

SECTION F: GLOBAL COMPETITIVENESS: MARKETING FOR SUCCESS

1. Market segmentation

South African Tourism has created 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 a 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.

The target segments are:

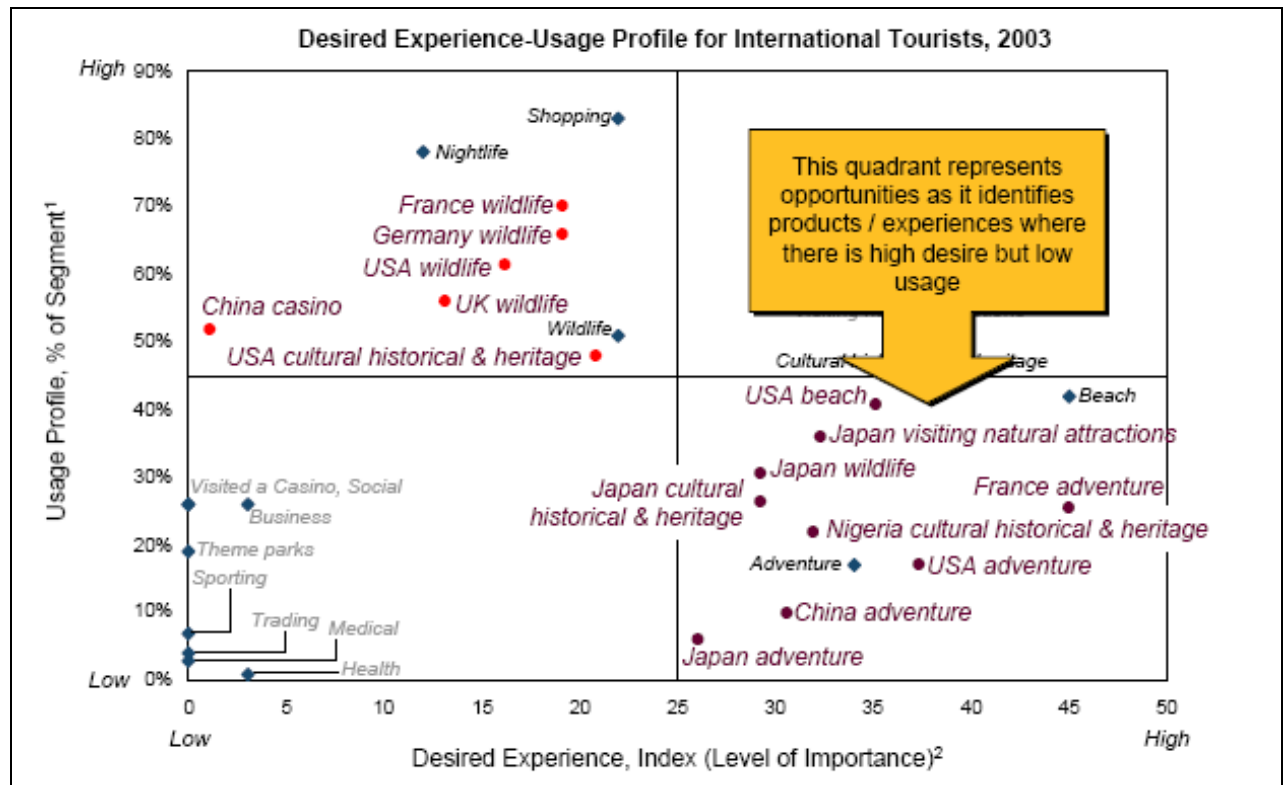
- a. Core foreign (overseas) target consumers are the segments:
 - i. Wanderlusters
 - ii. NSSAs
 - iii. New Beach Goers
- b. Core domestic target consumers are the segments:
 - i. Young and upcoming
 - ii. Independent couples and families
 - iii. Well-off homely

The detailed profiles of the different segments are presented in the KZN Tourism report, which is appended.



2. Positioning the Province

The slide below, extracted from 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 is adventure, natural attractions and history & heritage.



Source: Global Competitiveness Study, August 2004, Copyright The Monitor Group and South African Tourism

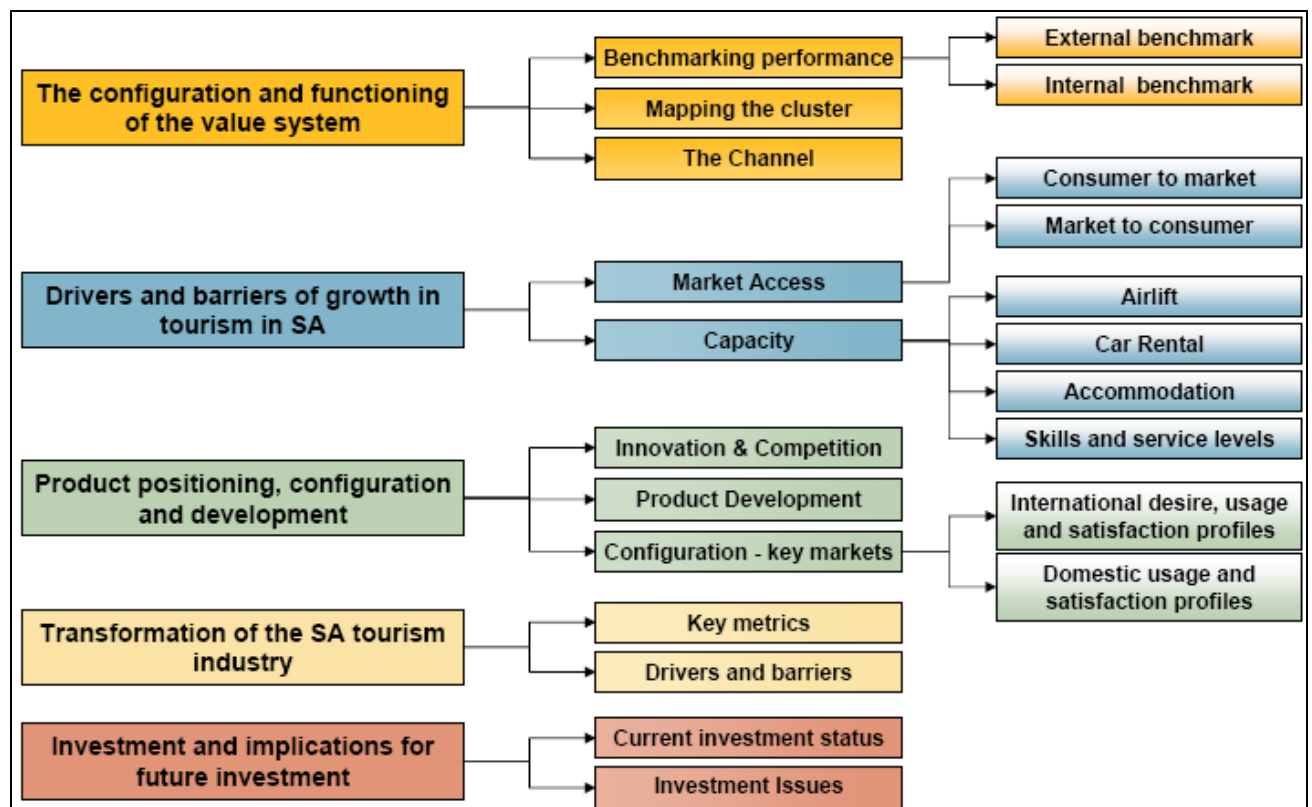


3. Key competitive indicators

"Competitiveness of tourist destinations has become increasingly importance 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.

A map of the key competitive areas set out in the 2004 SAT study is shown below.



Source: Global Competitiveness Study, August 2004, Copyright The Monitor Group and South African Tourism

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.

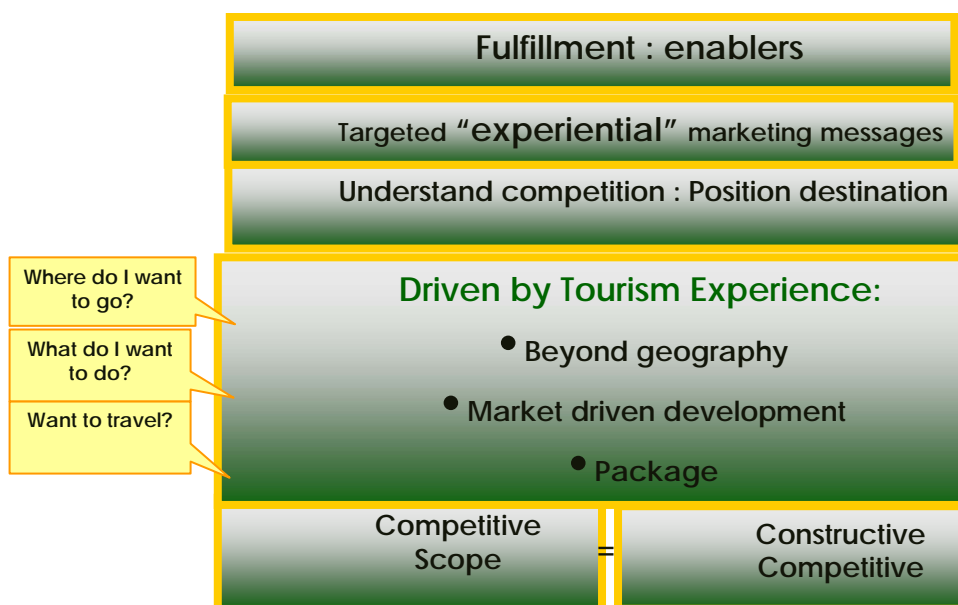
That is to say idea driven or isolated initiatives should give way to an integrated strategic approach. Simply put: working toward a common effort toward a broadly agreed goal helps to create a critical mass for Africa, South Africa and hence KZN in a competitive global marketplace.

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



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- 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 SA. 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 marketing organisations (DMO's) are an international phenomena and considered best practice for marketing of destinations. It's 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 graphic below (using Ethekwini as an example) outlines the:

- tiers at which tourism operates;
- political leadership;
- Executive leadership; and
- **respective co-ordinating structures.**

National	Minister of Environmental Affairs and Tourism	Minmec	Director General - DEAT	Miptec	SAT	CEO's Forum
Provincial	MEC for Arts, Culture and Tourism	PTC	Head of Department - DACT	PTF	KZNTA	PTF
District	Mayor	Mayoral Committee	City manager	Board	Durban Africa	RTO Mtg
Local	Mayor	Mayoral Committee	Municipal Manager - Ethekwini Metro Council	Local Tourism Comm.	1000 Hills Tourism	LTC

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 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:

- a. Integrating provincial tourism policies into local policy framework;
- b. Developing and implementing local tourism policy;
- c. Urban and rural planning and development of tourism products and services;
- d. maintenance of specific aspects of the tourism product at local level;
- e. provision and maintenance of tourist services, sites and attractions and public services;
- f. provision of local infrastructure;
- g. health, safety, licensing and local by-law compliance;
- h. market and promote specific local attractions;
- i. local information services;
- j. facilitate the participation of local communities in the tourism industry



6. 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. Procures services from a range of suppliers – thereby supporting enterprise development.

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.

7. 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.



8. 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.

9. Role of Not-for-Profit organisations

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



10. 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.

11. 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. It
- e. 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*);
- f. 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*).
- g. Communicate and educate communities on sustainable use and conservation of natural resources (*IUCN*).

12. 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



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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 Greater St Lucia 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.

13. 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.

14. 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:

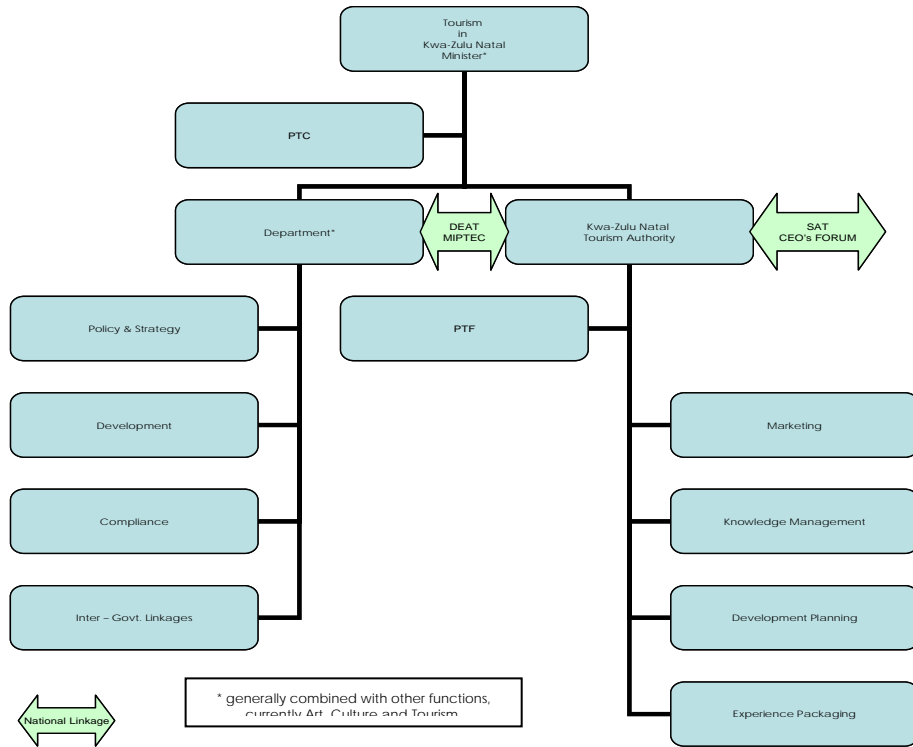
- a. to encourage public understanding and enjoyment of the provincial estate and to promote public interest and involvement in the identification, assessment, recording and management of heritage resources;
- b. to coordinate and monitor the identification of our heritage;
- c. to set a norm and standards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

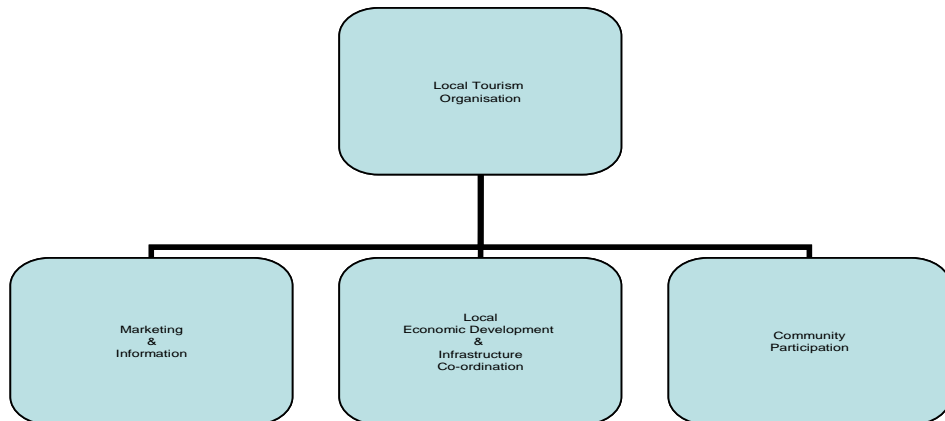
The section on 'Partners in Tourism' sets out the roles of the various partners.

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 the entities.)



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;
- e. 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, inform 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



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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. Legislative and Policy Implications

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.



PART TWO: STRATEGIC FRAMEWORK

The KZN Green Paper on the Development and Promotion of Tourism sets out a number of policy recommendations.

The following schedule provides a high level Strategic Interventions Framework. It highlights some of the key issues to be addressed by the province, and recommends a time frame.

Strategic Intervention	Action	Time frame
Finalisation and adoption of White Paper	Consultation and public comment process Draft White Paper	November 2006
Publish Tourism Regulations	Develop Regulations	February 2007
Develop Tourism Master Plan	Process to reach agreement on Market segments and experience offerings Product and Infrastructure development framework	June 2007
Governance Framework	Develop and implement Shareholder Compact, Board Charters, and MOU's	February 2007
Organisational re-alignment	Agree roles and responsibilities between Department, KZNTA and other relevant departments and entities	June 2007
Funding model developed	Investigate options to increase Tourism funding	June 2007
PPP's	Identify PPP opportunities and develop process for engagement	June 2007
2010 Tourism interventions	Identify 3 key 2010 interventions and develop plans for activation	February 2007
Private Sector Forum	Develop framework and establish forum	November 2006
Community Tourism Organisations mobilisation	Develop framework for and plan for implementation	November 2006
BBBEE Plan	Develop plan, monitoring, evaluation and reporting system	October 2006
Leveraging for Tourism Growth	Identify key Government departments, public entities, private sector partners and programmes from which tourism could leverage support and adopt a Plan of Action	October 2006



PART THREE : GENERAL

1. MEETINGS HELD

Policy Development Stakeholder Meetings			
Date	30th Jan 2006 10h00	Steering Committee Meeting (Durban Cultural Documentation Centre)	First meeting Confirmation of brief Agree Critical Path
ATTENDEES			
Name	Representing		
C N Khumalo	DACT		
SS Mkhwanazi	DACT		
Gustav Rohrs	ZDM Tourism		
Peter Rutsch	KZNTA		
Mike Newton	Ilembe DM		
C Mare	DACT		
James Seymour	KZNTA		
G Buthelezi	EKZNW		
G Charter	NSB		
S X Mathabela	CTA KZN Ilembe		
A Soni	ASA		
S Singh	ASA		
Date	20th Feb 2006	Steering Committee Meeting (North Beach Holiday Inn)	Attended by the Hon Minister of Arts, Culture & Tourism ASA Team not present
ATTENDEES			
Name	Representing		
C N Khumalo	DACT		
SS Mkhwanazi	DACT		
C Mare	DACT		
S Zungu	DACT Secretariat		
J Seymour	KZNTA		
S Mathobela	CTA KZN Ilembe		
P Rutsch	KZNTA		
F Kolia	Dept of Economic Development		
M Newton	Ilembe DM		
G Rohrs	ZDM Tourism		
G Buthelezi	EKZNW		
G Grober	NSB		
M E Kheswa	DACT		



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Date	13th March 2006 14h00	Steering Committee Meeting (Imvubu House) Guest	Presentation of Draft Policy Guidelines Presentation of Demand Side Report
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ATTENDEES

Name	Representing
C N Khumalo	DACT
S S Mkhwanazi	DACT
S Zungu	DACT Secretariat
J Seymour	KZNTA
S R Mathobela	CTA KZN Ilembe
P Rutsch	KZNTA
F Kolia	Dept of Economic Development
D Hargreaves	NSB
M Newton	Ilembe DM
G Rohrs	ZDM Tourism
I Porter	KZNTA
A Soni	ASA
M Edley	ASA

Date	3rd April 2006 12h00	Steering Committee Meeting (Natal Sharks Board)	Tourism Diagnosis Phase 2 Draft Consultative Questionnaire Draft Policy Guidelines
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ATTENDEES

Name	Representing
C N Khumalo	DACT
SS Mkhwanazi	DACT
J Seymour	KZNTA
P Rutsch	KZNTA
D Hargreaves	NSB
M Newton	Ilembe DM
J M Mtshali	DACT
G Rohrs	ZDM Tourism
S Shabalala	Premier's Office
M B Mahlangu	Premier's Office
P Masinga	Durban Africa
A A Zondi	DACT

M E Kheswa	DACT
S Zungu	DACT Secretariat
B Bhoola	SATSA
A Soni	ASA
S Singh	ASA



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Date	26th May 2006 10h30	DACT/ASA Consultative Meeting Durban Africa	Content Meeting
ATTENDEES			
Name	Representing		
C N Khumalo	DACT		
S S Mkhwanazi	DACT		
A A Zondi	DACT		
S A Zungu	DACT Secretariat		
A Soni	ASA		
S Singh	ASA		
R Moosa	ASA		
M Edley	ASA		
Date	31st May 2006 09h00	Steering Committee Meeting Durban Africa	Green Paper Workshop Input on key issues from members
ATTENDEES			
Name	Representing		
J Mtshali	DACT		
J Seymour	KZNTA		
D Hargreaves	NSB		
G Rohrs	ZDM Tourism		
M B Mahlangu	Premier's Office		
P Masinga	Durban Africa		
G Buthelezi	KZNW		
B Bhoola	SATSA		
A Soni	ASA		
S Singh	ASA		
R Moosa	ASA		
M Edley	ASA		
A Zondi	DACT		
S Zungu	DACT Secetariat		



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Date	09th June 2006 09h00	KZNTA Meeting KZNTA	Board	Presentation of Tourism Draft Green Paper
ATTENDEES				
Name	Representing			
S V Chonco	Board Chairperson			
MEC Thusi	MEC			
B Bhoola	Member			
S Maharaj	Member			
K Mkhize	Chairperson – Tourism Development Committee			
T Goba	Chairperson – Corporate Services Committee			
B Mnganga	Chairperson – Audit Committee			
C N Khumalo	Member			
S S Mkhwanazi	DACT			
M Matola	Chief Executive Officer			
N Khoza	Chief Operating Officer			
P Xolo	Board Secretary			
A Soni	ASA			
S Singh	ASA			
Date	6th July 2006 09h00	Provincial Tourism Council Meeting (Golden Horse - Pmbg)		Presentation of Tourism Draft Green Paper
ATTENDEES				
Name	Representing			
MEC Thusi	DACT			
S Khumalo	DACT			
S Mkhwanazi	DACT			
J Mtshali	DACT			
A Zondi	DACT			
S Zungu	DACT Secretariat			
A Soni	ASA			
S Singh	ASA			
M Edley	ASA			
L vd Merwe	Amajuba District Municipality			
M Veness	Community Tourism Association			
P Masinga	Durban Metropolitan			
M Newton	Ilembe District Municipality			
Z Khuzwayo	Ilembe District Municipality			
D Hargreaves	NSB			



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N Ndlaku	Sisonke District Municipality
M Kutshwa	Sisonke District Municipality
P Xolo	KZNTA
N Khoza	KZNTA
N Ndlovu	KZNTA
S Chonco	KZNTA
K Mpungose	Ugu District Municipality
R Bhengu	Ugu District Municipality
S Ntuli	Umgungundlovu District Municipality
B Dlamini	Umgungundlovu District Municipality
M Mchunu	Umkhanyakude District Municipality
L Mthombeni	Umkhanyakude District Municipality
M Mzimela	Uthungulu District Municipality
A Tait	Uthungulu District Municipality
S Myelase	Uthukela District Municipality
N Njoko	Uthukela District Municipality
M Sibiya	Umzinyathi District Municipality
J de Klerk	Zululand District Municipality
J Mavzindla	Zululand District Municipality
H Mbatha	Portfolio Committee



2. ACKNOWLEDGEMENTS

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 - The Chair of the Tourism Portfolio Committee – Reverend Mbatha
 - The Provincial Tourism Committee
 - The Board of KZNTA;
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Mrs CN Khumalo –Chairperson
Mr S.S. Mkhwanazi - Secretariat
Adv C Maré
Mr J. Seymour
Mr S Mathobela
Mr P Rutsch
Ms F Kolia
Mr M. Newton
Mr Röhrs
Mr G Buthelezi
Mr G Grober
Mr M.E. Kheswa
Mr G Charter (and alternatives Mr G. Grober and Ms D Hargreaves)
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- and
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3. REFERENCES

A range of statutes, policies, strategies, and writings served as a base for the content of the Green Paper on the Development and Promotion of Tourism in KwaZulu-Natal. Most references were relevant to many aspects of the Green Paper, and as such, the Green Paper does not footnote particular references. All sources are duly recognised and acknowledged.

NO.	PUBLICATION	AUTHOR
	The KwaZulu-Natal Tourism Amendment Act No.11 of 1996	KwaZulu-Natal Province
	The KwaZulu-Natal Tourism Amendment Act 2002(NO. 2 Of 2002)	KwaZulu-Natal Province
	Regulations in terms of Act No. 2 of 2002	KwaZulu-Natal Province
	Memorandum of Agreement entered into between South Africa tourism and Provincial Tourism Authorities	South African Tourism
	National Youth Policy	National Youth Commission
	King Report on Corporate Governance - 29 November 1994	The King Committee on Corporate Governance
	King Report on Corporate Governance for South Africa – 2002 (King II Report)	The King Committee on Corporate Governance
	Tourism KwaZulu-Natal Tourism Strategy 2006-2010	Tourism KwaZulu-Natal
	KwaZulu-Natal Tourism product Development Strategy	Tourism KwaZulu-Natal
	The Cluster Consortium Strategy In Action	South African Tourism Cluster
	Review of KwaZulu-Natal Tourism policy and Legislation	Grant Thornton
	Some Lessons from international best practice – Critical Success factors to ensure effective DMO Board Roles	Prof Ernie Heath et al
	Integrated National Disability Strategy - White Paper	Office Of The President, SA
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	The Zulu Kingdom Guide	Tourism Kwazulu-Natal
	Strategic Plan 2005 -2010	Department Of Arts, Culture And Tourism - Kwazulu-Natal
	SA's Transformation – A Strategy For BBBEE	Department of Trade and Industry, SA



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	BBBEE ACT 2003	DTI, SA
	Engendering ASGISA	DTI, SAWEN
	Improving information on Accessible Tourism for Disabled People	European Union
	Women in peri-Urban Township Tourism	Acacia - IDRC
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	Kwazulu-Natal Tourism Act (No. 11 Of 1996)	KwaZulu-Natal Province
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	White Paper On The Development And Promotion Of Tourism In South Africa	Department Of Environmental Affairs And Tourism
	National Minister's Budget Speech 2006	Minister Marthinus Van Schalkwyk
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	Provincial Growth And Development Strategy	The Government Of South Africa
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	Tourism Kwazulu-Natal Occasional Paper No. 26	Provincial Government Of Kwazulu-Natal
	Key Outcomes Of A Strategic Session Between The KZNTA Board And Management	Prof. Ernie Heath
	Destination Branding Guidelines	Tourism KwaZulu-Natal
	Budget Speech	Department Of Art, Culture & Tourism KZN
	Cabinet Memorandum	Department Of Agriculture And Environmental Affairs
	Report On BEE Workshop	Nortje & Associates
	Accelerated And Shared Growth Initiative For South Africa	The Government Of South Africa
	Launch Of Joint Initiative For Priority Skills Acquisition	Speech By Deputy President Phumzile Mlambo-Ngcuka
	Competitiveness Indicators In The Travel And Tourism Industry	Christel De Haan et al Tourism And Travel Research Institute Nottingham University, England
	Action for Southern Africa (ACTSA) – 2000	ACTSA



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	SANGOCO – NGO objectives	South African National NGO Coalition (SANGOCO)
	Arts and Culture Speech	Minister Pallo Jordan
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	A blueprint for community tourism in South Africa – September/October 2004	Community Tourism Association
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	KwaZulu-Natal Heritage Act, 1997 Act No. 10 Of 1997	AMAFA - KwaZulu-Natal
	Nature based Tourism & Environmental Sustainability	Anna Spenceley – International centre for Responsible Tourism – University of Greenwich - UK
	KZN Biodiversity Conservation Framework	EKZN Wildlife
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	Ndebele Africa Day 2006	Premier Sbu Ndebele
	KZNTA Cruise Strategy	Tourism KwaZulu-Natal
	Tourism BEE Charter and Scorecard	DEAT
	BEE PPP Code 2004	DTI
	Domestic Marketing Strategy	S A Tourism
	Event Strategy for SA	S A Tourism
	Tourism Funding Booklet	DEAT
	LED Guidelines	DPLG
	Municipal Structures Amendment Act 2002	DPLG
	National Tourism Act	DEAT
	Responsibilities of Provincial Tourist guide Registrars	DEAT
	SA Tourism Growth Strategy	SA Tourism
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	Childrens' Charter of SA	ANC 1992
	Task Force to protect Children from Sexual exploitation in Tourism	World tourism Organisation
	Overview of the International campaign against sexual exploitation of children in tourism	Presentation by Luigi Cabrini, Regional Representative - Europe, World Tourism Organization
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SECTION FOUR : KWAZULU-NATAL TOURISM REPORT

Slides attached

