal understands the importance of working together. The Province has established coordinating mechanisms at a Provincial level, which amongst others, include the Provincial Tourism Committee, which is attended by Mayors and chaired by the MEC. The intention is to provide a platform/coordinating mechanism and the drawing of resources by all role players within the Province and also to deal with alignment when it comes to issues of policy, strategy, marketing and branding, etc.

The MEC further highlighted the importance of service excellence by making reference to the Tourism Buddies Programme, aimed at, amongst others; heightening service levels within the sector. In addition, the MEC cautioned that tourism is about selling an experience and in order to ensure visitors marvel at the experience, product development becomes an important aspect of destination development. He stated that there is a need to add new products to existing attractions in order to avoid recycling the same experiences repeatedly. He further added that mastering what the Province is already championing through service excellence further promotes the Province in a positive way.

MEC Sekoati indicated that the Province is making steady progress in improving the Limpopo tourism landscape by ensuring that each Municipality has dedicated and well capacitated tourism practitioners who are also capable in supporting Local Tourism Associations. The MEC conceded that Municipalities are faced with a number of competing priorities in terms of service delivery and therefore the Provincial government needs to support them. The MEC stated that the Province will develop and provide spatial frameworks to identify hubs and nodes so that Municipalities can have a clear understanding of Provincial priorities and the areas of focus to ensure alignment.

### **3.1.7 Tourism: A Catalyst for Local Economic Growth, Job Creation and Transformation (Facilitated Panel Discussion)**

#### **Members of Mayoral Committees (MMCs) responsible for Economic Development and Tourism**

The panel comprised of Members of Mayoral Committees (MMCs) responsible for Economic Development and Tourism from four Municipalities, namely:

- Cllr. Bheki Zulu from Mbombela Local Municipality;
- Cllr. Siphon Necobo from Ethekewini Metro;
- Cllr. Thumbu Mahlangu from Ekurhuleni Metro, and;
- Cllr. Rasepueetja Molepo from Polokwane Local Municipality.

The session enabled MMCs to share experiences from their respective Municipalities. Cllr. Zulu pointed out that there are challenges in terms of tourism at local government, as tourism competes with other service delivery priorities. As such, tourism is not prioritised correctly and funds are not channelled towards its development. Cllr. Zulu further alluded to the fact that, it is incumbent upon politicians (Councillors) at local government to change the status quo so that there is recognition that tourism forms a critical component of local economic development and job creation.

The Councillor stated that local government can lead the change through the revitalisation of public spaces and parks, as well as the implementation of skills development programmes, including awareness programmes working with other sector Departments.

Cllr. Necobo stated that Ethekewini Metro prides itself in terms of having well developed products, citing examples such as uShaka Marine World and Moses Mabhida Stadium. He said whilst the Metro enjoys relative success in respect to tourism growth, the Municipality is still confronted with the challenges of inclusivity in relation to equitable sharing of the economic benefits from the sector. The Councillor also indicated that other challenges confronting the Metro relate to the integration of rural, townships and well developed urban centres to a uniform state, due to varying and diverse developmental needs.

Cllr. Necobo underlined the importance of linkages with the Integrated Development Plans (IDPs) to ensure that IDPs take cognisance of tourism issues. He also reiterated the importance of engagements with rural communities, Community Tourism Organisations (CTOs) and on the development of partnerships that will empower communities to create their own opportunities. The Councillor concluded by highlighting that steady progress is being made with the emergence of township tourism, naming places like Kwa Max and Inanda Route.

Cllr. Mahlangu stated that, perhaps the Ekurhuleni Metro has not invested properly in tourism and that the Municipality will henceforth explore the greater development of tourism to leverage on already existing opportunities. The Councillor also highlighted that the Municipality is working on plans to raise the tourism profile within Ekurhuleni.

Cllr. Molepo noted and welcomed the interventions of the Provincial Department to support all the Municipalities in the development of tourism. He further highlighted the working relationship with the Provincial Tourism Authority on a number of programmes such as the placement of interns to provide capacity at local tourism information centres. The Councillor also alluded to the dilapidating infrastructure and budget constraints as being amongst the critical challenges facing local government and Polokwane Municipality in particular.



### **3.2.1 SUB-THEME: POLICY AND GOVERNANCE**

#### **3.2.1.1 The State of Domestic Tourism in South Africa: Challenges and Opportunities Professor Berendien Lubbe, Head of Division: Tourism Management, University of Pretoria**

Professor Lubbe's presentation focused on domestic tourism; its importance; South Africa's performance; South Africa's comparison with other countries; travel trends within Provinces; challenges and opportunities. She provided a definition of domestic tourism, domestic tourists as well as domestic travel and tourism spending.

Prof Lubbe indicated that the definition of domestic tourism is important as it is the way to measure performance. Her presentation also highlighted that domestic tourism increased during the economic recession in a number of economies. With particular reference to South Africa, she indicated that from 2011 to 2012 there was a 7.8% increase in terms of domestic tourism and that is where the country needed to focus its attention, given global economic recession at that time.

The following were presented as some of the reasons why domestic tourism is important:

- It cushions the effect of global market volatility, bringing stability and predictability in the industry (i.e. it becomes an alternative, by having people travelling within the country, instead of people travelling abroad);
- It keeps money circulating within the home country;
- There is increased employment (direct and indirect) which leads to poverty alleviation;
- Tourism culture creates responsibility for tourism protection within local communities;
- It is not as vulnerable to problems arising from international airline schedules, changing international tastes and perceived security threats;
- There is greater loyalty towards the destination (due to repeat visits).

She stated that domestic tourism provides a geographical spread of tourists beyond the main city areas and this is particularly important in terms of rural communities. International tourists tend to focus on the main tourist attractions in cities and not always on places that are a bit out of the way, whilst domestic tourism brings economic growth in rural areas and assists with the alleviation of poverty.

The presentation alluded to an increase in domestic tourism, particularly in countries such as China and Kenya. In South Africa, there has been a decline in domestic tourism travel. Some of the challenges that have been identified in terms of domestic tourism include lack of research on this pillar of tourism. Domestic tourism has been under researched in the developing world, particularly across Africa and the opposite is the case for the developed countries.

However, South Africa is a shining example and a good case study on research that has been undertaken on domestic tourism. According to Professor Lubbe, research has been conducted by government, private sector and academia. Also, research was conducted to understand what drives growth in the emerging market and how to entrench a tourism culture within the emerging black market.

Professor Lubbe highlighted that there has also been some economic impediments to domestic tourism, such as lack of affordability in the lower and middle income groups and loss of income in the informal sector. She stated that it is not so much that people need a lot of money to tour within the country. She argued that the lower income groups also want to travel but they need to understand where they can travel to. There is therefore a need to put more plans in place to increase domestic tourism and make recreational spaces available and accessible.



Furthermore, she stated that there are also social impediments that influence domestic travel such as lack of knowledge about what is available, awareness of activities and socialisation patterns, particularly in the middle and lower income groups. Professor Lubbe stated that tourism capacity at the local sphere of government, limited resources in domestic tourism, infrastructure capacity and matching supply and demand in all regions were also identified as challenges to growing domestic tourism.

Professor Lubbe indicated that South Africa has made domestic tourism a priority through the development of the Domestic Tourism Growth Strategy. She stated that the country has been using its opportunities and have gained recognition worldwide for being one of the developing countries that has given a priority to domestic tourism. This was also in recognition to efforts by South African Tourism, whose aim was to stimulate the tourism culture through the Sho't Left campaign, industry innovations and tour operator's packages for new and first time travellers. She stated that these are important steps in making tourism accessible to the emerging markets.

She, however, stated that South Africa does not always recognise the value of the "Diaspora" (Visiting Friends and Relatives) market. According to Scheyvens, 2007, the Diaspora market is defined as nationals from a country who live overseas but who return home for short holidays and have very much the same characteristics as the domestic tourists. Professor Lubbe argued that this grouping should also be seen as a potential market to stimulate domestic tourism because they can make a significant contribution to the development of their country.

In conclusion, Professor Lubbe mentioned that there is a need to match the tourism supply in each region to the demand of that particular region. She stated a need to recognise that domestic market segments have different needs and product offerings in different regions and it is critical to meet these needs to a greater or lesser extent. She also indicated that tourism is not a single product, but a consolidation of a host of products and in order to make South Africa unique, each tourism region (stakeholders) should cohesively develop their product offerings to meet the needs of the different market segments.

### **3.2.1.2 Promoting Integrated Tourism Planning at Local Government and Its Implications**

**Mr Marx Mupariwa, Director: Economic Development, South African Local Government Association (SALGA)**

Mr Mupariwa stated that sectors such as mining and agriculture have continued to shed jobs thereby compounding the levels of unemployment and poverty. However, the tourism sector has shown continuous growth despite the gloomy global economic outlook.

On the issue of competency, he stated that according to the Constitution, tourism is divided into two sections. The first affirms the concurrent constitutional competence of the National and Provincial spheres. The second deals with "Local Tourism", which is the competence of local government. Mr Mupariwa underscored the fact that tourism knows no boundaries and no competencies and therefore no difference between public and private sector.

Despite the contrast of competencies in terms of the Constitution, Mr Mupariwa indicated that local government has been complimenting the efforts of both the National and Provincial spheres of government in reducing poverty and unemployment through the implementation of Local Economic Development (LED) initiatives that are tourism oriented. In fact, tourism is experienced at the local government sphere and a functional Municipality will reap the rewards and potential that tourism offers.

Mr Mupariwa, also stated that according to the Global Travel and Tourism Economic Impact's Annual Update Report for 2015, South Africa's tourism industry is expected to grow by 3.4% this year, faster than the forecasted 2% in the wider economy. South Africa's travel and tourism industry contributed R 357 billion to the GDP last year and accounted for 1.5 million jobs.

He stated that despite all the challenges being faced with the decline in the manufacturing and mining industries, tourism seems to be going in a different direction and it is important to leverage from this ever growing sector.

In addition, Mr Mupariwa stated that tourism is one of the main drivers of local economic development and the realisation of its economic benefits requires concerted effort by all spheres of government during planning and execution. Therefore all spheres of government have an explicit role to play in tourism. The Constitution, the Tourism Act, the Municipal Systems Act and the recently enacted Spatial Planning and Land Use Management Act (SPLUMA) do provide provisions to enable tourism to be executed in a manner that integrates the initiatives of the three spheres as well as the private sector.

On the issue of tourism synergy and marketing, he emphasised that the experience tourists encounter when visiting is the best marketing tool. He however stated that there are other areas where there can be cooperation and alignment in terms of the promotion and marketing of cross-cutting tourism themes and development of special generic marketing campaigns, thereby spreading the costs of marketing when raising awareness of new tourism opportunities.

Mr Mupariwa also alluded to the Small Towns Regeneration Programme that SALGA is currently driving. The programme provides Municipalities with a structured approach to revitalising small towns and a platform for integrated tourism planning as its focus is on developing small towns, rural hinterlands and regional economies. He further stated that the programme also seeks to create opportunities for balanced socio economic development in small towns, branding small towns and translating their inherent potential into economic engines, as well as encouraging the participation of communities and drivers of economic development, amongst others.

Given that tourism is a functional competence that cuts across all three spheres of government, Mr Mupariwa stated that, integration and collaboration is required in, amongst others, gathering market intelligence and formulating market informed responses, marketing and promotion of tourist destinations, development and maintenance of tourism infrastructure (roads, water, transportation, ablution facilities, safety etc.), skills development and training. Accordingly, Municipalities should provide basic functional services which will make tourism flourish and can use their Blue Drop status, amongst others, as a marketing tool to attract tourists.

Mr Mupariwa emphasised that in order for tourism to yield optimum dividends and contribute to the developmental mandate of local government, tourism initiatives must strongly feature within Municipal IDPs and as a major equation in the LED strategy that is informed by development plans of the three spheres of government. He stated that there must be meaningful integrated planning that goes beyond cooperation between the three spheres and private sector.

In conclusion, Mr Mupariwa stated that despite the slowdown in global economic growth, the tourism sector continues to thrive. The current contribution of tourism to the GDP can be enhanced if actions of both the public and private sector are harnessed for tourism development outcomes that are planned across spheres and sectors. Accordingly, the IDP must be used as an entry point to ensure alignment and coordination of tourism development initiatives.

Also, he stated that there should be meaningful participation with clearly defined roles and responsibility for each stakeholder. Most importantly, Mr Mupariwa underlined the need for an acknowledgement that tourism is “everyone’s business” and it cuts across economic sectors (transport and logistics, retail, services, sport, culture etc.), hence the planning and product offerings will naturally cut across sectors.

### **3.2.1.3 A Conducive Environment for Private Sector Investment in Tourism: Opportunities and Challenges Mr Martin Jansen - Van Vuuren, Exco Member: Southern African Tourism Services Association (SATSA)**

In his introduction, Mr Jansen-Van Vuuren mentioned that transformation is a problem in the tourism industry and stakeholders should not be opposing one another but instead work together to ensure that much more is done. He stated that according to the Travel and Tourism Competitiveness Index of 2013, South Africa is ranked 29<sup>th</sup> out of a 140 countries when it comes to relevance of policies, rules and regulations that are conducive to a competitive tourism environment.

He further stated that South Africa was ranked number 1 on the presence of international car rental companies, number 10 in terms of World Heritage Sites and number 17 out of a 170 countries on the overall natural resources and that is worth celebrating. However, South Africa fell short on the elements of safety and security and skills development.

Mr Jansen-Van Vuuren cited concerns that have been raised by private sector which included lack of understanding of business principles or processes; lack of business friendly by-laws; lack of enforcement of the regulations; failure to maintain the existing facilities and infrastructure; administrative red tape (ineffective billing processes and long turn-around processes) and the unintended consequences of legislation. He stated that the majority of these concerns usually resides or can be addressed by the local sphere of government. He stated that public sector concerns include the commitment of the private sector to the development of much needed infrastructure; compliance with various legislation; creation of decent jobs; poverty eradication as well as the lack of understanding of government processes and procedures.

According to Mr Van-Vuuren some of the solutions that were identified in addressing the concerns of both public and private sector have more to do with improving collaboration and communication. At National level, there are platforms for engagement between public and private sector whilst at local government level there is no simulation of such.

Mr Jansen-Van Vuuren also shared that various officials from local government have participated in the SATSA's Introductory Course/Training for Tour Operators. The majority of local government officials who attended the course wanted to understand and build their knowledge on the tourism industry. The course, he stated, is effective on building the knowledge in a practical manner. He indicated that Grant Thornton also offers various training courses for Councillors on a number of subjects. The courses also assist in broadening the tourism knowledge base.

Mr Jansen-Van Vuuren stated that understanding the unintended consequences of regulations works both ways and not only for the private sector. He also stated that there is more realisation, particularly amongst the private sector that responsible tourism makes financial sense to the environment, people, bottom line and that customers are considering it as a deciding factor in terms of where to visit and/or stay.

Mr Jansen-Van Vuuren concluded by indicating that, in terms of public sector facilities e.g. Municipal resorts and attractions, there are opportunities to bring the private sector's capital and knowledge in the management of these assets and that partnership are currently underutilised.

#### **3.2.1.4 Achieving Transformation in the Tourism Sector**

##### **Ms Lindiwe Sangweni-Siddo, Chief Executive Officer: Birchwood Hotel and Member of the Tourism BBBEE Charter Council**

Ms Sangweni-Siddo mentioned that tourism had been one of the first sectors to have its Broad-Based Black Economic Empowerment (B-BBEE) Codes in May 2009. In essence, the codes were meant to tackle two major challenges namely, the need to be globally competitive and ensure that black people in South Africa were included in the tourism sector in an economically beneficial manner.

Ms Sangweni-Siddo highlighted that the mandate of the Council was to provide guidance on specific matters affecting B-BBEE entities within the sector, compile reports on the status of broad-based black economic empowerment within the sector, and share information with members; approved accreditation agencies; B-BBEE Commission; B-BBEE Presidential Advisory Council; the Minister of Tourism and the Minister of Trade and Industry.

She then posed a question as to whether “there were any achievements with regard to transformation in the tourism sector”. The findings of the State of the Sector Transformation Report released in 2013, revealed that whilst large enterprises generally had better transformation outcomes than small enterprises, not much has been achieved in the area of ownership. In particular, the vast majority of enterprises have no black female shareholding.

She indicated that the prevalence of family owned enterprises and funding constraints further complicate the issue. It was noted that procurement has also suffered and buying from black owned suppliers is still at low levels. She stated that the findings further revealed that black women are not benefitting as expected from the management control element, with the argument being that capacity constraints on the part of this group is the main impediment.

Her presentation also indicated that the levels of awareness of the B-BBEE legislation and Tourism B-BBEE Codes in particular, its purpose and benefits are fairly low across the tourism industry. On the contrary, she stated, that there has been relatively good performance on spending on socio-economic development by most entities.

The Western Cape had the highest number of tourism enterprises, only one-in-ten had achieved the black shareholding target. Apart from tourism, she stated that studies by the Department of Trade and Industry (dti) highlighted that transformation is still a challenge, not only in tourism but across all sectors. The dti gazetted Amended B-BBEE Generic Codes in October 2013 and mandated all Sector Charter Councils to overhaul their sector specific codes to be aligned to the dti’s codes. In June 2014, the Tourism B-BBEE Charter Council developed an initial draft of the Tourism B-BBEE Codes.

After approval by the Minister of Tourism, the Council embarked on nationwide stakeholder consultations from July to November 2014 to solicit inputs and comments from all interested and affected persons as well as organisations, including focus group sessions with the key national bodies. The Council had processed the stakeholder inputs and adopted the final draft Codes in March 2015. She indicated that amongst other things, the Council developed a B-BBEE Award Category for the Lilizela Tourism Awards to celebrate the best performers with regards to transformation and compliance in the tourism sector. A guide on procurement needs of large enterprises in the tourism sector was developed and once finalised, it will channel small businesses to the right niches in the sector where they can find procurement opportunities.

The Council would also develop a database of black owned enterprises to support Enterprise and Supplier Development initiatives to accelerate the empowerment of SMMEs and new entrants in the tourism sector.

In this regard, she stated that the Council has commissioned NDT to develop an Executive Development Programme to capacitate Black women in tourism, in partnership with a distinguished South African Business School.

Ms Sangweni-Siddo voiced her appreciation and congratulated stakeholders that view transformation very seriously. She also reminded stakeholders that they are responsible for ensuring the success of the amended Tourism B-BBEE Codes as they will definitely, if followed, usher in new transformation in the tourism sector. She stated that the sector should embrace and believe in the new codes and ensure that the tourism industry is transformed, which will make South Africa competitive and place it on the global map.

### **3.2.2 THEME: ENHANCING DESTINATION COMPETITIVENESS**

#### **3.2.2.1 Marketing South Africa as a Competitive Tourism Destination**

##### **Mr. Thulani Nzima, Chief Executive Officer: South African Tourism (SAT)**

Mr Nzima reflected on how South African Tourism (SAT) is structured and emphasised that their work is aligned with the government agenda of sustainable economic growth and job creation through the domestic and regional part of their business. He also indicated that SAT's expanded mandate includes the promotion of leisure tourism, business events and meetings as well as grading/quality assurance of facilities such as accommodation establishments.

SAT had adopted six key strategies to deliver the expected outcomes. They are:

- Invest only in selected markets/decision centres to deliver volume and value;
- Convince consumers/clients that South Africa can be trusted to deliver memorable experiences and successful business events;
- Engage key stakeholders to deliver quality visitor experience that re-affirm the brand promise;
- Work with the distribution channel to promote South Africa;
- Set up regional hubs to increase market penetration in a cost effective manner;
- Energise and empower the organisation to innovate and achieve excellence.

SAT's marketing approach focused on four pillars, namely:

- Integrated Marketing Communication (IMC) in communicating messages to the consumer;
- Innovation with emphasis on trade shows; hosting of events and campaigns;
- Availability, Visibility and Accessibility (AVA) to industry through stakeholder management;
- Trade engagements.

Mr Nzima stated that SAT's marketing blueprint seeks to create awareness; positivity; ensuring consideration of South Africa by visitors and focuses on positioning South Africa as a leisure and business events destination. Its role requires ability to align every player in the value chain and works with the industry to do the conversion. He indicated that SAT works with the channel, i.e. tour operators and travel agencies through Joint Marketing Agreements.

The CEO of SAT also highlighted various roles played by key stakeholders in the tourism value chain. Tour Operators deal with conversion and putting together packages, the Department of Home Affairs (DHA) deals with the processing of visa and immigration; Airlines focus on booking of flights, capacity and fares; Airports provides information, a friendly and welcoming atmosphere, Stats SA assist with reporting on statistics and Restaurants and other products provide warmth to tourists and good service.

Furthermore the CEO indicated that hotels also focus on welcoming, grading and meeting customers' expectations, whilst transport and logistics companies entail legislating on pricing and reliability.

With regard to stakeholder engagements, he indicated that they interact with numerous stakeholders such as the Department of International Relations and Cooperation (DIRCO), Tourism Business Council of South Africa (TBCSA), Parliament, National Treasury, Media, TGCSA and South African Airways (SAA). According to the CEO, all the interactions with stakeholders must result in conversions.

He indicated that SAT, in aligning its marketing efforts, uses the Power of One Road Shows; which is a platform used to engage with the industry from all nine Provinces of South Africa.; The Marketing Working Group, which is a forum for the Chief Executive Officers and Chief Marketing Officers was also identified as a critical platform wherein integration of marketing initiatives with Provinces and Cities occur. The CEO also touched on the quarterly performance reviews with TBCSA and Tourism Marketing South Africa (TOMSA).

He highlighted that the Tourism Indaba, Meetings Africa and other international platforms were identified as critical with regard to the creation of market access. The CEO also reflected on other campaigns they have, which include Meet South Africa, Reconsider South Africa, Shot Left, as well as Mandela and Gandhi inspired tourist attraction routes. It was indicated that SAT also leverages on key events such as the Joy of Jazz, Mangaung Cultural Festival (MACUFE) and Cape Town International Jazz Festival. The CEO indicated that they have ring-fenced funding for domestic investment.

### **3.2.2.2 Branding South Africa**

#### **Mr Miller Matola, Chief Executive Officer: Brand South Africa (BRAND SA)**

Mr Matola pointed out that Brand South Africa is an agency responsible for managing the reputation of South Africa and building the country's brand. He stated that destinations compete for a share of voice and a wallet. The focus of Brand SA is on inward investment; trade exposure; enhancing competitiveness and enhancing social cohesion and unity.

A nation brand is "everything the nation stands for. It is the creation of the identity that will encompass what people know about the nation. It focuses on questions like where do we come from (our heritage, culture, etc.), what do we stand for as a country (our governance, foreign policy, our people, etc.), where are we going (vision 2010) and what are the people's perception about the country". In addition, Mr Matola stated that the National Brand Index is a critical measurement tool in assessing the performance of a country.

He stated that Brand SA has an umbrella brand approach which is Brand SA Inc, focusing on investment; tourism; exports and heritage. The significance of Provinces and cities in the whole process was emphasised in his presentation. He then reflected on the City Brand Index Research Report and indicated that Johannesburg was at number 45, Cape Town at 43 and Durban at 47 in the year 2011. In 2013, Johannesburg was at number 44, Cape Town at 42 and Durban at 47.

Mr Matola indicated that although South African cities face clear reputation challenges, they have been doing fairly well when it comes to branding and are becoming increasingly competitive. Further to that, he indicated a need for national branding management to be treated as a component of National Policy and not as a campaign that is separate from planning, governance or economic development. In addition, he highlighted some of the prerequisites to realise a successful South African Brand. These include cohesiveness in international marketing, working in unison in creating messages and marketing South Africa as a brand first, then products.

Subsequently, he stated that international best practices point to the significance of a long term vision (strategy and policy); substance (leadership, governance, transport infrastructure and education) and action (buy in and action by citizens). He also stressed that earning a strong brand requires well-structured international events; vision; policies; Foreign Direct Investment (FDI); innovation and multilateralism. Furthermore, inside-out competitiveness; reputation and civic pride were identified as critical components which also play a part.

Lastly, Mr Matola emphasised the need for understanding the bigger picture from all critical stakeholders. The Department of Home Affairs in particular was identified as critical in the whole process. As a closing remark, he stated that the ability to develop and impact (positively or negatively) on a nation's image lies in the hands of policy makers.

### **3.2.2.3 People Development: A Priority for the Tourism Sector**

**Dr Nellie Swart, Senior Lecturer: College of Economic and Management Sciences, University of South Africa (UNISA)**

Dr Swart's presentation made reference to Cluster 3 of the NTSS, which addresses people development with a specific focus on transformation, decent work, service excellence and community beneficiation. She emphasised the importance of focusing on what South Africa is doing best. In addition, the issue of talent management and a collective approach to nurture it were identified as crucial.

Dr Swart gave reasons why people development is a priority in the tourism industry. According to the United Nations' World Tourism Organization (UNWTO) and World Travel and Tourism Council (WTTC), 1 out of 7 people in the world travelled in 2014 and 1 out of 11 jobs is related to tourism. Based on this information, she stated that there is a need to focus on people development as it has been highlighted as an objective within the NTSS (2011) and Domestic Tourism Growth Strategy (2012).

With regard to the potential opportunities, Dr Swart pointed out that tourism empowers communities and that people need to know and understand its value. There is also a need to ensure that people know that tourism is a viable career. Currently, there are more students studying tourism at a secondary school level. In 2014, 116 000 students took tourism as a subject, which presents 25% of schools in the country that offer tourism as a subject. There are Further Education and Training (FET) opportunities available for people to become more qualified in the field of tourism. There is also a need for a more focus on research, whose purpose would be to determine the needs of the people, as well as addressing the needs and wants of tourists as they visit destinations.

Dr Swart presented an example of the Tourism Programme Qualifications Mix which comprises of three main streams, i.e. the Vocational Qualification Stream, Career-focused Qualification Stream and the General Formative Qualification Stream.

She further highlighted potential challenges with regard to people development and these include the ineffectiveness of the Culture Art Tourism Hospitality and Sports Sector Education and Training Authority (CATHSSETA) as referred to in the NTSS. It was also indicated that recognition of prior learning is an aspect that needs serious attention, because there are people with experience in the industry, but do not have qualifications. It is the responsibility of the industry and academia to have discussions on how the issue can be addressed to level the playing field and enable everybody to have a successful qualification in tourism.

Dr Swart also highlighted available opportunities for school leavers, touching on diplomas and degrees offered and dispelled the misperception about inferiority of the former in comparison to the latter.

### **3.2.3 SUB-THEME: PROMOTING RESPONSIBLE TOURISM**

#### **3.2.3.1 Developing Local Products to Enhance Domestic Tourism**

##### **Ms Moseketsi Mpeta, Senior Accounts Manager: Tourism Business Unit, Industrial Development Corporation (IDC)**

Ms Mpeta introduced the Industrial Development Corporation (IDC) as a self-financing, state-owned development finance institution. She indicated that its mandate is to contribute to the creation of balanced and sustainable economic growth in South Africa and the rest of the continent. It also promotes entrepreneurship through the building of competitive industries and enterprises based on sound business principles.

She stated that the IDC has an independent Board of Directors to whom it fully reports to annually and develops its Annual Report which is freely available to the public. Ms Mpeta also stated that the IDC contributes to the economic growth of South Africa by providing funding to the tourism industry. She stated that the Tourism Strategic Business Unit (SBU) within the IDC concentrates on accommodation services, tourist attractions as well as investing in hotel developments.

The focus of the Unit is also on asset-based finance, with the bulk of its portfolio invested in the accommodation sector. She indicated that the Tourism Strategic Business Unit also contributes to the government's strategy for the tourism industry by participating in the establishment of good quality hotels in South Africa and the rest of Africa. The portfolio also extends into other sub-sectors such as niche sport markets, adventure tourism and business tourism.

Ms Mpeta stated that the Tourism SBU also supports Broad-Based Black Economic Empowerment (B-BBEE) projects with significant development impact in townships and rural areas, while adhering to the Tourism BEE Charter requirements. She further mentioned that with regard to the criteria used in providing funding, economic viability of the project is the overriding criterion.

She also indicated that the IDC assesses the sustainability of the project, with a minimum 40% owners' contribution. A meaningful contribution of finance and assets from the owners will be required and this will generally be guided by the financial model. Her presentation also highlighted that B-BBEE applications qualify for a reduction in the owners' contribution, whilst security is also required, which might include the registration of bonds over fixed and movable assets and a pledge of personal surety ships.

She stated the following as criteria in determining funding applications:

- Projects that show profitability and sustainable commercial viability;
- Projects seeking the financing of fixed assets and capital expenditure;
- A product or facility for which there is identifiable demand from a quantifiable market;
- Projects which have a significant developmental impact, such as job creation, empowerment and rural development.

She mentioned that a comprehensive business plan outlining the final product and instruments is also required and that loans that the IDC provides range from a period of five to ten years and are interest rate linked.

She concluded by highlighting numerous constraints that are an impediment to the process of funding. These include, amongst others, tedious Environmental Impact Assessments; lack of bulk infrastructure; lack of suitable land; lack of buy-in from the affected communities and prolonged land claims.



### **3.2.3.2 Phinda Private Game Reserve: A Model for Community Beneficiation and Job Creation** **Messrs Jabulani Nxumalo, Simon Naylor and Thokozani Mlambo: Phinda Private Game Reserve**

Messrs Nxumalo, Naylor and Mlambo made a joint presentation on the Phinda Private Game Reserve as one of the models for community beneficiation and job creation. They shared the fact that the game reserve, whose main focus is conservation and tourism, was part of a land claim settlement lodged by the communities of Mngqobokazi and Makhasa in 2007.

The presenters stated that the agreed model was that of a formalised partnership between the communities and Phinda Game Reserve Management, with tourism being the critical component. The emphasis is also on caring for wildlife and the land, whilst using profits accrued through tourism to benefit the communities.

They indicated that, post land settlement, the title deed was transferred to communities represented by the Qhubekani Mngqobokazi Community Trust and the Makhasa Community Trust, including traditional leaders. As part of the agreement, it was indicated that Phinda Private Game Reserve Management signed a lease of 36 years with the communities.

The presenters highlighted that there are approximately 250 beneficiaries and the game reserve pays an agreed monthly rental fee to the communities. According to the presenters, funds to be invested through the Trusts within the lease period of 36 years are projected at about R75 million. The communities also benefit through preferential employment within the game reserve, including attainment of skills in conservation and tourism development.

It was also highlighted that the agreed model resulted in the employment of 308 staff members, who come from these communities and also regard tourism as a new gold for rural development. The presenters also highlighted various benefits emanating from the partnership with Phinda Private Game Reserve. These include the establishment of an organisation called Africa Foundation by Phinda. The foundation built various community structures such as the clinic, special needs school, and contributed towards the construction of 9 existing schools at Makhasa. These projects are supported by government, which provided additional funding.

The two Trusts have also embarked on various developmental initiatives, utilising funds received as rentals from the Phinda Private Game Reserve. These include electrification of houses within the communities and providing bursaries to young people to further their education, etc.

The presenters also indicated that the partnership has worked because trust has been built between the partners. Also, it was indicated that they support each other and communities trust their representatives because there is constant communication, which includes reporting on finances and on any other matter.

In the presentation, certain challenges were also reported, which include Rhino poaching; difficulty in attracting tourists given the unpredictable tourism market; and the fact that the local communities are growing, which calls for devising additional ways of sustaining them. Other challenges mentioned include slow pace on the side of government when it comes to the resolution of outstanding land claims (two farms).

In conclusion, the presenters highlighted skills development; environmental education; possible further business partnerships and incorporation of additional land into the reserve as areas that needed to be explored further to sustain and develop the communities. In addition, it was highlighted that, it is important for local Municipalities to be involved in land settlement's related programmes in order for these to be aligned with the Municipal IDPs.

### **3.2.3.3 Changing Lives Through Responsible Tourism: Case Studies Ms Jennifer Seif, Executive Director: Fair Trade Tourism (FTT)**

Ms Jennifer Seif, gave a background on Fair Trade Tourism (FTT) as an organisation and its role in promoting responsible tourism in Southern Africa and beyond. The aim of FTT is to make tourism more sustainable by ensuring that the people who contribute their land, resources, labour and knowledge to tourism are the ones who reap the benefits.

This is done through awareness creation about responsible tourism to travellers, assisting tourism businesses to operate more sustainably; and by facilitating a Fair Trade Tourism certification programme across Southern Africa. It was indicated that tourism businesses that adhere to the FTT standard use the FTT label as a way of signifying their commitment to fair and responsible tourism. This includes providing fair wages and working conditions, fair purchasing and operations, equitable distribution of benefits and respect for human rights, culture and the environment.

Ultimately the aim is to reconcile people, planet and profit. She further mentioned that the FTT also aspires to be the first world's labelling trade certification organisation, not only working in South Africa, but has extended its operations throughout the entire African continent.

She then presented various case studies within the tourism industry that have done exceptionally well in practising responsible tourism. These include the Bulungula Lodge and Storms River Adventure both in the Eastern Cape; Lebo's Cycle Tours in Soweto, Gauteng; Leshiba Wilderness in Limpopo; Spier Wine Estate in the Western Cape and !Xaus Lodge in the Northern Cape. In all these case studies, communities benefited as a result of owners deliberately deciding to change their procurement procedures to favour locals. This resulted in some goods being produced and procured locally, which contributed to jobs being created.

She also indicated that some of these initiatives are as a result of what is referred to as Travellers' Philanthropy, which means "travellers and travel companies giving financial resources, time, and talent to further the wellbeing of local communities". In the case of Bulungula Lodge, for instance, the decision to adopt responsible tourism practises resulted in the area benefitting by having a school built for the community.

Joint ventures with the community were established which resulted in the local people being shareholders and eventually taking over the running of the lodge. The lodge also invested in improving educators skills, including buying water tanks, all this is managed through an established Community Trust.

As her concluding remarks, Ms Seif indicated that, for responsible tourism to be fully achieved and realised, local government must consider partnerships with the industry on product development and marketing. In addition, she mentioned that certification with the Fair Trade Tourism South Africa logo was encouraged amongst businesses in order to integrate responsible tourism practices as part of business principles. She also advocated for the clustering development approach as opposed to the enclave development approach, as well as joint marketing programmes, which are key.

### **3.3 SESSION 3: CLOSING REMARKS AND VOTE OF THANKS**

#### **3.3.1 Closing Remarks**

##### **Mr Victor Tharage: Director-General (Acting), National Department of Tourism**

The Director-General (Acting) thanked everybody for participating and making valuable contributions during the proceedings. He also thanked the speakers for setting aside their time to prepare and contribute to the content of the Conference. It was highlighted that the main purpose is to engage relevant stakeholders in the tourism sector, and to develop innovative solutions that will promote tourism in the country. He further called upon delegates to prioritise and accelerate transformation in the sector, and that the same attention should be paid to the issue of community beneficiation and SMME development.

He indicated that the Conference was a success and that going forward, there is a need to ensure that the event become even more inclusive. The Director-General (Acting) also mentioned that the active participation of other stakeholders such as Labour, Traditional Leaders and Communities, amongst others, will be critical to the future success of the Conference and the sector in general. There is therefore a need to find ways to actively involve alternative voices and vulnerable groups, so that the Conference's outcomes truly represent all stakeholders in the industry.

The Conference, he stated, deliberated at length on the critical importance of local government in delivering the tourism mandate. He reiterated the need to continually demystify the myth that tourism is an unfunded mandate at local government. This belief, he stated, seems to have partly contributed to the current state of affairs when it comes to profiling tourism at this critical sphere of government. He argued that once this has been addressed, all other challenges will be resolved, such as budgeting and ensuring that there is expertise in the form of qualified tourism officials at local government level. He also mentioned that, it is vitally important that the delegates go back and discuss how they are going to implement the resolutions of the Conference, which are central to the development of tourism.

The Director-General (Acting) also alluded to the fact that the National Tourism Sector Strategy and the National Development Plan recognise the critical role played by tourism in the South African economy. These (NTSS and the NDP), can only be implemented if all of us in the respective spheres of government and industry do our part. As he concluded, he listed some of the imperatives that have emerged from the Conference discussions that needed to be addressed and followed up with initiatives:

1. Local government must get the basics right which will enable better access to local attractions and services to tourists;
2. All spheres of government and industry stakeholders need to focus on the development of tourism SMMEs and skills so as to achieve the desired levels of service excellence;
3. All need to strengthen collaboration across spheres of government,
4. Revive Local Tourism Associations and improve their effectiveness;
5. There is a need to facilitate learning platforms to exchange best practices;
6. Stakeholders need to promote an approach of public-private partnerships to enhance the sustainability and viability of products owned by local government (including management agreements where applicable);
7. There is a need to create a national tourism information system which will inform growth and development of tourism at local level;
8. Continue to pursue a whole-of-government approach to the harmonisation of the regulatory environment in the interest of sustainable tourism growth;
9. Promote greater inclusivity throughout the tourism value chain, including implementing the B-BBEE policy;
10. There is a need to strengthen the product base by developing key tourism magnets as part of the overall destination development plans.

The Director-General (Acting) reaffirmed the commitment of the Department of Tourism to engage with stakeholders in the industry towards mutual interest, and, most importantly, for the benefit of all South Africans.

### **3.3.2 Vote of Thanks Mr Derek Hanekom, Minister of Tourism**

The Minister indicated that the Conference was valuable and not just another talk shop. He further stated that the real value would be determined by what all stakeholders do after the Conference. The Minister's impression was that the discussions were focussed and robust during the Commissions.

Firstly he reflected on transformation and stated that the issue is not about whether to transform, it is about how to transform, the kind of transformation and to benefit whom. He remarked that the sector should have a nuanced and broad notion of transformation and understand what it means to different people. The Minister stated that patterns of ownership in establishments such as guesthouses, bed and breakfast and hotels should be changed.

A high percentage of these establishments remain white owned, and this is one of the most difficult part of transformation. He further mentioned that, the sector can do systematic things to change the landscape, such as having highly skilled workers, better workplace culture, improved conditions of employment and building transformation through better procurement policies. He stated that all of these can contribute towards transformation in the sector.

He urged tourism practitioners to take responsibility in their own Municipalities by maintaining and looking after assets such as local Museums and Monuments. These efforts will result in not only people coming to the Museums, but in the overall growth in their Municipalities, jobs and transforming the lives of a lot of people. Municipalities should be in a position to prepare sound tourism plans which should be incorporated in the IDPs. This means that there is a need to develop capacity in order to address this challenge. Both National and Provincial government should find effective ways of assisting in developing the capacity of Municipalities to develop comprehensive tourism plans

The Minister also made reference to the concept of getting back to basics in relation to the capacity of developing sound tourism plans. If the basics are done right at Municipalities, the likelihood of fulfilling their mandate properly and providing services will be an even greater contribution towards tourism growth.

The Minister also emphasised that Municipalities should allocate a budget for tourism and Policy Makers should also understand and fully recognise the value of tourism. He furthermore stated that with their limited budget, Municipalities must do things that benefit the broader community.

Minister Hanekom indicated that Municipalities should invest in infrastructure that will benefit communities in their localities. The Minister encouraged stakeholders such as LTOs and Industry Associations to participate in the IDP processes and LED Forums. He emphasised that Municipalities should engage and persuade tourism stakeholders to participate in such platforms and also provide reasons on why it is valuable to participate.

The Minister also stated that Provincial Departments of Tourism have a tourism mandate and therefore must come to the party by providing resources (budget) for tourism. The Minister alluded to an earlier indication during deliberations, to the effect that Provincial budgets for tourism are limited and called on Provinces to reflect on that.

The Minister expressed a view that, there could be a need for a new approach to be developed in tourism, which may replace or complement the current EPWP model, which he stated could be named or referred to as “Working for Tourism”. The concept could have a job creation element and branded, expanded, publicised through awareness creation and could be much useful and assist Municipalities in keeping or maintaining some of their key facilities and iconic attractions, whilst also contributing to service excellence.

As part of this new approach, he stated that multi-skilling of officials could be promoted, for example; a person responsible for cleaning beaches could also be provided with rudimentary First AID training to assist tourists who could be crime victims, report crime as well as provide tourists with information. He then indicated that the concept will therefore need to be further explored.

He concluded by stating that there will be a bilateral between the Ministry of Tourism and Ministry of CoGTA at a DG level on the implementation of some of the resolutions of the Conference. The Minister thanked all delegates for their participation.

## **4 CONFERENCE RECOMMENDATIONS**

The Conference comprised of the Plenary Session and Commissions. Delegates deliberated at length on the critical importance of local government in delivering the tourism mandate. From the deliberations, it was highlighted that there is a need for a more focus on creating and strengthening local government’s institutional arrangements and capacity to address tourism delivery challenges. It was generally acknowledged that, this is the only way to place South African tourism on the global map and get it off the ground.

Also, the need to spend a considerable amount of time talking to each other was emphasised i.e. officials, industry and politicians in various spheres, to grapple with critical issues plaguing the tourism industry, and to seek sustainable solutions. For detailed discussions, delegates were allocated into various Commissions, where the following recommendations were tabled and these have been summarised into four categories, namely:

### **4.1 Towards a Sustainable Model for Tourism Planning**

- Municipalities need to improve existing and/or establish communication platforms that involve the private sector during the planning process;
- Municipalities need to build capacity by appointing dedicated resources to drive the tourism agenda;
- National and Provincial Government need to simplify the South African Tourism Planning Toolkit for Local Government and activate its usage;
- Municipalities need to conduct a basic tourism potential audit to identify their top tourism attractions or potential tourism markets and consider prioritising the allocation of resources in areas that will have the biggest impact;
- All need to look at implications of Spatial Planning and Land Use Management Act (SPLUMA) in the tourism sector;
- The National Department of Tourism must establish multidisciplinary teams and provide support to Municipalities with tourism planning;
- National Government should provide or establish a platform to share best practices by Municipalities and public-private initiatives;
- Local Tourism Organisations must participate during the IDP development processes;
- Municipalities must ensure that tourism forms part of the new five (5) year IDP cycle;
- The National Department of Tourism need to consider information technology platforms to improve communication, collaboration and implementation for tourism development at local government.

## **4.2 Enhancing Local Government's Tourism Competitiveness**

- There are discrepancies around the country with regard to the development of Tourism Strategies or Plans at local government. There is therefore a need to improve these and have them integrated in the IDPs;
- Tourism should be mainstreamed as an economic development function or activity at local government;
- Provinces need to improve collaborations and establish engagement platforms between Municipalities, Provincial Departments and Private Sector;
- Municipalities must develop local regulations and/or by-laws that are friendly and support the development of tourism at Local Government;
- Support tourism SMMEs through the local government's procurement system;
- There is a need to improve collaboration between spheres of government and Universities on research to enhance tourism planning;
- Municipalities should develop their profiles in order to inform their tourism potential.

## **4.3 Resourcing Tourism Development**

- South Africa Tourism (SAT) together with Provincial Tourism Authorities need to work out a mechanism to quantify the value of events in order to attract the required funding; as it is difficult to motivate for allocation of resources when there is no data to determine the impact of projects/events;
- Tourism stakeholders must participate in the Municipal IDP processes so as to ensure integration of tourism priorities;
- Authorities / officials at Local Government must take the initiative to identify tourism development opportunities within their localities and seek buy-in and support from communities for integration of such projects into IDPs;
- Municipalities must conduct awareness campaigns to educate communities about the value of tourism;
- NDT should partner with CoGTA and SALGA and investigate available funding options in respect of tourism development at local government;
- There is a need for local government to plan and budget for tourism development.

## **4.4 Achieving Tourism Transformation**

- The Charter Council need to enforce the transformation agenda in the tourism industry, including effective monitoring of the implementation of B-BBEE Codes;
- The National Department of Tourism need to identify priority areas for transformation in the tourism sector e.g. The Hotel industry, Enterprise and Supplier development;
- The National Department of Tourism need to conduct a study on the progress of tourism transformation in South Africa and report on the status of compliance;
- NDT to develop a credible database of tourism businesses that support the transformation agenda;
- Industry should tap into SETA funding / grants that are made available by government;
- The NDT needs to promote the role of the Charter Council and the work it does.

## 5. KEY RECOMMENDATIONS

Key recommendations have been summarised as follows:

- National and Provincial Government need to simplify the South African Tourism Planning Toolkit for Local Government and activate its usage;
- There are discrepancies around the country when it comes to the development of Tourism Strategies or Plans at local government. There is therefore a need to improve these and have them integrated in the IDPs;
- NDT should partner with CoGTA and SALGA and investigate available funding options in respect of tourism development at local government;
- The National Department of Tourism need to identify priority areas for transformation in the tourism sector e.g. The Hotel industry, Enterprise and Supplier development;
- The National Department of Tourism need to promote the role of the Charter Council and the work it does;
- There is a need to improve collaboration between spheres of government and Universities on research to enhance tourism planning;
- Municipalities must develop local regulations and/or by-laws that are friendly and support the development of tourism at local government;
- There is a need for the revival of Local Tourism Organisations and encourage their participation during IDP processes;
- The National Department of Tourism need to consider developing a new approach to complement the current EPWP model in tourism (e.g. “Working for Tourism”). The concept/model should have a strong job creation element and assist Municipalities to keep their facilities/iconic attractions safe and clean, whilst contributing to service excellence;
- NDT should consider partnering with CoGTA and SALGA in the Small Town Regeneration Programme, with a view to revive their economies through tourism.





# THANK YOU VERY FOR YOUR PARTICIPATION.

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