

SITUATION AND CONTEXT ANALYSIS REPORT-DEVELOPMENT OF A TOURISM SECTOR STRATEGY AND IMPLEMENTATION PLAN FOR ULUNDI LOCAL MUNICIPALITY



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1. INTRODUCTION

Ulundi Local Municipality is a local municipality located on the southern boundary of the Zululand District Municipality in north-eastern KwaZulu-Natal. It is one of the cluster of five Municipalities that form the Zululand District Municipality. The Ulundi Local Municipality area is approximately 4 185km. It is a mainly rural municipality that encompasses the town of Ulundi. Ulundi town is the only urban area in the municipal area and therefore plays an important role in the provision of social, economic and tourism facilities to the population of Ulundi. A number of tourism activities and places of interest are located in and around Ulundi, these include game reserves, historical/cultural sites, cultural events and guest lodges.

Tourism offers specific potential for local entrepreneurs and businesses. However, the opportunities are not fully reached or exploited and need to be unlocked and appropriately focused on niche markets for the full benefit of local communities.

The process of the development of the tourism strategy has been divided into five work phases. The phases are as follows:

Work Phase One: Project Orientation and Inception

In this phase, the tourism industry of Ulundi is initially reviewed, and the work plan for strategy formulation is developed and detailed.

This report deals with this phase of the project:

Work Phase Two: Contextual Analysis (Current)

In this work phase, the current tourism status quo of the Local Municipality are reviewed. Key policy and legislation relevant to tourism in Ulundi are also addressed. This phase includes:

- o Situational Analysis (including policy and programme review)
- o Destination Situational Analysis
- o SWOT and Gap Analysis.

Work Phase Three: Tourism Strategy

In this work phase, strategies to plan for the development the tourism sector both to contribute to the local economy, and to contribute to the overall socio-economic status of the local municipality are suggested. These are packaged in projects.

Work Phase Four: Implementation Plan

This phase addresses the projects earlier identified and unpacks an action plan in terms of actions, timeframes, roles, and responsibilities, and monitoring and evaluation.

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Work Phase Five: Close Out Report

This work phase is administrative in nature, and closes off the entire planning process which, hereafter, will be launched into implementation.

1.1. PURPOSE OF THE REPORT

The current report forms the second of five work phases as listed above. It is the contextual analysis, and its purpose is to accurately provide the legislative, economic, socio-economic, and importantly, tourism background within which the strategy will be developed. In unpacking the background within which the tourism industry in Ulundi will be developed, this section will provide strategic direction highlighting key challenge areas for tourism in the Municipality. The following points list the main purposes of this document:

- ✓ To review of legislation, policies and regulations relevant to the development of tourism in Ulundi Local Municipality, and extract those which are relevant for strategic implementation.
- ✓ To illustrate the spatial, and tourism context of the Municipality's future tourism industry.
- ✓ To provide a resource base of existing tourism and closely tourism related products and structures, which will be in close proximity to and influential on Ulundi's future tourism industry.
- ✓ To illustrate the overall performance of tourism products which will be in close proximity to and influential on Ulundi's future tourism industry (e.g. - an oversupply of a certain tourism product in close proximity to the Municipality will strategically direct the Ulundi Tourism Strategy not to plan to offer the same product locally).
- ✓ To provide an understanding of the market/s most available for successful targeting for tourism in the Municipality, as well as their estimated size/s, patterns and preferences.
- ✓ To provide an understanding of the institutional and dynamic/ functional structures which are available for the handling of tourism in the Municipality.
- ✓ To develop a SWOT analysis of tourism in the Municipality.

1.2. STRUCTURE OF THE REPORT

The report is structured as follows:

Section One: Introduction (current section)

This section provides the direction and purpose of the report.

Section Two: Policy, Legislative and Institutional Environment Review

This section discusses the key policy, legislation, strategy and institution relevant to tourism.

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Section Three: Situational Analysis

This section discusses regional spatial tourism dynamics. It also includes a tourism supply and demand analysis, as well as an inventory of tourism products and related structures in the area, and finally an analysis of relevant tourist markets. Finally it includes a tourism institutional analysis, following on from the previous section.

Section Four: SWOT and GAP Analysis

This section concludes the information collation and analysis of the previous section by identifying the SWOT and GAPS of tourism in Ulundi.

2. POLICY, LEGISLATIVE AND INSTITUTIONAL ENVIRONMENT REVIEW

This section of the contextual analysis addresses the legislative and institutional aspects of tourism in Ulundi. It begins by addressing the main tourism institutions and or legislation at the international national, then provincial, and finally the local level, as all levels are relevant and significant for Ulundi. Thereafter the institutional structure of tourism in Ulundi is unpacked.

The aim of this section is to identify key role players which will be required for the execution of strategic implementation actions, and also policy and legislation which will determine the framework for the strategy itself. This section aims not only to identify key roleplayers, but to identify which role players are necessary at the key process within the tourism system.

2.1. INTERNATIONAL INSTITUTION: UNITED NATIONS WORLD TOURISM ORGANISATION

The main international body governing global tourism is the United Nations World Tourism Organisation (UNWTO) - based in Madrid, Spain.

The main function of the UNWTO is to collate statistical information on international tourism. This international data is thereafter utilised to support and inform the development of tourism at a country level. Apart from providing global information on flows and trends of tourism, the UNWTO plays a significant role in promoting the development of responsible, sustainable and universally accessible tourism. There is a particular focus on developing countries, as tourism is viewed as being an important tool in contributing to socio economic development.

The Tourism Organisation is divided into four sub committees, including the: Committee on Statistics and the Tourism Satellite account; Sustainable Development of Tourism Committee; Committee on Poverty Reduction, and the Committee for the Review of Applications for Affiliate Membership.

As the United Nations' specialised agency for tourism, the UNWTO is committed to the achievement of the United Nations Millennium Development Goals (MDGs). These goals are geared toward reducing poverty and fostering sustainable development. The UNWTO is of the stance that tourism is one of the world's top job creators, and a lead export sector, and that in this sense, the sector can contribute directly to the following four MDGs:

- Goal 1: To eradicate extreme poverty and hunger
- Goal 3: To promote gender equality and empower women
- Goal 7: To ensure environmental sustainability
- Goal 8: To develop a global partnership for development

According to the UNWTO, tourism directly supplies one in eleven of the world's jobs, as well as a significant amount of jobs indirectly.

The stance of tourism as a job general developmental and specifically job creation tool has influenced the South African national approach to tourism, thereby influencing the approach to

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tourism at the KZN provincial level, the Zululand district level, and finally at the local Ulundi level for this Strategy.

In addition, because of the importance of the potential international market to Ulundi Local Municipality's tourism, tourism flows and trends information supplied by the UNWTO is later utilised to understand the international platform upon which Ulundi will be launching its tourism sector.

2.2. NATIONAL INSTITUTIONAL, LEGISLATIVE AND POLICY ENVIRONMENT

This section lays out the broad macro environment under which tourism development takes place in Ulundi. As such, the section highlights legislation and policies that frame tourism development in the country- from which tourism development in Ulundi should take its cue. The section also highlights key national level institutions relevant to this sector's development.

2.2.1. NATIONAL INSTITUTIONS

DEPARTMENT OF TOURISM

On a national level, the key institution for the regulation of tourism is the Department of Tourism, which aims to fulfil the national government's role towards creating the conditions for responsible tourism growth and development by promoting and developing tourism, thereby increasing job and entrepreneurial opportunities and encouraging the meaningful participation of previously disadvantaged individuals.

SOUTH AFRICAN TOURISM (SAT)

A key tourism institution on a national level is SA Tourism, broadly tasked with marketing of the country both abroad and domestically to stimulate the tourism sector to contribute to economic growth. Its mission is summarised below;

"Facilitate the strategic alignment of the provinces and industry in support of the global marketing of tourism to South Africa; Remove all obstacles to tourism growth; Build a tourist-friendly nation; and ensure that tourism benefits all South Africans" (www.southafrica.net).

Its role is therefore more than being solely focused on marketing and the institution provides information and research on the sector to all components of the trade market. SAT also provides annual statistics on the sector's performance, country reports and market segmentation reports as well as many others. As such, it is an important institutional resource for the country's tourism sector.

TOURISM ENTERPRISE PROGRAMME/PARTNERSHIP (TEP)

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The previous Department of Environmental Affairs and Tourism partnered with the Business Trust to establish the Section 21 company- Tourism Enterprise Programme, to facilitate the growth of SMME businesses in the tourism economy. It aims specifically for job creation, transformation in the tourism industry and sustainability of businesses. The Business Trust has focused on tourism because it is seen as the sector in the country that is most likely to yield the most number of jobs in the smallest amount of time. Since commencement, more than 2200 SMMEs have been directly assisted by TEP, with KZN having the second highest number of assisted businesses. Investments by the department in TEP centred on training and mentorship, strategic advice and support around the BEE charter, consultation on opportunities for growth, marketing and product awareness and tourism awareness.

TOURISM SECTOR TRAINING AUTHORITY

THETA is the Sector Education and Training Authority (SETA) established under the Skills Development Act for the Tourism, Hospitality and Sport Economic Sector. Its main function is to raise skills levels in tourism, hospitality, sport and related sectors. Amongst other roles, THETA performs the following functions- establishing learnerships, approving workplace skills plans, allocating grants to employers, providers and workers; monitoring education and training provision; promoting learnerships and registering learnership agreements; performing the functions of an education and training quality assurance body, and receiving or collecting skills development levies and disbursing them in terms of the Act.

TOURISM GRADING COUNCIL OF SOUTH AFRICA (TGCSA)

This voluntary grading system, which was launched in 2001, uses internationally recognised star insignia to rate accommodation establishments and will in future be extended to include other relevant businesses in the tourism industry. Once graded, establishments are encouraged to utilise the star system for marketing and advertising purposes. This assists the tourist with the selection of accommodation facilities, and also builds the tourist's trust in the accommodation facility.

TOURISM LEARNERSHIP PROJECT (TLP)

The Tourism Learnership Project (TLP) is a Business Trust initiative that was founded to speed up the provision of learnerships and skills programmes with a view to promoting better service and productivity in the tourism, hospitality and conservation sub-sectors. The TLP aims to improve the knowledge and skills of learners. CATHSETA has been entrusted with project implementation and management.

2.2.2. NATIONAL LEGISLATION

CONSTITUTION OF SOUTH AFRICA

The Constitution specifies what role local government should play in tourism development. In particular, it specifies that municipalities have a responsibility to exercise the developmental mandate across all functions delivered at local level – including the development and marketing of the tourism sector. Within the constitution therefore, local tourism is defined as a function of district and local municipalities.

Sections 152 and 153 of the constitution have particular relevance to the involvement of municipalities in tourism and their relationship with tourism organisations. Municipalities are mandated through the constitution to promote the social and economic development of their communities, and their involvement in tourism must be related to this mandate.

THE MUNICIPAL STRUCTURE ACT NO. 19 OF 1998

Section 84 of the Local Government: Municipal Structures Act, Act 19 of 1998, provides for the division of functions and powers between district and local municipalities. Subsection (1) of section 84 allocates a list of specific functions and powers to district municipalities whilst subsection (2) allocates to local municipalities all other functions and powers not mentioned in the list.

In terms of tourism, the Act No. 19 of 1998 defines “local tourism” as a local area function and “Promotion of local tourism for the area of the district municipality” as district functions.

MUNICIPAL SYSTEMS ACT NO. 32 OF 2000

The municipal systems act is of particular importance to this study as it establishes a framework for planning, performance-management systems, effective use of resources, and organisational structures within local government. In particular, this should be taken into consideration during the development of the tourism sector within these various local areas, with reference to local government as a key role-player or the formation of PPPs.

NEW NATIONAL ENVIRONMENTAL MANAGEMENT ACT NO. 107 OF 1998 (NEMA)

The National Environmental Management Act is legislation issued by the Department of Environmental Affairs and Development Planning in 1998. The Act advocates that everyone has the right to an environment that is not harmful to his or her health or well-being.

It advocates that the State must respect, protect, promote and fulfil the social, economic and environmental rights of everyone and strive to meet the basic needs of previously disadvantaged communities. The Act is written in order to ensure abidance to these principles in the context of

mainly construction development. The new NEMA 2010 EIA Regulations was gazetted on 18 June 2010, and has a direct impact on specifically tourism development. The main regulations which directly impact the tourism industry are listed below:

- In KZN, environmental authorisation by the provincial Department of Agriculture and Environmental Affairs is required prior to commencement of the below activities. This environmental authorisation either takes form of a full scale environmental impact assessment, or a basic assessment report, which could require a full year to complete and be approved:
 - The construction of resorts, lodges or other tourism accommodation facilities that sleep less than 15 people, if they are in:
 - A protected area identified in terms of the NEMPAA,
 - An estuary,
 - Within 10 kilometres from national parks (e.g. Imfolozi Hluhluwe Game Park) or world heritage sites or 5 kms from any other protected area identified in terms of NEMPAA or from the core area of a biosphere reserve.
 - In a non-urban area - areas within 100 metres of a watercourse or wetland.
 - Further more detailed and specific areas and demarcations which are provided in listing notice 3 (the list of activities and competent authorities identified in terms of sections 24(2) and 24D)
 - The construction of resorts, lodges or other tourism accommodation facilities that sleep 15 people or more, *as well as* the
 - Expansion of existing resorts, lodges or other tourism accommodation facilities such that they sleep 15 people or more, if they are in;
 - A protected area identified in terms of the NEMPAA excluding conservancies,
 - An estuary,
 - Within 10 kilometres from national parks (e.g. Imfolozi Hluhluwe Game Park) or world heritage sites or 5 kms from any other protected area identified in terms of NEMPAA or from the core area of a biosphere reserve.
 - In a non-urban area - areas within 100 metres of a watercourse or wetland.
 - Further more detailed and specific areas and demarcations which are provided in listing notice 3 (the list of activities and competent authorities identified in terms of sections 24(2) and 24D)

2.2.3. NATIONAL POLICIES AND PROGRAMMES

NATIONAL TOURISM SECTOR STRATEGY, 2010

The National Tourism Sector Strategy was released by the Department of Tourism, under the direction of the Minister of Tourism, as South Africa's the first national tourism strategy. South Africa's tourism industry is as a key tool for the nation's economic growth and job creation. However, it has been found that there are still numerous opportunities for tourism growth which are not being exploited to their full potential.

The strategy is drafted with the view to inspire and accelerate the responsible growth of the tourism industry from 2010 to 2015, and therefore drive GDP and employment growth. A new national tourism sector strategy is likely to be released during before the next Ulundi Municipality Tourism Plan review. The strategy is also written within the context of the 2010 FIFA World Cup in South Africa, and therefore aims to ensure that the investment which was made by the country into the tournament is fully leveraged to deliver on the potential for ongoing tourism benefits.

The vision of the strategy is **"Boldly growing responsible tourism together, to deliver memorable experiences for all our tourists, and sustainable benefits for all South Africans."**

The following are listed as being the objectives/ strategic steps to realising this vision:

- ✓ To grow the tourism sector's absolute contribution to GDP by more than the average GDP growth
- ✓ To achieve transformation within the tourism sector
- ✓ To entrench a culture of travel amongst South Africans
- ✓ To provide excellent people development and decent work within the tourism sector.
- ✓ To deliver a world class visitor experience
- ✓ To address the issue of geographic, seasonal and rural spread

The main focus areas are:

- ✓ GDP and job growth
- ✓ Foreign tourism growth
- ✓ Domestic tourism growth
- ✓ Increased tourism investment

There are numerous action steps set out by the strategy which follow on from the objectives, structured into 4 strategic thrusts. The Ulundi Local Municipality tourism strategic actions should feed into and align with one or more of these action clusters/ strategic thrusts.

— **Tourism Growth and Development;**

- Domestic tourism development – tourism products
- Capacity building and budget allocations at local government level in tourism planning and management
- Tourism information provision
- Co-ordinate product development, including in areas with untapped potential
- Investment facilitation, including development finance & enterprise development

- Quality assurance
- Best practice in environmentally responsible tourism
- Marketing and branding (including new market development and domestic marketing)
- Business tourism / events
- African tourism development strategy, including facilitation of travel

- **Policy, Strategy, Regulations, Governance & Monitoring & Evaluation;**
 - Prioritising tourism at national government level – from Presidency-level – and improving inter-governmental coordination
 - Research, information and knowledge management
 - Strengthen collaboration and partnerships within the tourism industry

- **Enablers of Growth;**
 - Improving general awareness of tourism among South Africans
 - Safety and security
 - International airlift
 - Ground transportation
 - Domestic airlift

- **People in Tourism.**
 - Transformation
 - People development for tourism and hospitality
 - Service excellence
 - Improve community benefits from and participation in tourism
 - Provide decent work in the tourism industry

THE SOUTH AFRICAN TOURISM PLANNING TOOLKIT FOR LOCAL GOVERNMENT

The Tourism Planning Toolkit was commissioned by the DEAT to assist local governments to assess and organise around the potential for tourism at a local level. The toolkit outlines a framework for doing basic tourism planning at local governmental level. The tourism planning toolkit is aware of complex relationships that exist between district and local municipalities; local and other local municipalities; municipalities and tourism agencies and/or authorities; and between municipalities and provinces. In this context, the tourism toolkit is intended as a common platform for discussion where comparable tools and approaches can be utilised to enhance discussion around tourism planning.

The intention of the toolkit is to clarify how to complete a basic tourism plan within a South African local municipality. The Tourism Planning Toolkit for Local Government is an important contribution towards advancing competence in tourism planning at a local level and sets a minimum standard for such plans.

Furthermore, the toolkit aims to increase local government's involvement in tourism:

- To provide and manage visitor related infrastructure
- To engage communities in planning for tourism which is socially, culturally, economically and environmentally sustainable
- To take a lead role in destination management by forming partnerships with key stakeholders
- To facilitate regional tourism marketing and continue with enabling and operational roles in product development.

Specifically the purpose of the Tourism Planning Toolkit is to:

- Describe the 'enablement' and 'management' roles that local government plays in tourism
- Provide research and management systems to obtain information, prepare strategic tourism plans and monitor their effectiveness
- Assist local authorities in their strategic and financial planning
- Ensure appropriate investment in infrastructure and services for tourism
- Enable the development of Tourism Plans involving local communities
- Enable local input to provincial and national tourism strategies
- Describe how the current legislation can be used for sustainable tourism development
- Provide examples of good practice
- Provide links to existing reports and resources covering the main topics
- Provide a resource to enable issues to be discussed and resolved at the local level

The Tourism Planning Toolkit provides access to a linked suite of tools that focuses on strategic tourism planning, especially tourism destination management.

WHITE PAPER ON THE DEVELOPMENT AND PROMOTION OF TOURISM IN SOUTH AFRICA

One of the most important national tourism policies is laid out in the DEAT's White Paper on the Development and Promotion of Tourism (May 1996). This document sets out the national policy framework for tourism.

Key guiding principles for tourism are set out in the White paper as follows:

- Tourism will be private sector driven
- Effective community involvement will form the basis of tourism growth
- Tourism development will be underpinned by sustainable environmental practices
- Tourism development is dependent on and the establishment of cooperation and close partnerships among key stakeholders

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- Tourism will be used as a development tool for the empowerment of previously neglected communities and should particularly focus on the empowerment of women in such communities
- Tourism development will take place in the context of close cooperation with other states within Southern Africa
- Tourism development will support the economic, social and environmental goals and policies of the government. The White Paper (1996) has specific reference to local communities, an important directive that will inform the Ulundi Tourism Strategy. The White Paper (1996) also sets out an extensive list of key objectives of tourism in the country. What follows is a list of some of the key objectives that are highly relevant to the development of the Ulundi Tourism Strategy. They are:
 - To generate economic growth by aggressive development, marketing and promotion of tourism;
 - To establish tourism as a priority sector
 - To create sustainable employment
 - To optimise opportunities for Small, Medium and Micro Enterprises (SMMEs)
 - To utilise tourism to aid development in rural areas
 - To promote domestic tourism amongst all South Africans
 - To create a conducive tourism investment climate
 - To encourage linkages between tourism and other industries to curb leakages and stimulate the multiplier effect
 - To provide tourism capacity building programmes, especially aimed at previously neglected groups
 - To use tourism as a catalyst for human development
 - To encourage the active participation of all in tourism development, particularly at the local level
 - To empower local communities through community tourism initiatives
 - To make tourism a leading South African industry in responsible environmental practices
 - To ensure environmental management principles for all tourism projects
 - To encourage the conservation and sustainable use of tourism resources.

According to the Tourism White Paper, the following are some of the roles and responsibilities of local government with regards to tourism development:

- “Responsible land-use planning, urban and rural development;
- Control over land-use and land allocation;

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- Provision and maintenance of tourist services, sites and attractions, e.g. camping and caravan sites, recreational facilities (parks, historical buildings, sports facilities, theatres, museums, etc.) and public services;
- Provision of road signs in accordance with nationally established guidelines;
- Market and promote specific local attractions and disseminate information in this regard;
- Control public health and safety;
- Facilitate the participation of local communities in the tourism industry;
- Own and maintain certain plant, e.g. ports and airports;
- Provide adequate parking, also for coaches;
- Facilitate the establishment of appropriate public transportation services, e.g. taxi services;
- License establishments in accordance with national framework;
- Promote and financially support the establishment of local publicity associations /community tourism and marketing organisations to facilitate, market, coordinate and administer tourism initiatives”.

A key directive of the white paper is as follows:

“Local government should not provide services that can be provided by the private sector.” The implication of this is that government roles should be those of;

- Facilitator
- Stimulator
- Organiser

According to White Paper (1996) the following are some of the key roles and responsibilities of the private sector with regard to tourism:

- Collaborate with the government in planning, promoting and marketing tourism;
- Involve local communities and previously neglected groups in the tourism industry through partnerships; and
- Represent the interests of private business on the boards of national and provincial tourism bodies (also local).

The Tourism White Paper also allocated tourism development roles to communities as follows:

- Organise themselves to play a more effective role in the tourism industry and interact with government and role players;
- Seek partnership opportunities with the established tourism private sector;
- Participate in decision-making with respect to major tourism developments planned or proposed for the area;
- Have a representative voice in tourism structures; and

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- The notion of partnerships between government, the tourism industry and communities is a consistent theme of the White Paper.

DEAT RESPONSIBLE TOURISM GUIDELINES (2002)

Responsible tourism in simple terms refers to the provision of a better holiday experience for guest and good business opportunities for tourism enterprises. Importantly however, it is also about enabling local communities to enjoy a better quality of life through increased socio-economic benefits and improved natural resource management.

With reference to South Africa's Tourism White Paper (1996), responsible tourism consists of the following key elements:

- Developing, managing and marketing tourism in ways that create competitive advantages
- Assessing and monitoring the environmental, social and economic impacts of tourism development and openly disclosing information
- Ensuring the active involvement of communities that benefit from tourism, including their participation in planning and decision-making and the establishment of meaningful economic linkages
- Maintain and encourage natural, economic, social and cultural diversity
- Avoid waste and over-consumption and promoting sustainable use of local resources.

Consequently, there are three key areas of responsibility, as listed below;

- Economic:
 - To assess the economic impacts as a pre-requisite to developing tourism;
 - To maximise local economic benefits of a tourism sector. This includes the increase of linkages, and the reduction of leakages;
 - To ensure that communities are both involved in, and benefit from tourism;
 - The marketing of tourism and tourism product development; and
 - The creation of equitable businesses.
- Social:
 - To involve communities in both planning and decision making in tourism;
 - To assess social impacts as a pre-requisite to developing tourism;
 - To maintain and encourage social and cultural diversity; and
 - To ensure that tourism developments will be sensitive to host cultures.
- Environment:
 - To assess environmental impacts as a pre-requisite to developing tourism;
 - To use local resources sustainably;
 - To avoid waste and over-consumption; and
 - To maintain and encourage natural diversity.

TOURISM INVESTMENT MOBILISATION STRATEGY FOR SOUTH AFRICA, (2001-2011)

The DEAT has developed a tourism investor mobilisation strategy aimed primarily at mobilizing tourism investors rather than consumers. The successful development of a large tourism sector continues to require large amounts of capital and expertise. Performance is greatly enhanced by having access to considerable marketing expertise, an existing client base, experience and credibility with the target tourism market. The South African Tourism Sector is experiencing a number of constraints to investment and growth due to reasons such as HIV/AIDS, crime and the perceptions thereof, a shortage of infrastructure, particularly in the rural areas, human resource capacity etc. This strategy proposes the facilitation of strategic investment via a combination of targeted investor mobilization and active facilitation of the investment process similar to what happens in other countries of the world.

The Mobilisation Strategy (2001-2011) has identified criteria for prospective investors, developers and operators to be selected. The following are some of the criteria measures:

- Investor/operator who can make a direct positive impact in terms of establishing South Africa as a world-class destination – investors with high level of international credibility;
- Investor/operator with global influence;
- Investor/operator with existing client base; and
- Investor/operator must have necessary capital and human capacity to tackle large developments.

TOURISM GROWTH STRATEGY 2008-2011

The TGS is at the centre of all South African marketing efforts. Its objectives are to:

- Increase the number of tourist to South Africa
- Encourage travelers to stay for longer
- Persuade them to spend more money in South Africa
- Encourage them to visit provinces other than the three most popular provinces in South Africa (Gauteng, Western Cape and KwaZulu-Natal)
- Get them to visit all year round, not just in the South African summer and
- Transform the industry so that all South Africans benefit from tourism and so that the industry become a key catalyst for righting past socio- economic injustice.

As such, marketing is focused in the following three areas:

- Business
- Leisure
- Events

The growth strategy presents the following key interventions to achieve the key objectives above:

- Defend market share of SADC tourists
- Aggressively pursue new growth opportunities
- Build awareness and positive perceptions of South Africa as a leisure

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- Shifting from Product-driven to Consumer Focused Strategy
- Focus on emerging segment of the domestic market
- Business tourism strategy will focus its marketing efforts on
- Specific segments in specific geographic areas
- 2010 presents significant opportunities to open up a new market.

TOURISM BEE CHARTER

The tourism industry in South Africa is largely untransformed with the majority of tourism products mostly owed by the white population. While some of the larger tourism enterprises have begun transforming, there is still a long way to go, with only an estimated 6% of listed tourism entities having BEE ownership. Transformation of the industry has also been slow in terms of control and management profiles. With the signing in of the Broad Based Black Economic Empowerment Act, the definition of BEE now includes the ownership, management, employment equity, skills development, affirmative procurement, and enterprise and social development. Through the act, sectors are encouraged to set their own programmes and targets to achieve the overall targets of the act.

A study commissioned by DEAT found that transformation of the tourism industry will:

- Increase the competitiveness of the industry
- Will ensure that the tourist products are more authentic
- Better cater to international tourist demands.

It further found that the low barrier levels for entry into the industry would facilitate the entry of BEE tourism companies. The charter sets the standard of level of inclusion of black people in tourism through the scorecard.

Key elements of this are as follows:

- Voluntary agreements within the industry to achieve empowerment targets
- Provides measurement tools to assist companies to comply with the targets
- Recommendations on how to achieve ratings on the bee scorecard
- Incentives established to help reach these targets such as development funding and that use of BEE compliant supplies will boost private sector companies' empowerment ratings.

In order to prevent the charter from stifling the SMME market, companies with turnover of less than R5 million per annum do not have to comply with the ownership requirements specified in the charter. Key indicators of the BEE Charter and Scorecard are summarised below:

- The scorecard provides the tool to measure BEE progress. The scorecard measures three core elements of BEE:

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- Direct empowerment through ownership and control of enterprises and assets (ownership and strategic representation)
- Human resource development (employment equity and skills development)
- Indirect empowerment through preferential procurements and enterprise development (preferential procurement, enterprise development and social development).

ACCELERATED AND SHARED GROWTH SOUTH AFRICA (ASGISA)

The Accelerated and Shared Growth South Africa (ASGISA) initiative has been developed at National government level with a key aim to halve poverty and unemployment by 2014. The project entails a number of interventions designed to achieve the overall objectives of ASGISA. One of these interventions focuses on sector strategies, including one with a focus on tourism. Tourism was chosen as an area for intervention due to the following:

- It is a labour intensive sector
- It is a sector that shows good growth
- It is suited to South African circumstances
- The sector has potential for BEE opportunities
- The sector has potential for small business development.

Key issues highlighted in the ASGISA initiative for tourism are as follows:

- Marketing
- Air access
- Safety
- Skills development.

The initiative has a focus on women and the youth and, importantly, targets the second economy. For example, the government is committed to ensuring that some of the initiatives will be targeted towards poor areas where there is currently little formal economic activity.

Interventions under ASGISA to achieve objectives include:

- Provision of access to funding for women and youth
- Skills development commitments
- Other commitments to enterprise development

Funding available through the small enterprise development agency of the DTI to grow small businesses. Finally, it is important to note that ASGISA highlights this sector as one where strong government and private sector partnerships can be built.

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While ASGISA still remains an important national document for understanding the direction of recent economic and socio economic development, it must be noted that economic and ultimately tourism planning is taking a new direction within South Africa. The New Growth Path as discussed below represents new the direction of economic development in South Africa, and its implications on tourism.

NEW ECONOMIC GROWTH PATH

The new growth path is a broad framework that sets out a vision and identifies key areas where jobs can be created. The new growth path is intended to address unemployment, inequality and poverty in a strategy that is principally reliant on creating a significant increase in the number of new jobs in the economy, mainly in the private sector.

The new growth path sets a target of creating five million jobs in the next ten years. This target is projected to reduce unemployment from 25% to 15%. Critically, this employment target can only be achieved if the social partners and government work together to address key structural challenges in the economy.

The new growth path will now seek to place the economy on a production-led trajectory with growth targeted in ten 'jobs drivers'. As a first step, government will focus on unlocking the employment potential in six key sectors and activities. These are:

- ✓ infrastructure, through the massive expansion of transport, energy, water, communications capacity and housing, underpinned by a strong focus on domestic industry to supply the components for the build-programmes
- ✓ the agricultural value chain, with a focus on expanding farm-output and employment and increasing the agro-processing sector
- ✓ the mining value chain, with a particular emphasis on mineral beneficiation as well as on increasing the rate of minerals extraction
- ✓ **the green economy**, with programmes in green energy, component manufacture and services
- ✓ manufacturing sectors listed in the IPAP2 and, relevant to this Strategy-
- ✓ **tourism and certain high-level services.**

In each of these areas clear targets of the jobs potential has been developed and state agencies have now been directed to work on implementation plans. In particular, it is aimed that the tourism industry would produce 225 000 jobs by 2015. Key action areas include strengthening measures to expand tourism infrastructure and services; promote targeted marketing campaigns; manage costs; address quality assurance and logistics; improve training and identify employment and entrepreneurial opportunities for the youth. The job target for the green economy is 300 000 (additional) jobs by 2020.

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The new growth path commits South Africa to work in partnership with other countries on the continent to build a single African integrated economy embracing one billion consumers, and to focus immediately on expanding economic links with the rest of the continent.

Cabinet endorsed a proposal to integrate a set of macroeconomic and microeconomic interventions with clear and concrete stakeholder commitments to move South Africa to faster and more inclusive growth.

The macro-economic approach entails a careful balancing of more active monetary policy interventions to achieve growth and jobs targets, focussing on more competitive exchange rate and a lower cost of capital, with a more restrained fiscal stance and reprioritisation of public spending to ensure sustainability over time.

HIV & AIDS HANDBOOK FOR SA TOURISM & HOSPITALITY COMPANIES

This handbook has been developed by THETA to assist all companies in the South African Tourism and Hospitality Industry to develop strategies to control and reduce the impact of HIV / AIDS on their companies. HIV/AIDS impacts all businesses both directly and indirectly, resulting in increased cost and reduced productivity due to the following reasons:

Recruitment and training - The more workers lose to HIV/AIDS, the more time and money is spent on recruiting and training new staff. This also impacts negatively on pension funds, insurance and medical aid premiums.

Productive employees who are ill due to HIV/AIDS will need more sick leave. Training new tourism employees will be time consuming and slows down productivity. The impact of HIV on business is most clearly illustrated by the increase in death claims from Group Life Assurance schemes in the last five years, and drop in tourism productivity and profits due to the epidemic.

DTI 2010 NATIONAL INDUSTRIAL POLICY ACTION PLAN- TOURISM SECTOR

The 2010 National Industrial Policy Action Plan (IPAP) represents the interventionary actions of national government following on from the National Industrial Policy Framework. The Policy as well as its corresponding Action Plan seek to focus on five main areas in South Africa's industrial activity among which are the diversification of industrial activity; intensification of industrial processes and movement toward a knowledge economy; more meaningful inclusion of the previously disadvantaged and those in marginalised regions; more labour absorbing and employment creating industrialisation, and strengthening of industrial relations throughout the African continent.

The IPAP identified 13 key sectors for prioritisation and action planning. South Africa's tourism sector is the 10th identified sector.

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There are 3 areas in South African tourism which are prioritised by the IPAP as requiring intervention- i.e. - for which Key Action Programmes (KAPs) have been developed. These include the:

- Development of Niche Tourism

Niche markets industries in tourism are here identified as being important because of their high growth potential; potential to attract independent tourists as opposed to those connected to travel operators (individual tourists are more flexible in terms of itinerary and expenditure patterns); and because of their ability to develop higher skilled/more specialised labour than that required for conventional tourism. They are also identified as having more potential to be community based, and to be located in areas outside of those already established as tourism destinations. The IPAP therefore aims to formulate a Niche Tourism Development Framework, in which market research projects in 6 different niche tourism industries are developed by 2012/13. These research projects are intended to inform potential industry role players, encourage the development of products in the industry, and inform government interventions into the development of the specific industries. At present, an Aviation Tourism research paper has recently been completed. In addition to these niche tourism research reports, the IPAP notes that funding will be made available for the niche tourism industries through tourism associations (such as Elephant Coast).

- Tourism Export Development and Promotion

It is pointed out that SA Tourism, South Africa's official national tourism marketing agent internationally markets/ exports South Africa's broader destinations, and not specific tourism products. It was identified that there is need for individual products to be exported / marketed internationally. The formulation of a private sector tourism product exporter (Tourism Export Council) is therefore highlighted as an action intervention.

- and the Investigation of the Structure of Airline Pricing.

The IPAP identifies that the cost of airlines to South Africa from long haul destinations can deter visitors from coming in to South Africa, as they are often high and not under threat of competition. This is particularly true for intra African airlines. The price of an airline ticket to South Africa can often make up the majority of the expenditure on the visit to South Africa. It is also acknowledged that the pricing structure is unclear and confusing to travellers, and that there may be manipulative practices on the part of airline companies. The IPAP seeks to investigate pricing structure through the development of a position paper on airline pricing structures, which will then be submitted to the Consumer Protection Chief Directorate, by 2011. It is hoped that through this, more understanding of the pricing structure will be obtained, more transparency achieved, and possible unfair practices uprooted. It is aimed that this will affect the Consumer Protection Act by 2011.

NATIONAL HERITAGE ACT (NO. 25 OF 1999)¹

¹ It is noted that there is additional policy and strategies on heritage and heritage resources in South Africa. Where this is relevant for the development of heritage tourism in Ulundi (e.g. during the project design of heritage products), this will be incorporated and addressed.

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In a Municipality such as Ulundi where cultural heritage is such a distinct (tourism) asset, it is important to note legislation on preservation of heritage resources. Heritage Resources of South Africa belong to the National Estate and they are generally protected in terms of the National Heritage Act (No. 25 of 1999).

The heritage resources are inclusive of the following, the majority of which are relevant to Ulundi Local Municipality:

- (a) places, buildings, structures and equipment of cultural significance;
- (b) places to which oral traditions are attached or which are associated with living heritage;
- (c) historical settlements and townscapes;
- (d) landscapes and natural features of cultural significance; geological sites of scientific or cultural importance;
- (f) archaeological and paleontological sites;
- (g) graves and burial grounds, including— (i) ancestral graves; (ii) royal graves and graves of traditional leaders; (iii) graves of victims of conflict; (v) historical graves and cemeteries;
- (h) sites of significance relating to the history of slavery in South Africa.

A place or object is considered part of the national estate if it has cultural significance or other special value because of—

- (a) its importance in the community, or pattern of South Africa's history;
- (b) its possession of uncommon, rare or endangered aspects of South Africa's natural or cultural heritage;
- (c) its potential to yield information that will contribute to an understanding of South Africa's natural or cultural heritage;
- (d) its importance in demonstrating the principal characteristics of a particular class of South Africa's natural or cultural places or objects;
- (e) its importance in exhibiting particular aesthetic characteristics valued by a community or cultural group;
- (f) its importance in demonstrating a high degree of creative or technical achievement at a particular period;
- (g) its strong or special association with a particular community or cultural group for social, cultural or spiritual reasons;

(h) its strong or special association with the life or work of a person, group or organisation of importance in the history of South Africa; and

(i) sites of significance relating to the history of slavery in South Africa

2.2.4. OTHER NATIONAL POLICIES AND PROGRAMMES

The above section examined tourism specific policies or programmes, or general policies or programmes with the specific directive towards local government and the development of tourism in that locale. There are however a number of national policies and programmes which, while not directly tourist focused, have a significant impact on tourism development. These will not be discussed in this document, but are listed below.

National Environmental Management: Protected Areas Act No.57 (2003)

National Environmental Management: Biodiversity Act 10 (2004)

Cultural Institutions Act No 119 (1998)

World Heritage Convention Act 49 (1999)

National Heritage Council Act No 11 (1999)

2.3. PROVINCIAL INSTITUTIONAL, LEGISLATIVE AND POLICY ENVIRONMENT

This section examines the policies and programmes that are present in the KwaZulu-Natal Province which has an impact on tourism development on any of the local municipalities falling within the province. An examination of the institutions under which tourism functions in the KwaZulu-Natal province, key provincial tourism legislation and strategies and programs which impact on the tourism sector in the Province is provided below.

2.3.1. PROVINCIAL INSTITUTIONS

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM (DEDT)

Tourism within the Province previously fell under the Provincial Department of Arts, Culture and Tourism (DACT). Since 2008, tourism now falls under the Department of Economic Development and Tourism (DEDT). The application of tourism legislation and policies within the province has mostly been delegated by DACT to the KwaZulu-Natal Tourism Authority, also known as Tourism KZN (TKZN).

TOURISM KWAZULU-NATAL

The activities of Tourism KwaZulu-Natal are directed and guided by the KwaZulu-Natal Tourism Act of 1996 (amended in 2002). This Act vests responsibility for the development, promotion and marketing of tourism in the province to Tourism KwaZulu-Natal. The workings of the public entity are therefore outlined in the sections below when the KZN Tourism Act that established the entity is discussed. Furthermore, it is important here to note that the majority of policy and institutional directives for tourism in the province emanates from Tourism KwaZulu-Natal, and most of this section of the report will therefore focus on Tourism KwaZulu-Natal policies and strategies.

TKZN functions:

Some of the functions of Tourism KwaZulu-Natal are as follows:

- Ensure responsible tourism development, marketing and promotion of tourism products within the province and in municipal areas;
- Ensure the implementation of National and Provincial tourism policies;
- Promote the integration of marketing and development of the tourism industry within the province
- Ensure that tourism operators and tourism establishments are adhering to the provincial policies and legislation.

2.3.2. OTHER PROVINCIAL INSTITUTIONS

AMAFA / HERITAGE KWAZULU-NATAL

It is important to note that heritage conservation in KZN operates under the KZN Heritage Act (No 4 of 2008), which is the primary piece of legislation where heritage conservation in province is concerned. The KZN Heritage Act operates in tandem with the National Heritage Act (No. 25 of 1999). Because of the important role that cultural and heritage resources will play in Ulundi Local Municipality tourism, Amafa KZN, which takes its cue from the KZN Heritage Act (No 4 of 2008) is an important institution to list when discussing provincial tourism related institutions. Heritage resources are non- renewable, and therefore it is necessary to preserve them for the current and future generation. Amafa / Heritage KwaZulu Natali is the provincial heritage conservation agency for KwaZulu Natal. Amafa was established as a statutory body in terms of the (then) KZN Heritage Act of 1997, which has now been replaced by the KZN Heritage Act of 2008. The Council of Amafa is appointed by the Premier of KZN. Amafa administer several heritage sites as well as the KwaZulu Cultural Museum. They are the legal provincial custodians of KZN heritage resources.

The following heritage resources are to be generally protected, conserved and administered by Amafa KZN in terms of Chapter 8 of the Amafa KZN Heritage Act (No. 4 of 2008):

- a) Structures; and buildings over 60yrs
- b) Graves of victims of conflict;
- c) Traditional burial places;

d) Battlefield sites, archaeological sites, rock art sites, paleontological sites, historical fortifications, meteorite and meteorite impact sites.

According to the Act, No heritage resource (as noted above) may be damaged, altered, decorated, or removed from its original position without a permit from Amafa KZN.

In addition, special protection is afforded to sites with exceptional qualities, such as the following sites:

- ✓ Heritage Landmarks
- ✓ Provincial Landmarks
- ✓ Heritage Objects.

It is the responsibility of the community to alert Amafa to heritage resources which may need protection. This requires awareness creation within the community, such that are able to appreciate the national, provincial and local heritage value of heritage resources; identify them, and notify Amafa KZN where they may exist in their communities.

Apart from the identification of special burial sites, structures, buildings, oral history, etc, In terms of Section 38, the community is also required to notify Amafa in the instance of the:

- ✓ Construction of a road, wall, powerline, pipeline, canal or any form of linear development exceeding 300m in length
- ✓ Construction of a bridge exceeding 50m in length
- ✓ Any development or other activity which will change the character of a site exceeding 5 000m² in extent.

Where these have been identified, the developer is required to conduct a heritage impact assessment (by an Amafa approved heritage service provider) if there is reason by Amafa to believe that heritage resources will be affected by such a development.

2.3.3. PROVINCIAL LEGISLATION

THE KZN TOURISM ACT 1996, AS AMENDED IN 2002

This act was largely responsible for the creation of the public entity, TKZN to:

“Provide for the development of bodies to establish, promote and market tourism in KZN within the overall framework of government policy”

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The act therefore established the KZN Tourism Authority, now known as TKZN. This authority works in conjunction with key stakeholders, the Minister, provincial tourism committee, department, municipalities and other tourism stakeholders within the province to implement national and provincial tourism policies within the province. Some of the local municipal functions as specified in the KZN Tourism Act (1996) are as follows.

Municipal Tourism functions:

The KZN Tourism Act also allocates tourism responsibilities and functions to municipalities, stating that municipalities are responsible for establishing and implementing tourism policies with their specified areas, whilst ensuring that their policies are in line with the overall framework of the Constitution of South Africa.

The Act specifies that municipal tourism functions are as follows:

- Ensure the promotion, marketing and development of local tourism within a municipal area
- Promote public participation among the local communities within the tourism industry
- Ensure integrated marketing and development of the tourism industry within the province
- Ensure the alignment of local tourism marketing initiatives with that of provincial tourism marketing strategies
- Ensure equitable distribution of local tourism resources within the municipal area
- Ensure that appropriate measures and programmes are adapted to transform the local tourism industry, including grants that will favour female, small, medium and micro-enterprises
- Ensure that municipalities do not implement or develop local policies that are prejudicial or harmful to the interests of another municipality within the province or to the province itself
- Ensure that municipalities adhere with the planning and reporting requirements set out within the national and provincial tourism legislation.

2.3.4. PROVINCIAL POLICIES AND PROGRAMMES

KWAZULU-NATAL TOURISM MASTERPLAN

The Provincial Tourism Master Plan has recently been accepted by Cabinet. Its main focus is the promotion of the province through experiences, which are classified along the Province's tourism geographical regions.

The vision of the tourism master plan is that "by 2030 KwaZulu-Natal will be globally renowned as Africa's top beach destination with a unique blend of wildlife, scenic & heritage experiences for all visitors"

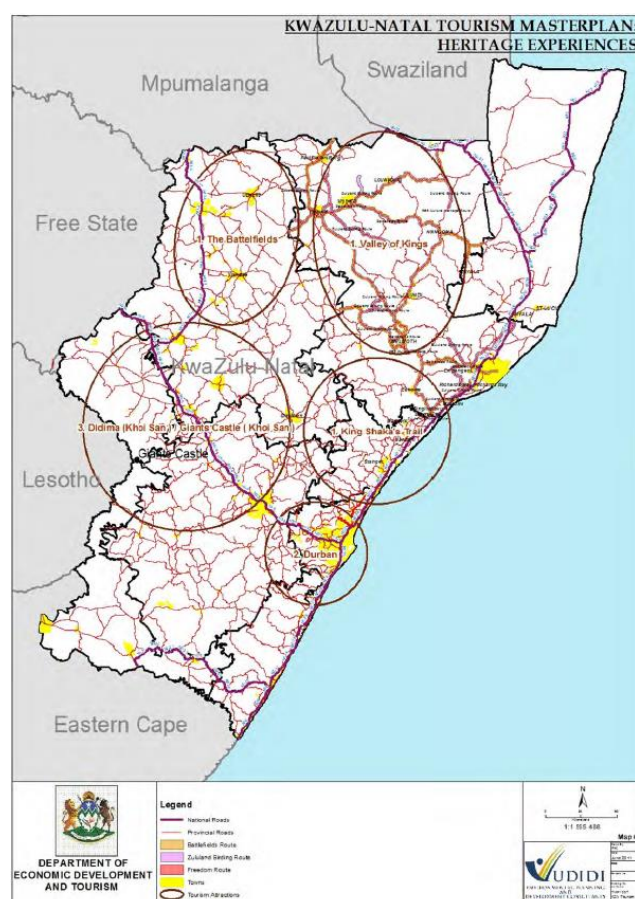
As part of its mission, the tourism master plan aims to ensure that tourism development is guided by the following principles;

- ✓ **A geographic spread of the tourism benefits** throughout the province
- ✓ **A growth of visitor numbers** and visitor yields
- ✓ Focused (**prioritised**) **tourism development** growing from the core of beach & Durban
- ✓ **Superlative customer experiences** – quality, authenticity and service excellence
- ✓ **Public and private sector collaboration**
- ✓ **Demand-led development**, meeting market potential and needs
- ✓ **Responsible tourism** ensuring sustainability & benefits for all

The following are the aims for tourism in the province; which should be translated into the goals of all local and district tourism strategies.

- ✓ Increase the tourism **GDP levels**
- ✓ **Increase tourism employment** in the province;
- ✓ **Grow** the levels of all **foreign visitor arrivals** to the province;
- ✓ **Grow** the levels of **domestic visitor arrivals** to the province;
- ✓ **Improve the geographic spread of tourism** with the province;
- ✓ Ensure that Durban becomes / remains THE place to holiday for South Africans and other key markets;
- ✓ **Improve overall visitor service and satisfaction levels** throughout the province in all areas in which a visitor is serviced (i.e. beyond the recognized tourism plant to include retail, banking, toll roads etc;
- ✓ **Achieve significant transformation** in the sector;

- ✓ **Grow the events and meetings incentives and exhibitions sector (“MICE”)** as a key and important market area for the province;
- ✓ **Improve other niche tourism experiences** for which the province has potential and develop these markets.



The image below illustrates that Ulundi Municipality falls within the heritage tourism experience regions prioritized for the province.

The following image below indicates the growth targets aimed at under each of the experiences. The domestic market is targeted to grow at 5.5% by 2015, for heritage

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experiences, and domestic business tourists at 60%.

Mainly the SADC market is targeted to grow at 11% for niche tourism, and 65% for MICE tourism.

The overseas market is targeted to grow at 15% for heritage and cultural tourism, and 30% for MICE tourism.

These targets are highly reachable in the District, provided the R66 is addressed to ensure growth of international tourists.

Market	Experiences				
	Beach	Scenic/Natural Beauty/ Mountains	Wildlife	Niches (Business Tourism & Events, Culture/Heritage, Adventure, Cruise tourism, Rail Tourism, Avi- tourism)	Other (VFR, Business Travel incl. Traders, Medical, Religious, etc)
Priority 1: Domestic					
2009: 8.8mn	2009: 25%	2009: 4%	2009: 1.5%	2009: 4.5%	2009: 65%
2015: 8.9mn	2015: 27%	2015: 5%	2015: 2.5%	2015: 5.5%	2015: 60%
2020: 9.2mn	2020: 30%	2020: 6%	2020: 3%	2020: 6%	2020: 55%
2025: 9.6mn	2025: 32%	2025: 7%	2025: 3.5%	2025: 6.5%	2025: 51%
2030: 10.2mn	2030: 34%	2030: 8%	2030: 4%	2030: 7%	2030: 47%
Priority 2: SADC, Rest of Africa & Indian Ocean Islands					
2009: 760k	2009: 17%	2009: 1%	2009: 2%	2009: 10%	2009: 70%
2015: 1.1m	2015: 20%	2015: 1.5%	2015: 2.5%	2015: 11%	2015: 65%
2020: 1.4m	2020: 22.5%	2020: 2.0%	2020: 3%	2020: 12.5%	2020: 60%
2025:	2025: 24%	2025: 2.5%	2025: 3.5%	2025: 13%	2025: 57%
2030:	2030: 25%	2030: 3%	2030: 4%	2030: 14%	2030: 54%
Priority 3: Europe, Americas & Asia					
2009: 320k	2009: 5%	2009: 25%	2009: 25%	2009: 10%	2009: 35%
2015: 346k	2015: 10%	2015: 22.5%	2015: 22.5%	2015: 15%	2015: 30%
2020: 435k	2020: 15%	2020: 20%	2020: 20%	2020: 20%	2020: 25%
2025:	2025: 18%	2025: 18%	2025: 18%	2025: 23%	2025: 23%
2030:	2030: 21%	2030: 16%	2030: 16%	2030: 25%	2030: 22%

Addressing the heritage tourism elements of the Tourism Master Plan, the following goals are identified. The strategies which are specifically relevant to the local municipality are bolded, and should be incorporated in the local municipal strategy. The Heritage Tourism Strategy for the Tourism Master Plan has two focuses; to:

- ✓ Ensure superlative drawcard experiences:
 - **Implement the Zulu Heritage Route Plan (spatial) (short term)- The role of the strategy in this regard is to incorporate experiences in the local municipality to the Battlefields and R66 routes.**
 - Develop a must see struggle / freedom route attraction / experience (medium term)
 - Develop a must see San people's attraction / experience (long term)
 - **Development of new accommodation & 'spend' facilities within heritage experience locations**
- ✓ Integrate heritage within /across core experiences
 - Provide quality heritage experiences in and close to Durban e.g. the Inanda Route, Struggle Related Routes

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- Provide quality heritage experiences in and close to the main scenic areas e.g. San Festival and Visitor Centre; re-look at experience related to Didima Interpretation Centre (spatial)
- **Take battlefields experiences into mainstream desirable general interest experience and link to core experiences**
- **Incorporate heritage & cultural emphasis into all product development and services – part of tourism awareness, service excellence and development facilitation**
- **Link to all main heritage experiences and ensure "Royal Zulu" and freedom struggle are emphasised**

The recommendations of the above strategy will guide the development of the tourism strategy, particularly where strategic tourism planning is concerned.

WHITE PAPER ON THE DEVELOPMENT AND PROMOTION OF TOURISM IN KZN

The White Paper was written in 2008 for the purposes of developing a strategic policy which will guide the Province in locating a thriving tourism sector within the KwaZulu-Natal macro environment. It aims to initiate, facilitate, co-ordinate and implement "Experience - based" tourism marketing, and "Demand - driven" tourism development programmes. It is aimed that this will ultimately contribute to sustainable economic growth in the KZN economy.

The vision of the White Paper is to "Position the Province of KwaZulu Natal as Africa's leading Eco-Cultural Tourism destination, nationally and internationally." The White Paper therefore recommends approaches which will contribute to this end.

Among these are:

- ✓ Adopting an "experiential – beyond boundaries" approach to marketing the destination;
- ✓ Marketing in a "constructively competitive" manner;
- ✓ Achieving world class service levels
- ✓ Marketing its cultural diversity whilst
- ✓ Ensuring responsible tourism,

The White paper lists tools which will be used to effect the vision for tourism in the Province, through achieving growth in the tourism sector. These include:

- ✓ Sufficient finances for tourism marketing and product investment
- ✓ Facilitating and encouraging investment through investment incentives
- ✓ Foreign investment attraction
- ✓ Good natural resource management and use

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- ✓ Good management of cultural resources
- ✓ Infrastructure development
- ✓ Transportation
- ✓ Safety and security
- ✓ Regional co-operation- particularly with regards to travel within and by tourists from SADC countries.

The White Paper also identifies principles for development of the tourism industry, such that it is integrated with, and beneficial to the socio economy of KwaZulu-Natal. The White Paper highlights the following principles as being necessary for integrated development of the provincial tourism sector:

- ✓ Training & Development
- ✓ Enterprise Development
- ✓ Integration Of Previously Excluded Communities, taking into account the
 - The Broad-Black Economic Empowerment Strategy
 - The Broad-based Black Economic Empowerment (BBBEE) Act
- ✓ Youth Development
- ✓ HIV and AIDS sensitive and education
- ✓ Empowerment Support of Women in Tourism
- ✓ Accessible tourism products (with regards to both economic and physical status)
- ✓ Rights of Children

With regards to planning and business execution within the tourism sector the following principles are to be applied:

- ✓ Demand Driven Tourism Planning
- ✓ Product Development
- ✓ Quality Assurance

Another important focus area of the White Paper is marketing of the Province. The following components of marketing are highlighted:

- ✓ Primary target markets-

The White Paper sets out the primary targeted KZN tourism market segments as internationally, the:

- Next Stop SA – NSSA – either the adventurous or the pampered
- Wanderlusters – upscale to the young

And nationally, the:

- Young and upcoming
- Independent couples and families, and
- Well-off homely couples.

✓ Competitiveness

The key products which have ability to distinguish the Province (some of which currently do) are listed in the KZN Global Competitiveness Project, and are recommended noted as being important to market. It is also recommended that the Province rate its own tourism competitiveness according to eight key indicators listed in the international competitiveness monitor. It is important that destinations in KZN rank as being competitive according to the following indicators:

- Price competitiveness
 - Infrastructure development
 - Environmental quality
 - Human tourism indicator
 - Technology
 - Advancement
 - Human resources
 - Openness and social development.
-
- ✓ Strong and idea driven branding of the Province, and
 - ✓ Knowledge management, for which the White Paper recommends a central, efficient, standard and accessible tourism knowledge research source- an independent “National Bureau of Tourism Research.”

Key role players are identified as being crucial to the success of the Provincial tourism sector. They are called “partners” in the development of the sector, so as to acknowledge that the success of the sector is a joint effort. Amongst them are:

- ✓ Public sector
- ✓ Destination Management Organisations (DMO’s) –e.g. (Elephant Coast Tourism Association)
- ✓ Communities
- ✓ Not-for-Profit Organizations
- ✓ Media

Important for KZN, are the following focus areas:

- ✓ Conservation Agencies
- ✓ World Heritage sites and Agencies
- ✓ Arts & Culture and
- ✓ Heritage.

Lastly, it is important that good governance of the sector and partners within it is achieved. To effectively manage any structure and ensure performance, it is necessary to have guidelines in place. The White Paper recommends that the KZN minister implement the following governance systems:

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- ✓ A Shareholder compact between tourism shareholders and the tourism authority (including amongst other recommendations- systems for accountability; service level agreements; performance targets for state owned enterprises; parameters for the relationship between the shareholder and the tourism authority).
- ✓ A Board Charter
- ✓ Performance Agreements:
- ✓ Memorandum of Understanding between certain stakeholders referred to as enablers- including:
 - National government departments and provincial public entities;
 - Provincial government departments and provincial public entities;
 - Local government structures;
 - KwaZulu-Natal Local government association;
 - Private sector associations;
 - Community groupings; and
 - Diplomatic Corps
 - These organisations should set our detailed “memoranda of agreement” in order to govern all aspects of these professional partnerships.

Finally, as a way forward, the White Paper notes that the following needs to be actioned to ensure that tourism is resourced and activated to achieve the growth objectives:

- ✓ KZN Tourism Act Regulations to be formulated;
- ✓ Municipal Tourism policy developed;
- ✓ More tourism resources to be made available;
- ✓ Funding framework to be developed and agreed on; and
- ✓ Governance Protocol to be adopted.

Tourism development in Ulundi should be aligned with the function as per the guidelines of the Provincial White Paper. In particular, the Ulundi Tourism Strategy should aim to market Ulundi as an experience based “Experience - based” “beyond boundaries” destination- focusing on the market segments as highlighted above. Arts, culture and heritage, as well as nature conservation agencies (Ezemvelo KZN Wildlife) must be central role players in Ulundi Municipality’s tourism strategy.

KZN GREEN PAPER ON THE DEVELOPMENT & PROMOTION OF TOURISM

The Green Paper on Development and Promotion of Tourism in KZN (2005) is a provincial, strategic, draft policy that provides a foundation for development of the province’s sector, ensuring that all current existing national and provincial legislation and principles are incorporated into the Green Paper.

The mission of the Green Paper is to:

*“To initiate, facilitate, co-ordinate and implement, **experience-based tourism marketing, and demand-driven tourism development** programs in order to achieve the **tourism growth objectives**”*

*and thereby ensure **shared and sustainable economic growth and development** in the Province; the **transformation of the tourism sector** within the Province; the bridging of the gap, and, ultimately **eliminating the second economy**” (Green Paper on Tourism Development: 2005).*

Through the Green Paper, the province commits to growing its tourism market share by adopting the following measures:

- Adopting an “experiential beyond boundaries” approach to marketing tourism destinations;
- Marketing in a constructively responsibility competitive manner;
- Striving towards top world class service levels;
- Ensuring respect for cultural diversity of communities and visitors; and
- Ensuring that responsible tourism practices are adhered to at all times.

Green Paper: Integrated Tourism Development

The Green Paper on the Development and Promotion of Tourism in KZN (2005) highlights the linking of tourism supply with tourism demand; that the market can only supply products if there is a demand for it.

Green Paper: Tourism Product Development

The green paper highlights the need for provincial product development to occur in line with market demands and therefore market research. One of the key steps for product development as per the Green Paper is that government should boost the tourism sector by providing practical guidelines in the form of the PPP Toolkit for Tourism. The “Toolkit should make it easier for institutions and the private sector to enter into tourism-related partnerships on state property managed by national and provincial government institutions” (Green Paper on Tourism Development: 2005).

Green Paper: Tourism Training and Development

The Green Paper highlights the importance for training standards to be in conjunction with the national framework. Training is required for both public and private sector employees engaging in tourism and local economic development activities. A stipulation of the green paper is that TKZN must conduct regular audits of its skills supply and demand, establish its skills gaps, and develop a relationship with its institutions of higher education, colleges and training providers to ensure that the appropriate level of skills development is achieved.

Green Paper: Tourism Enterprise Development

The Tourism Green Paper recognizes that within the tourism industry there is a vast scope of tourism opportunities for Small, Medium and Micro Enterprises (SMMEs). Internationally, the tourism industry comprises of more SMMEs than larger enterprises.

The Green Paper (2005) lists the assistance that tourism SMMEs require to better integrate into the main stream tourism economy as follows:

- Access to finance

- Access to information
- Sustained market linkages
- Technical support
- Capacity building
- Business support.

Green Paper: Tourism Marketing

Section F of the Green Paper on the Development and Promotion of Tourism in KZN (2005) provides a market segmentation analysis for KZN. According to the Green Paper the segmentation approach allows for “the most attractive potential tourists to be identified and targeted in an efficient, focused and co-ordinated manner”. KZNTA in conjunction with the International Tourism Growth Strategy and the Domestic Tourism Growth Strategy has identified a set of segments from the larger set of TGS segments to target. The target segments as listed in the KZN Tourism Green Paper are as follows:

Core foreign (overseas) target consumers are the segments:

- Wanderlusters
- NSSAs
- New Beach Goers

Core domestic target consumers are the segments:

- Young and upcoming
- Independent couples and families
- Well-off homely couples.

TOURISM PRODUCT DEVELOPMENT STRATEGY KZN

According to the KZN Product Development Strategy of 2000, tourism product development is a function of the provincial tourism authority. Importantly, the strategy states that there has been a significant **shift in focus from the authority being the controlling body of construction projects to the authority now playing a facilitatory role in construction projects.**

The KZN TPDS (2000) recommended that a spatial framework be developed to maintain the brand of the Zulu Kingdom with a range of four coastal destinations and two inland destinations. The recommended destinations are as follows:

- Zulu Heritage and Cultural Trail
- Maputaland/ St Lucia linkage to Wildlife
- Dolphin Coast – The King Shaka Region and Gateway to Zulu Heritage and Culture
- Durban
- Valley of 1000 Hills

- Pietermaritzburg/ Midlands Tourism Corridor/ Southern Drakensburg;
- The Thukela Gateway- linkage to the Ukhahlamba-Drakensburg World Heritage Site; Wildlife; Heritage and Culture; and the Battlefields
- South Coast

The TPDS recognises that 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.

This strategy sets out what products should be developed in particular areas around the province according to specific themes. However, the implementation of these projects should be up to the private sector and facilitated by the relevant local government bodies. Funding for these developments must be sourced by the developers and/or the municipalities from various funding sources.

According to the KZN Product Development Strategy (2000), TKZN was initially the facilitating agent responsible for implementing product development for KZN but has now shifted its focus from direct development in tourism initiatives to facilitating investment promotion in tourism in the province. TKZN however still provides some strategic direction for tourism product development and marketing within the province.

2.3.5. OTHER PROVINCIAL POLICIES AND PROGRAMMES

As with the national level of governance discussed above, there are numerous provincial policies and programmes which have an impact on tourism development in Ulundi Local Municipality that are not tourism specific but which do have an impact on the sector. This section examines these briefly, highlighting areas of the policies / programmes which impact on tourism at the local level.

KZN PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY (PGDS)

It is important to note the Provincial Growth and Development Strategy (PGDS), adopted by the Province at the Cabinet Lekgotla, in August 2011. The PGDS aligns itself to the Millennium Development Goals (MDGs), the New Growth Path (NGP), the National Development Plan (NDP), as well as various other national policies and strategies. The District Strategy is therefore aligned to key international, national, and provincial development strategies and plans.

As the key alignment tool for the District Strategy, the PGDS must be understood further. The PGDS provides the 2030 vision for the Province, and acts as an overarching strategic framework which details the key mechanisms and interventions necessary to boost growth and development in the

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Province. The PGDS lays out a path for accelerated and shared economic growth through catalytic and developmental interventions, within a coherent equitable spatial development architecture, putting people first, particularly the poor and vulnerable, and building sustainable communities, livelihoods and living environments.

The vision of the PGDS states that:

“By 2030 KwaZulu-Natal will be a prosperous Province with a healthy, secure and skilled population, acting as a gateway to Africa and the World”

It identifies seven strategic goals, all of which have a direct bearing on economic development. They are:

- Goal 1: Job Creation
- Goal 2: Human Resource Development
- Goal 3: Human & Community Development
- Goal 4: Strategic Infrastructure
- Goal 5: Environmental Sustainability
- Goal 6: Governance and Policy
- Goal 7: Spatial Equity

Each of the Strategic Goals are further expanded into strategic objectives. The Provincial Growth and Development Plan (PGDP), the implementation framework for the Provincial Growth and Development Strategy (PGDS), unpacks each of the strategic objectives and identifies numerous interventions which are required to achieve these objectives, and collectively, the Goals and Vision of the PGDS. The diagram below displays the strategic goals, and objectives.



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Attention is given to stimulation of the economy, development of the Province’s human resources and quality of life, provision of infrastructure and services, protection of environmental resources, public sector leadership, and delivery and accountability, ensuring that these changes are responded to with resilience, innovation and adaptability. This will lay the foundation for attracting and instilling confidence from potential investors and developing social compacts that seek to address the inter-connectedness of the Provincial challenges in a holistic, sustainable manner, whilst nurturing a populous that is productive, healthy and socially cohesive.

For the purposes of this Strategy, focus must be retained on the job creation goal, as it places much emphasis on the growth of key economic sectors for the benefit of the economy’s communities. The local municipality must focus on the creation of employment through investment into the key productive sectors of the economy (in this case, tourism), a service sector as recommended by the PGDS. The PGDS recommends promoting small enterprise development and developing the knowledge base of the Province to enhance the knowledge economy. The PGDS strategic objectives which relate to the “Job Creation” strategic goal are listed below. Careful note has been taken to ensure that the District strategy is aligned to this strategic goal, through incorporating each of these strategic objectives.

	STRATEGIC GOAL: JOB CREATION
STRATEGIC OBJECTIVE 1.2	Enhance sectoral development through trade and investment
STRATEGIC OBJECTIVE 1.3	Improve efficiency of government led job creation programmes
STRATEGIC OBJECTIVE 1.4	Promote SMME and entrepreneurial development
STRATEGIC OBJECTIVE 1.5	Develop the knowledge base to enhance the knowledge economy

Selected strategic objectives from other strategic goals; which relate directly to economic development; such as Strategic Infrastructure (roads, tourism information centres, etc), and Spatial Equity, are also taken cognisance of in the development of the local municipality’s strategic thrusts and interventions. These strategic objectives from the PGDS are listed below under their strategies.

	STRATEGIC GOAL: STRATEGIC INFRASTRUCTURE
STRATEGIC OBJECTIVE 4.4	Development of ICT infrastructure²
	STRATEGIC GOAL: SPATIAL EQUITY
STRATEGIC OBJECTIVE 9.1	Actively coordinate spatial concentration and coordination of development activities

Finally, the Strategy is aligned to the PDGS where a focus on governance and institutional structures is employed.

	STRATEGIC GOAL: GOVERNANCE AND POLICY
STRATEGIC OBJECTIVE 6.2	Building government capacity
STRATEGIC OBJECTIVE 6.4	To promote participation, facilitative and accountable governance

² The District Tourism Plan recommends ICT infrastructure to enable easily accessible cell phone tourism information systems

TRADITIONAL LAND USE

A key institutional and policy framework relevant for this study is the land use patterns in the more rural areas of the province, and how the use of this land is regulated. This is particularly relevant for this study as all of the Municipality falls under traditional ownership. Through the Ingonyama Trust Act, communal land is held on behalf of the community by the traditional authorities. The communities are given rights to use and occupy this land by the traditional authorities. Conflicts between developers and the traditional authorities has in part been alleviated by the development of the Ingonyama Trust Board, through which agreements can be reached on developments on communal or Ingonyama trust land.

TKZN- TOWARDS AN EFFECTIVE SEGMENTATION APPROACH FOR THE KWAZULU-NATAL DOMESTIC TOURISM MARKET (2009) (5th Edition)

This is a TKZN strategic document developed to assist in more accurate targeting of the domestic tourist market to the province. The following are the main conclusions of this segmentation document:

- The management of TKZN have made the decision to concentrate on aggressively engaging high spending domestic holidaymakers (LSM 8 –10).
- TKZN aims to defend its current share of the price conscious market.
- In terms of provinces its focus will primarily be on the residents of **Gauteng and KwaZulu-Natal**, with a secondary focus on the residents of the Eastern and Western Cape, Mpumalanga and Limpopo.
- It is vital for KwaZulu-Natal to defend its core ‘intra-provincial’ market. This should not be captured by other provinces.
- The management team is also of the view that the South African Tourism / KPMG segmentation model is the most robust of the current segmentation models that exist regarding the South African domestic tourism market. The SAARF LSM Model is also a critical tool for segmentation of the market.
- Key market segments include Independent Young Couples and Families; Golden Active Couples; Well off homely Couples; Striving families; and Young and Upcoming young (under 30 black) adults.

Importantly, a key challenge identified is the need to market KZN more as a destination rich in game and nature reserves, and heritage. Both Tourism KwaZulu-Natal’s surveys and the National Domestic surveys have revealed that domestic tourists tend to perceive KwaZulu- Natal as being a

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coastal / beach tourism destination. The perception of KZN by local tourists is more than 80% composed of beach and ocean tourism activities.

Ulundi's tourism needs to address as far as possible the issues raised above. The Ulundi Tourism Strategy will make use of the SAT/KPMG segmentation model. Finally, the most significant of the conclusions of this document for Ulundi is the need to market itself through its heritage, and to link new products to the game reserve (Emakhosini- Ophathe), such that local tourists develop a taste for KZN beyond its beaches.

TKZN- TOWARDS AN EFFECTIVE SEGMENTATION APPROACH FOR THE KWAZULU-NATAL INTERNATIONAL TOURISM MARKET (2010) (6th Edition)

This is a TKZN strategic document developed to assist in more accurate targeting of the international tourist market to the province. The following are the main conclusions of this segmentation document:

- Given that the international market to KZN largely discover the province through tour operators, TKZN needs constantly to identify and target SA's core inbound operators as well as outbound operators who sell the KZN product or who will be willing to do so. Relationships need to be forged with these operators through the mobilisation of an effective customer relationship marketing programme.
- There are two core groups that control the most important share of the South African inbound tour operating market, namely: Tourvest and Cullinan (through its entity Thompsons Tours).
- TKZN should 'latch' onto the JMAs (Joint Marketing Agreements) that South African Tourism forges on an annual basis with key outbound operators in South Africa Tourism's marketing operations and its specific trade and consumer campaigns in this market. These plans are formulated annually in June/July and are presented to the SAT Board in draft format in September of every year.
- The key international market segments for KZN are:
 - **Primary Market:** UK & Ireland, USA & Canada, and the German speaking world.
 - **Secondary Market:** Netherlands and France. Certain Southern African states, including Swaziland, Lesotho, Zimbabwe, Botswana and Mozambique, and finally,
 - **Pioneering Market:** (newly entering the market): Eastern Europe, Scandinavia, Spain, Australia; China & India, Mauritius, Zambia, Malawi, Kenya, Nigeria and Tanzania.

This is important for Ulundi and the rest of the District, because of the potential of the District to tap into the international market, through the Golela Border. Although the R66 provides a challenge as a

tourist channel, it is important that the District is prepared for the international market once it is fixed. In order to attract the existing market into the municipality, tour operator linked marketing campaigns are required; as this is the main international channel into the area.

2.4. DISTRICT AND LOCAL LEVEL POLICIES, AND INSTITUTIONAL STATUS QUO

KZN's 11 districts have been divided into 8 destinations which are marketed locally and internationally as brands under the umbrella of the Zulu Kingdom (i.e. the province). The 8 destinations include Ugu- South Coast, Ukhahlamba Drakensburg, Pietermaritzburg and Midlands, North Coast, Durban Metro, Elephant Coast (Maputaland), and Zululand.

Zululand extends from the Dolphin Coast at the Thukela River mouth to just past Richards Bay and inland to Paulpietersburg. Zululand attractions are diverse and include the Zulu culture, a rich birdlife and several game and nature reserves. Experiencing Zulu customs, game viewing and birding are popular Zululand activities. The following section addresses all

ZULULAND DISTRICT MUNICIPALITY

Ulundi Local Municipality is one of four local municipalities in Zululand District. Zululand development mandate is to develop the District's economic sectors such that they benefit the socio economy of the whole District- including Zululand Local Municipality.

Local Economic Development Unit is a directorate in the Community Development in the District, and within the Local Economic Development Unit, the tourism unit is found. The tourism unit within the District is mandated to do the following:

Firstly, as part of its LED function, the District is mandated to facilitate and where possible, lead LED implementation. There is an exception where tourism is concerned however, as each of the local municipalities within the District selected to be responsible for tourism within their own jurisdictions. Therefore Ulundi is primarily responsible for tourism in the local municipality. The District's role is also to provide guidance and enabling of tourism in its local municipalities, link and coordinate LED and tourism throughout the District, and amongst external stakeholders through the District IDP; providing appropriate information in support of LED (and tourism) initiatives, promote LED as a key strategy of the District, market the district, and support local municipalities in LED implementation. The District is mandated to assist by funding of strategic infrastructure projects, and monitoring the implementation of LED initiatives

The key tourism implementation focuses at the District level are below:

1. Institutional structuring for tourism
2. Tourist information inside the District
3. Tourist information outside the District
4. Making tourists feel safe and welcome

5. Community tourism
6. Visible tourism delivery
7. Municipal tourism strategies**

Some projects which have been successfully implemented, which are directly related to tourism, are as follows:

- ✓ P700 Local Area Development Plan - Master Plan developed and under implementation. (Ulundi)
- ✓ Tourism Training - all tourism officers were trained.(All)
- ✓ Cengeni Gate Community Tourism Project - Business Plan was developed, trying to secure a private partner for the implementation (Ulundi)
- ✓ Development of Mona Market and Nguni Cattle - Business Plan was developed.
- ✓ Ulundi Tourism Hub - the project is under implementation (Ulundi)
- ✓ P700 Infrastructure Corridor Development - Phase I (detail Planning) has been completed and Phase II will follow (actual Implementation)
- ✓ Cengeni Gate (entrance to Imfolozi Hluhluwe Park)

The development mandate of the District is such that it has a key role to play in strategic infrastructure of the local municipality, particularly Ulundi Municipality, as the capital of the District. This requires coordination between the District and the local municipality, as there is an overlap of roles.

According to the Zululand District Tourism Plan, the District tourism unit is run by a District tourism manager, who has two support staff; as well as a student conduct their internship. The structure of the District is well in place, but very little product development is being undertaken. The Zululand District tourism manager plays a coordinating role between each of the local municipalities, including Ulundi Municipality, and also liaises with other District, and external bodies in order to encourage alignment of the District's tourism initiatives.

ZULULAND DISTRICT MUNICIPALITY TOURISM SECTOR PLAN

The Zululand Tourism Plan for the District has recently been completed, and covers six interventions which range across the tourism system; including access, service delivery, capacity, institutional restructuring, tourism information, and economic development and job creation. The interventions of the tourism strategy level are so designed that they align with the Siyaphambili Local Economic Development Programme developed within the District, such that it is aligned to existing funding and capacity support. The interventions listed in the tourism strategy, which the local strategy is to align to, are as follows:

1. *Institutional Structuring for Tourism:*

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This goal aims at ensuring that existing structures are responsive to the needs of the tourism economy of the District. This includes improving the existing institutional structures through networking, district and local coordination, linkage with tourism neighbours, and ongoing management and capacitation of the local tourism offices.

2. Tourism Information Inside the District:

This goal is aimed at developing an integrated information system (including an advanced yet accessible technological system), through which tourists in the District are able to effectively access tourism information. This includes cell phone technology linked through all the information offices, signage, and the updating of the Zululand tourism website.

3. Tourism Information Outside the Region

This intervention deals with the dissemination of information about Zululand outside the District, which, at present is insufficient. This includes training tourism information staff, electronic media (particularly the tourism website), media publicity, changing decision (national and provincial) perceptions, and providing information about Zululand at national and provincial gateways.

4. Making Tourists Feel Safe and Welcome

This has to do with changing the perception of the safety and welcomeness of tourists but making the District safer, improving roads, and cleaning up public facilities. This includes 24 hour information for tourists, improving safety systems, increasing the number of- and improving the cleanliness of public facilities, improving road access, and encouraging the participation of communities.

5. Community Tourism:

This includes the development of community tourism initiatives, through improving the system of community tourism initiatives. This includes providing encouragement and guidance to communities involved in tourism projects, tourism awareness and training of communities, and the implementing of successful community tourism models.

6. Visible Service Delivery:

Finally, this intervention deals with the delivery of must see attractions in the District, which has been lacking must see attractions. Projects currently exist in the pipeline; however more speedy delivery of these projects is required. This includes Emakhosini and events around the Royal Household; to be led by the Province, The development of a 24 hour tourism information centre, led by the District, projects identified by each of the local municipalities, funded by each of the local municipalities and with the support of District, and the development of marketing material, led by private sector.

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It is important that the local municipal strategy be aligned with these key interventions, so that access to support and funding is easier for the local municipality.

ULUNDI LOCAL MUNICIPALITY

Ulundi Local Municipality currently has a tourism unit which falls under the Local Economic Development Unit. The capacity of the tourism unit is such that it has a tourism officer, as well as a tourism intern, and an in-service training student provided through the Department of Economic Development and Tourism. Ulundi Municipality interacts with the local community tourism association; which is comprised of private sector, and is responsible for the marketing of the area. Project initiated by the CTO, are supported by the Local Municipality, and presented to the Tourism Portfolio Committee, which then represents the desired tourism project to the rest of the local Council. If Council approves of this project, it is then included in the IDP, ensuring that funding is made available for the project.

The IDP for the local Municipality is the guiding document for projects which the local council has approved, and for which funding at the local municipal level has been made available. It is therefore important to maintain alignment with. Tourism has been highlighted in the document as a key sector of the municipality along with Agriculture, General Business and Tourism. The IDP notes that the municipality holds an advantage in the District where tourism is concerned; as the seat of cultural heritage.

The key tourism focus area of the District is rural tourism development in light of the Municipal Area's rich biodiversity and cultural heritage, as well as possible opportunities presented by the Black and White Umfolozi Rivers. It is also noted that environmentally sensitive areas which could present opportunities for tourism development. This will provide guidance for the type of projects to be recommended in the tourism strategy. The main tourism focus of the IDP, which is supported by the amount of funding provided at project level, is planning for tourism products.

The IDP acknowledges that much of the previous tourism strategy could not be implemented due to financial and human capacity constraints. It also highlights that one of the key imperatives of the district tourism development strategy is the establishment of a tourism information centre. This is noted as a district role, for which business plans have been submitted, for funding.

The IDP recommends that the following projects are incorporated into the municipality's tourism development:

- ✓ Ceza Cave development into a tourism site³
- ✓ Development of a tourism information centre

³ This site however, has been noted by Amafa as being isolated and therefore unsustainable as tourism site if not incorporated into other offerings at most 10-15kms away.

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- ✓ KwaQgokli Hill development into a tourism site⁴
- ✓ Development of conference facility and accommodation at the Emakhosini Ophathe Game Park
- ✓ Tarring of the R66 between Pongola and Nongoma, to divert traffic from the N2 into the District, allowing tourists to enter the District and experience Zulu culture and heritage

At R157,950 tourism projects form 8% of the total R1,977,044 budget of the IDP, LED & Tourism department. At the planned project level, the current tourism focus of the IDP is planning of the sector, particularly through the development of a tourism strategy. The projects requested are heritage projects, as well as projects which incorporate the Black and White Umfolozi Rivers.

Strategic objective- “To expand the economy of the municipality by marketing the unique attributes of the area to attract visitors, both domestically and internationally”

⁴ Commentary from Amafa indicates that tourism interpretation has already been placed at the most effective site (in the Ophathe area), and that development at the Hill itself would be subject to onerous requirements which are typical of protected areas.

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Measurable Objective/Output	Performance Indicator	Unit of Measure	Baseline 2012/2013 Actuals	Backlogs	IDP 2013/2014	Responsible Department	Financial Implications
Identify heritage sites located within the municipal area that need to be developed in a sustainable manner	Heritage sites for development identified, proclaimed and created awareness	Date: 30/11/2013	Local heritage sites not proclaimed as national	No national heritage sites	30/11/2013	Corporate Services	n/a
Investigate potential tourism opportunities along the Black and White Umfolozi Rivers	Potential tourism opportunities investigated	Date: 31/03/2014	n/a	n/a	31/03/2014	Corporate Services	n/a
Publication and promotion of tourist related activities and facilities within Ulundi Municipal Area	Review of Tourism Strategy	Date: 30/06/2014	n/a	n/a	30/06/2014	Corporate Services	R 50,000

Source: Ulundi Integrated Development Plan, 2013/2014 Financial Year

The IDP identifies the R34 and R66 intersection as a potential tourism node, saying “...there is a possibility of the development of another node at the intersection of the R34 and the R66 which can serve as the gateway to the Zulu kingdom. Possibilities exist to develop the node as a modal interchange, and the development of a tourist centre to include restaurants, curio shops and an information service to stimulate the tourism industry.⁵” It is noted that a tourism hub has recently been developed at the Prince Mangosuthu Buthelezi Airport, along the P700 road. The tourism node suggested by the IDP may have duplicated facilities if this is not taken into account, meaning that attention must be paid to the development of these two centres so that they are complementary.

⁵ Ulundi Integrated Development Plan, 2013/2014 Financial Year

ULUNDI TOURISM MARKETING STRATEGY

The tourism marketing strategy for the local municipality was developed in 2007 and focused on the development of the tourism sector in the municipality at a time when there was no tourism unit, or marketing association established. Implementation of tourism activities only occurred after the tourism unit was set up, and with the establishment of the CTO. The following listed below are the recommendations from the previous tourism strategy.

- 1 Royal Zulu / Umfolozi Game Reserve
- 2 Emakhosini Ophathe Heritage Route
- 3 Melmoth-Ceza Caves Route
- 4 Develop Ulundi Tourism website
- 5 Link Ulundi websites to other websites
- 6 Invest in brand marketing/ advertising
- 7 "Develop signage and signposts: Road signage and sign posting should be clearly marked and made visible so that visitors don't miss the attraction sites found in Ulundi"
- 8 Create Ulundi brand positioning
- 9 Launch cultural representatives abroad: Launch Cultural representative agencies in overseas countries eg.UK, Germany, USA and African countries
- 10 Engage in cultural events
- 11 Hold national conference events
- 12 Organise arts and crafts exhibition shows
- 13 Promote Ulundi excursions and educational trips
- 14 Provide health and safety to tourism staff
- 15 Appoint a security company
- 16 Identify training interventions, skills gap knowledge
- 17 Develop training and recruitment plan
- 18 Train tourism staff
- 19 Capacitate the local SMMEs
- 20 Collect tourism data regularly
- 21 Coordinate customer care programmes.

OTHER LOCAL AUTHORITIES

- ✓ Ezemvelo KZN Wildlife is an important institution given their role of the management and stewardship of environmental conservation areas in and around Ulundi. Importantly, in the case of Ophathe Game Reserve, this is shared with Amafa KZN which is jointly responsible for its management and in fact the majority land owner of the Park.
- ✓ Amafa is the primary authority in the management of heritage resources in Ulundi, but it must also be noted that the municipality also has a role to play in the identifying of, funding, and management of heritage resources within its vicinity.

- ✓ It is also important to mention the role of local traditional authorities in the development of hands on tourism products- particularly fixtures such as infrastructure and accommodation. Because Ulundi Local Municipality has a high proportion of traditional authority land, development of tourism products must be approved by the relevant traditional authorities on whose land the development occurs.

2.5. CONCLUSION POLICY AND LEGISLATIVE AND INSTITUTIONAL ENVIRONMENT REVIEW

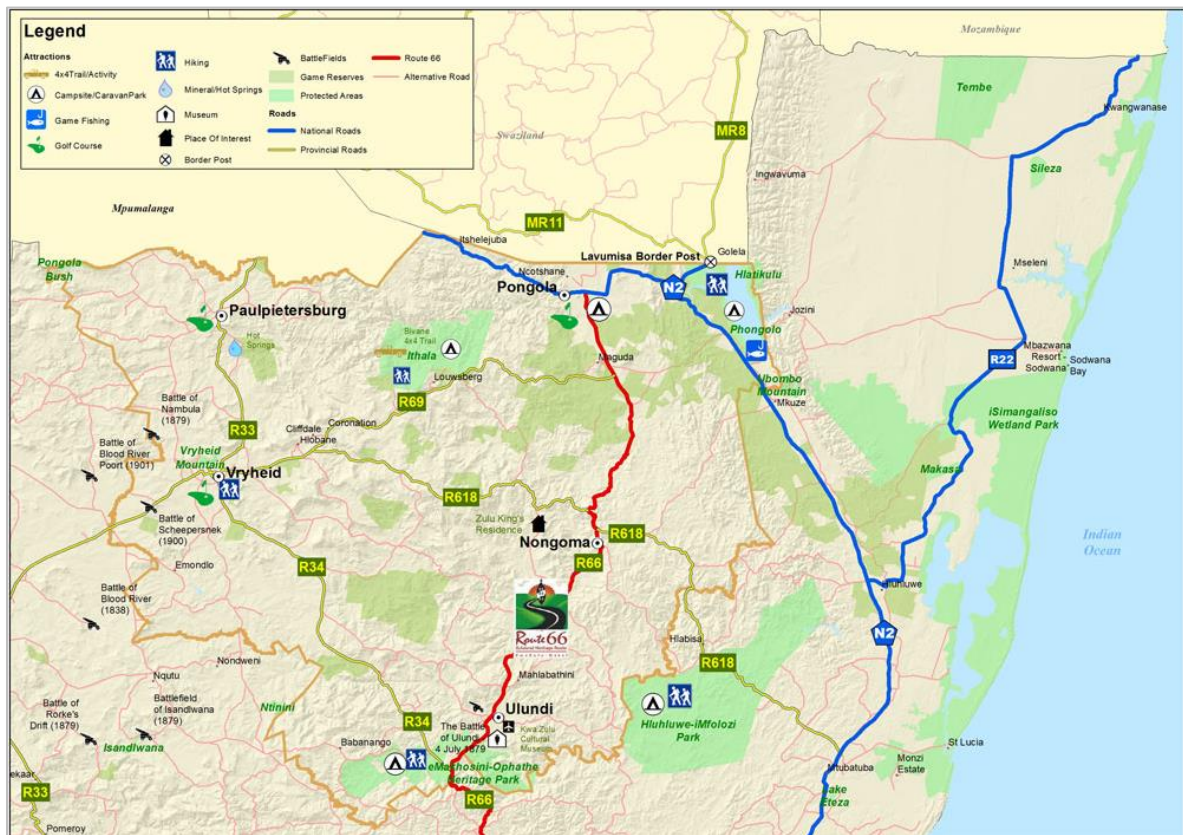
From the national, provincial, and district policy and legislative environment, it can be seen that tourism development within Ulundi will develop within the framework of South Africa as a developmental state. Collectively, the policy, strategy and legislation covered advocate a holistic approach to tourism, such that social (including cultural), environmental, and economic needs are met and mutually developed. The need to develop socio-economic as well as heritage and environmental tourism potential mutually is of particular importance to Ulundi Local Municipality, given its assets which are both heritage and environmental conservation.

Ulundi Municipality is also strategically important because of its inland location, and its potential to provide the province with a must see attraction related to Zulu culture, which is noted as a need through the Tourism Masterplan. The relationship between Ulundi Municipality and particularly the District is important to ensure successful tourism development, but overlapping of understood roles by all parties seems to be a point requiring improvement, and attention in the strategy development section.

3. SPATIAL DYNAMICS

The key access roads in the Ulundi Municipality are the R34 and the R66 routes. The R34 is the main transport link road between Richards Bay and Mpumalanga. The R66 on the other hand provides regional access within the Zululand District Municipality. The R66 is the main tourism access route for inland (e.g. Gauteng, Free-State) tourists, as these tourists enter into the District through the N2, and branch off onto the R66. However, these tourists mostly visit the coast (iSimangaliso), or continue to Mozambique. In the south, the R66 is used by traffic from Durban and Pietermaritzburg, as well as other southern nodes.

The town of Ulundi is situated on the R66, and as the main economic centre of the Ulundi Municipality cannot harness the advantages offered by the R34. Development strategies are needed to address this shortcoming. Ulundi is also situated at the north-western end of the P700 corridor which links Ulundi to Richards Bay, Ntambanana and the Hluhluwe- Mfolozi Park which presents further opportunities for tourism development. According to the local IDP, if the P700 is further addressed as a key access corridor, this will provide a shorter travel distance to the Park from Gauteng and Mpumalanga. In addition, the P700 and the P701 provide access to a number of lower order nodes.



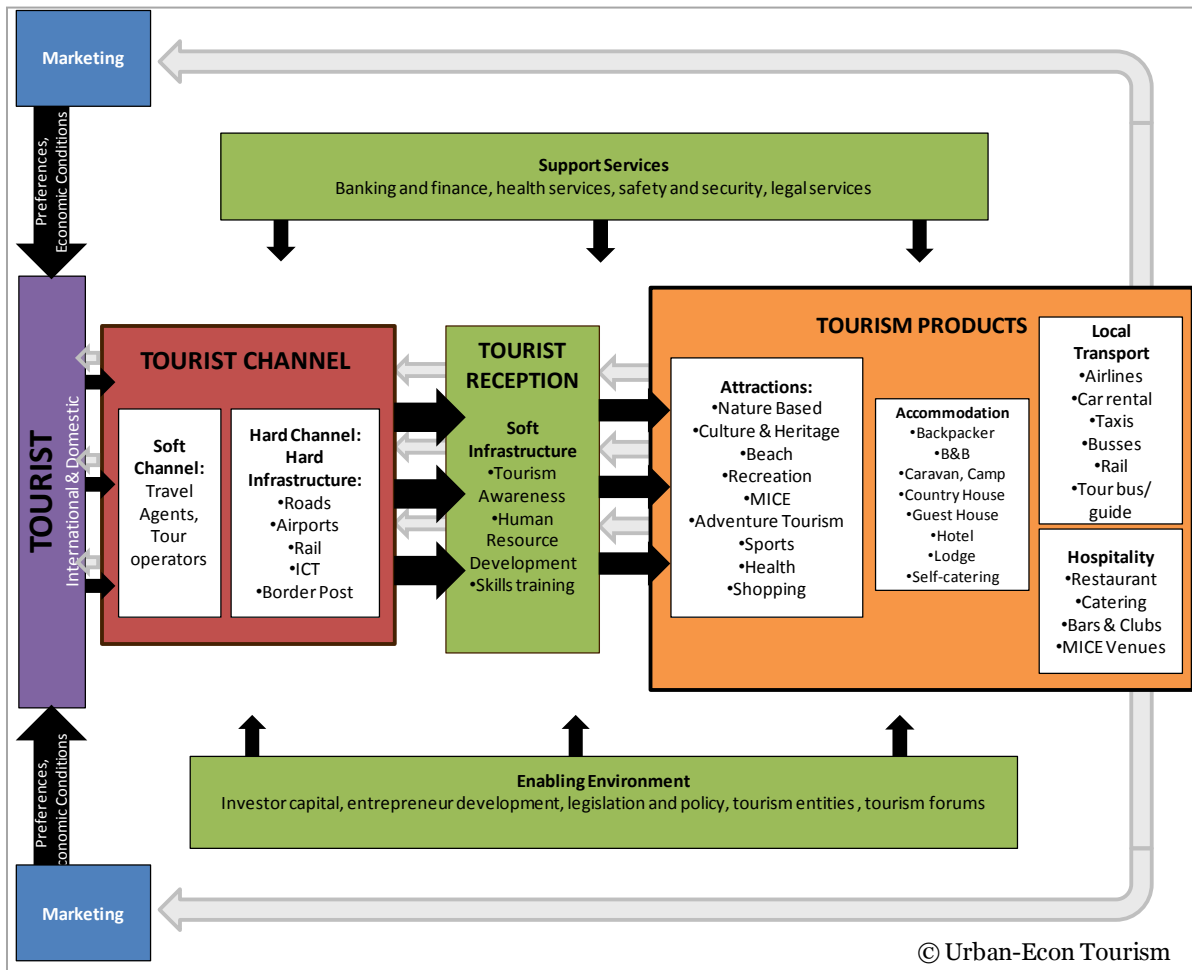
4. TOURISM ANALYSIS

The current and potential state of tourism in Ulundi must be understood in the context of the concept of a tourism *system*. It must be understood that the tourism industry in any given area is a system. All components of any tourism industry that one would most easily associate with tourism- for example accommodation facilities, or tourist attractions- are but one component of what is required to ensure that the entire system functions correctly. Other components which are less readily associated with tourism- for example roads, tourism awareness, and border posts- are crucial to the success of any tourism industry and should not be ignored. In order for any tourism industry to be successful, the system requires not only the presence of all necessary components, but that all its components work both efficiently and effectively. When a tourism industry is not functioning well, one can almost always locate and address the problem/s by assessing the tourism industry as a system, and by thereby isolating faulty or lacking components.

The diagram below illustrates all the components necessary to complete the tourism system, and how all components of tourism work together systematically. The diagram is chronological, such that it begins with tourists, and ends with tourism products. This serves to illustrate that along the spectrum, if any of the components do not function well, are insufficient or do not exist, this directly affects the next, and indirectly all other following components. In other words, while the tourist may have arrived in Ulundi well due to an efficient tourist channel (e.g. a good access road), if tourism reception within Ulundi is bad (e.g. reception of suspicion by local community members), this will spoil and decrease the value of the experience of tourism products for the visitor. Or if a transient/drop in tourist unexpectedly arrives to stay overnight, and is treated warmly by locals (good tourist reception), but cannot find anywhere to stay (no tourism products), they will leave the Ulundi tourism system.

The diagram is also cyclical, in that marketing and economic conditions play an indirect, but very key role in the strength of the tourism system in the Municipality. Tourists need to actively drawn into Ulundi system. If there is no marketing or awareness of potential tourism products in the Municipality, this decreases the likelihood of tourists entering the system altogether. Other important components include support services and an enabling environment, which although not central to the tourism system, feed directly into the efficiency of the chronological tourism experience.

The Tourism System



SOURCE: URBAN ECON TOURISM, 2013

4.1. OVERVIEW OF TOURISM DEMAND

Tourism demand will address the tourist component of the tourism system, and provide an understanding of the state of the local municipality where this is concerned.

According to the World Tourism Organisation, tourism contributes 9% to global GDP. Globally, one out of eleven jobs are jobs in the tourism industry, or are jobs which are an indirect or reduced result of the tourism industry. In 2012 this was 261 million people. Tourism accounts for US\$1.3 trillion in exports, globally. This is 6% of the world's exports, and 6% of all least developed country's exports. This is an indication of the global importance of the tourism sector. In South Africa, the tourism sector accounted for 1.4 million jobs in 2012, and contributed 9.7% to total GDP. This is an increase from the previous year, and indicates the potential for growth of Ulundi tourism, provided particularly access for international tourists is addressed.

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Global Contribution of Tourism in KZN, SA, and Globally, 2011

Global Tourism Contribution 2012				
	World	Africa	South Africa	KZN
Number Directly Employed	101mn*	8.2mn*	±619 500*	±107 177***
Total Employed	261.4mn*	19.3mn*	±1.399mn*	±242 035***
Contribution to GDP %	9.1%*	±9.9%*	±9.7%*	±5.7%#
Total Direct Contribution to GDP (Foreign + Domestic)	US\$ 2 056.7bn*	US\$72.6bn*	±R100bn*	±R20.07bn***
Total Contribution to GDP (Foreign + Domestic)	US\$6 631bn*	US\$172.4bn*	±R309bn*	±R28.3bn***

Source: IHS GlobalV, WTTTC 2013*, SAT**, TKZN*** 2012, **** Stats SA derived from GDPR for KZN Current Prices - domestic and international* Stats SA derived from GDPR for KZN Constant Prices

SOURCE: TKZN, Annual Statistics Publication: “Statistics of Our Tourism Sector”, 2013

All long term international tourism indicators indicate that long term growth prospects for South Africa tourism are high, due to a forecasted increase in international visitors to the country.

An overview of current international tourism trends asserts this. International tourist arrivals worldwide are expected to increase by an average 3.3% a year over the period 2010 to 2030. This is 43 million arrivals a year, compared with an average increase of 28 million a year during the period 1995 to 2010. When broken down, international tourist arrivals in the emerging economy destinations (SA included) will grow at double the pace (+4.4% a year) of that in advanced economy destinations (+2.2% a year). Arrivals in emerging economies (like South Africa) are expected to exceed those in advanced economies by 2015. In 2030, almost 60% of international arrivals will be in emerging economy destinations. Africa is expected to more than double their arrivals in this period, from 50 million to 134 million. For Ulundi Municipality; which holds heritage of the world renowned Zulu nation; an international attraction, the growth of the international market is of importance, and provides potential for growth in the municipality.

Strategic National Tourism Consumer Segmentation

International

As part of a strategic tourism marketing and growth approach, South Africa Tourism has classified potential international and local markets to the country into key market segments, resulting in what is now known as the SA Tourism Market Segments. These segments are classified in terms of Age, Life Stage, and Travel behaviour in terms of short, mid and long haul travel. The following two international markets have been identified as being key markets for national targeting. These same markets are prioritised at provincial level.

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- **Wonderlusts (including upscale wonderlusts):** The “Wanderluster” segment is made up of younger singles or couples, with average ages ranging between 24.8- 35.8. They generally do not have children. They are young urban professionals, who travel between one and twice a year, earn higher incomes and are generally widely travelled. When visiting a destination, they seek nature, culture and adventure, and are particularly drawn to an “urban vibe”. While also concerned with issues of safety and comfort, these consumers are driven more by the emotional appeal of a destination and its diversity. They are generally the most positive segment towards South Africa in every market but they also want to travel the world.
- **“Next Stop South Africa”s (NSSAs):** The NSSA segment is South Africa’s traditional market, because of their interest in culture, nature and wildlife. They are usually wealthy married couples. They are usually between 40 and 60 (ave age 57.3) and are experienced travellers whose children (usually older) do not stay with their parents anymore. They are drawn to natural beauty and authentic cultural experiences. Their concerns are luxury and safety.

Other market segments identified are below, form smaller target markets for the national tourism industry, and are therefore rather targeted on an opportunistic basis.

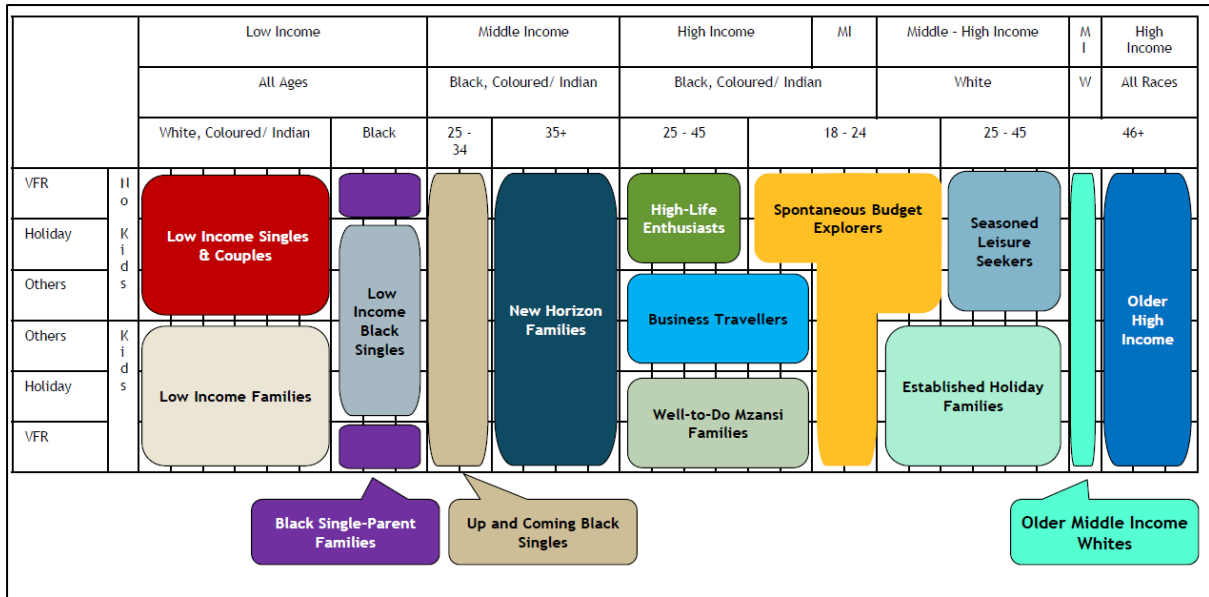
- Positive Convertibles (this has been identified as another key market segment for KZN)
- Family Travellers
- Senior Explorers
- Purpose Travellers

Domestic

Strategically, SA Tourism has segmented the national market into 14 segments, which segment the market according to age, expenditure, life stage, and race/ cultural grouping. The market segments most relevant for Ulundi will be discussed in the overview of tourism demand.

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Overview of Segmentation of Domestic Tourism Market in South Africa



SOURCE: 2012 South African Domestic Tourist Marketing Strategy, 2013

International

In Ulundi Municipality, the proportion of international tourists to local tourists is particularly low, with an estimated below 5% of tourists being from outside the country. International tourists visiting within the region are most likely to be coach tours, but these are not likely to enter into the local municipality for reasons discussed later. Establishments in the local municipality reported however, particularly at the heritage sites, that there are a small proportion of self-drive international tourists visiting Ulundi. These are likely middle aged to older international tourists, mostly from European countries such as Germany, the UK, the Netherlands and, albeit to a lesser degree France. These are Next Stop South Africa’s as described in the overview above. These tourists are attracted to the area for its heritage sites, but are generally few and far between. A significant increase in the number of international tourists is noted during the time of the annual Reed Dance.

The table below indicates estimated demand figures for international tourists to the local municipality, indicating that per annum, an estimated 6 600 international tourists visit the local economy. This is based on occupancy figures received during research surveys, in which accommodation establishments were asked the size of their respective establishments, the number of beds, the average length of stay of tourists, and the establishment’s occupancy rates. During interviews, it was reported that the main contributor to the relatively low proportion of international tourists to the municipality is the state of the R66, namely the untarred portion of road between Pongola and Nongoma. In addition to this, it was reported that international tourists that do visit the local municipality are often unhappy about the state of the heritage sites.

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INTERNATIONAL ACCOMMODATION DEMAND IN ULUNDI	
Estimated No of Bednights	238 900
Estimated Occupancy	55%
Estimated No of Tourist Nights in the LM	131 400
Estimated % International Tourists in the LM	5%
Estimated Foreign Tourist Nights in the LM	6 600
Estimated Foreign Tourists in the LM	6 600

Domestic

Tourists in Ulundi are primarily domestic business tourists. This is due to Ulundi’s position as a business and governmental service node. Tourists arriving in Ulundi are economic tourists, often business representatives, sales people, and representatives of government departments. According to the tourist segmentation, they are most likely “Business Travellers”, who are between the ages 25 – 45, and travel for business purposes. 54% of them are already travelling. When travelling, this market segment is often known as “highlife enthusiasts” and “spontaneous budget spenders”; although these are not likely to travel to Ulundi for non-business purposes.

- **“Spontaneous budget spenders”** are generally young singles, who are well-educated and just starting out in their careers. Although they don’t earn very high incomes, they are also not encumbered by heavy financial responsibilities yet. They travel to get away from the monotony of life, and add to their experiences. They likely travel on long weekends, and will book into 2 to 3 star establishments, and spend approximately R1500 per trip. These can be found in Ulundi as business tourists, and those that come to the region are likely to be from within Zululand, and sometimes Durban and Pietermaritzburg.
- **“High-Life Enthusiasts”** are well-educated professionals striving to build their wealth and reputations. Mostly single and none with dependent kids, this group has large disposable income that they like to treat themselves by going on trips. Their average age is 33, and they stay in 4 to 5 star accommodation. They fly to destinations which are located far away, and drive to those within their region. They are currently found in Ulundi, and the District as business tourists, often from Durban, Pietermaritzburg, and sometime Johannesburg; but are not found as tourists attracted by activities. They enjoy relaxing yet adventurous activities, and travel for status as well as enjoyment.

The table below indicates estimated demand figures for domestic tourists to the local municipality, indicating that per annum, an estimated 42 000 domestic tourists visit the local economy. They are likely to stay for 3 nights on average. This is also based on occupancy figures received during research surveys, in which accommodation establishments were asked the size of their respective establishments, the number of beds, the average length of stay of tourists, and the establishment’s occupancy rates. At present, domestic tourists visiting (and staying over) at the local municipality are the dominant market segment.

DOMESTIC ACCOMMODATION DEMAND IN ULUNDI	
Estimated No of Bednights	238 900
Estimated Occupancy	55%
Estimated No of Tourist Nights in the LM	131 400
Estimated % Domestic Tourist Nights in the LM	95%
Estimated Domestic Nights in the LM	124 800
Estimated Domestic Tourists in the LM	41 600

Much of Ulundi’s potential with tourists therefore lies in addressing the blockages of the R66, as well as attracting existing tourists arriving in the Municipality for business purposes, to visit the local area for leisure purposes.

There are also additional tourist market segments which are found in the local municipality, namely educational tourists. These are tourists which arrive from regional schools, in busses for day trips, or for camping trips when they are from further regions. They are attracted by Ulundi’s cultural heritage established tourism facilities, which are easily included in school curricula. These tourists often do not have high profit potential, but sustain heritage attractions in traditional low season.

4.2. OVERVIEW OF TOURISM SUPPLY

Tourism supply as a subsection will address most of the system components.

Tourist Channel: A tourist channel is a medium through which tourists are transmitted from their place of origin to any desired destination. Tourist channels are divided into *soft channels* and *hard channels*. Soft channels include travel agents and tour operators, and any medium which transmits tourists to the destination by relying mainly on human resources. Hard channels are almost synonymous with infrastructure. These are tangible mediums through which tourists are transmitted from the point of origin to the desired destination. Examples include roads and airlines into the destination. Good tourist channels make access into the Municipality efficient and encourages regular return of visitors. For Ulundi, tourist channels include the following:

- **Airport:** Ulundi airport has much potential to uplift the tourism and social potential of the municipality. Commercial operations opened last year through Federal Airlines. FedAir has recently opened a Johannesburg route. This is a significant channel into the District.
- **Road:** The main entry into the Municipality is the R66- in the north from Pongola, and in the south from Durban. This is noted as a significant deterrent to international tourism in the north, due to the 7/8km untarred gravel between Pongola and Nongoma. In the south, stop and gos are a nuisance to tourists, but this does not seem to hinder significant amounts of traffic entering the municipality.

- **Travel agents and tour operators:** Ulundi is not included as a key destination in tour itinerary. It was mentioned in interviews that the Battlefields destinations are more preferred by tour operators, and in another that tour operators do not enter the District because of the untarred gravel.
- **Signage** is Good at most key intersections. Some signage requires upgrading, but for most key attractions, signage is good.

Tourist Reception: Tourist reception refers to the handling of a tourist once they have entered the Municipality, and also relies heavily on human resources. This refers to the general hospitality of the host communities, and reflects the mindsets of locals toward tourists. Practically this addresses service levels toward tourists at key spots such as filling stations and restaurants, the safety of tourists (often tourists are perceived as easy crime targets), and general helpfulness and friendliness levels toward foreigners and non-locals in an area. A good tourist reception adds to the hospitality and (relational) warmth of an area, makes tourists feel at home and welcomed, and therefore encourages tourists to return. Good tourist reception also often results in back home word-of-mouth marketing of the destination by the tourist.

- **Ulundi Municipality** reports hosting workshops for businesses, to assist them with customer care, however, it was indicated that more businesses are required to participate in these. There were complaints during the research about service levels throughout the Municipality; however, this was not picked up on in tourist interviews. The general consensus amongst locals is that tourism service levels, and general business service levels need to be addressed.
- **Reception at the Airport:** It was suggested that tourists be received at the airport with song and dance. Existing performance groups are reported to inquire about opportunities to perform for guests, meaning potential performers are already available, but facilitation of this is now necessary.
- **Tourist Office:** An Ulundi tourist office does not exist at present. A key position would be the existing tourism hub building at the Airport. Support must be received from key decision makers.

Tourism Products: This category is the ‘meat’ of any tourism system, in that it contains the tourism components most readily associated with tourism. It is this broad category that forms the crux, and draw card of a tourist destination. Tourism products include attractions (game reserves, cultural festivals, adventure sports); accommodation; local transport (internal road networks, metered taxis, buses); and hospitality products (restaurants, catering, entertainment such as bars and clubs). If the tourism products are exceptionally good, the tourist will often endure bad tourist channels and even

often bad reception in order to experience the attractions themselves. The following provide an overview of the tourism product offering in the local municipality.

- **Heritage:** Products in Ulundi are mainly heritage tourism related. These are overseen by Amafa, and form some of the biggest attractions of the municipality. The larger attractions are well kept (Mgungundlovu Multimedia Centre, and Ondini Cultural Museum), however, there have been complaints about the state of the smaller attractions; mainly insufficient tour guides, and difficulty accessing the attractions along onsite gravel roads (this has been identified by Amafa, which has set aside R1.5 million toward the tarring of the private portion of the access to the Emakhosini Ophathe Reserve). The Reed Dance is also a key attraction into the area, but more potential lies here, and will be addressed through links with the royal household. Another attraction potential point suggestion, from stakeholders, is the development of signature events like the commemoration of the Battle of Ondini/Anglo Zulu War in Ulundi.
- **Environmental Conservation:** There is also a significant amount of potential in the conservation tourism in the local municipality, but it is largely untapped, and suffers; particularly where conservation is concerned; from challenges such as poaching, insufficient funding (also from local authorities) to upgrade its facilities, and no accommodation establishments on site to ensure round the clock nature activities. The proximity of the Municipality to HIP is an opportunity and threat, where the development of conservation within the municipality could be undercut by the presence of HIP (smaller facilities in the municipality must not 'compete' with HIP), but it is also an opportunity to provide niche conservation experiences. There is also an opportunity to develop Cengeni Gate into a tourism gateway point. Attention must be drawn to particularly the conservation areas in Ulundi Municipality. This indicates the potential of Ulundi to develop a distinguished and niche conservation experience for tourists. Although some have game, a number of the existing reserves do not have visitor or accommodation facilities, while for some, the key challenge is infrastructure around the reserve (access to the reserve is hampered by dirt roads, such as with Matshitsholo Community Conservation area). This indicates key action areas for the Municipality at the strategy project identification stage. They include:
 - Matshitsholo Community Conservation Area
 - Eagle View Reserve
 - Matatane Community Conservation Area
 - Mawana Game Reserve
 - Mcakwini Conservation Area
 - Geleijk Water Conservation Area
 - Leopard Rock Reserve
 - Babanango Private Nature Reserve
- **Times:** Particularly noticed by the type of tourists arriving in the local municipality, there is a lack of adventure and night time activities; which match the current market. Close to no tourism activities are open after 4pm. Most activities after hours are on site private establishments, and underutilised.

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- **Potential:** There is potential for township tourism in the local Municipality. The exiting market also indicated in interviews that they would enjoy adventure activities, and the Black and White Umfolozi River have been noted as potential for developing this.
- **Airport:** This is to be will be established as a tourism attraction in itself. FedAir facilitates airshows at the airport, and development plans for the tourism hub indicate that the airport will also be established as a leisure area in the near future.
- **Accommodation:** During peak season, there is a lack of accommodation establishments.
- **Transport:** Two shuttle companies exist in the LM at present; otherwise tourists are transported on arrangement basis; facilitated by accommodation establishment/ FedAir. There are no recorded car hire facilities in Ulundi, but there is likely to be future potential to develop them given the opening up of the Municipality through the airport.
- **Tour guides:** Demand for tour guides will increase in the municipality for guests connecting to Phinda, with time to spend before they connect transfer to Phinda flight.
- **Restaurants:** There is minimal variety of eating establishments in town; all franchised fast food outlets, except for those in accommodation establishments. However, plans for the tourism hub indicate that this will be addressed in the near future.
- **Bababnango:** This settlement in Ulundi Municipality is more geared toward leisure tourism than the rest of the Municipality (camp sites, nature reserve, valley lodges). This must be incorporated into the strategy, and well marketed strategically as a nature tourism node to complement historical tourism found in and around Ulundi Town.

Support Services: Support services are social services which are not necessarily designed for tourists, or necessary for tourist visits, but complement and add to the efficiency and convenience of the tourist experience. Tourists may take these services for granted if they are from well developed countries. Examples include ATMs, petrol filling stations, and health and safety services. A destination like Elephant Coast which is heavily dependent on international tourists from developed countries therefore needs to ensure that this component of the tourism system is accessible to tourists.

- **Banking and finance;** sufficient facilities in town; although some products only accept cash, which is often problematic. In general Ulundi's support services are sufficient, due to its history as a governmental capital. There is opportunity for the installation of banking facilities at Ulundi Airport, as more flights are scheduled
- **Infrastructure:** Due to former 'capital' status, Ulundi Town infrastructure is a strength, with upgrades often required.
- **Cleanliness:** The town is perceived as being below standard with regards to cleanliness, by international tourists.

Marketing is a key component of any tourism system, and draws tourists to a destination. These are often done through marketing associations, media, promotional events and shows. Good marketing makes for good awareness of the tourism system, and a higher possibility of tourist inflows.

- **CTO:** Ulundi's Marketing is generally handled by the local CTO, which was established in 2011.
- **Brand:** The CTO was responsible for the mobilising of the Ulundi's brand as the "City of Heritage", which has been important for its distinguishing as a destination within KZN. There are still challenges with reaching international markets with the brand and product offering of Ulundi however.
- **Website:** The Ulundi website is a priority, and is still to be established.

5. INSTITUTIONAL ANALYSIS

The enabling environment of Ulundi is mainly its legislative, or overarching structure which promotes, monitors and encourages the development of tourism in the area. Amongst other things, this includes tourism forums, area committees, business chambers, associations, tourism by laws, and tourism policies and strategies. This section addresses the current state of key institutions in Ulundi, overviewing their roles and responsibilities, challenges, and synergies with each other.

Key institutions discussed include:

- ✓ Municipal Tourism Unit
- ✓ Community Tourism Organisation
- ✓ LED and Tourism Portfolio committee
- ✓ District Tourism Forum

In general, the municipality has its key institutional structures in place; however there were challenges noted in the working relationships between institutions. This is discussed below.

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INSTITUTION/ BODIES	ROLE/ RESPONSIBILITY	CHALLENGES
<p>Municipal Tourism Unit: Tourism officer, tourism intern, and inservice training students.</p>	<ul style="list-style-type: none"> ✓ Facilitate planning for tourism development ✓ Private sector (CTO and LTF sit down and create the environment for planning for things that should be in IDP) ✓ Provide enabling tourism infrastructure for tourism (signage, public parking)- ✓ Creation of tourism awareness, amongst host communities, and businesses; see tourism as the driver of LED, so need to share same vision ✓ To assist tourism businesses to be established ✓ To provide guidance and capacity building to local tourism service providers. (E.g. training, organising workshops, to improve their competitiveness). ✓ Monitoring of compliance of tourism businesses, with set tourism regulations, and other regulations like by laws, into are registered and graded, etc. ✓ To be the first point of call for establishing businesses; registration, grading, etc. ✓ Assist in identification and management of heritage tourism resources: put forward resources to unlock heritage tourism resources 	<ul style="list-style-type: none"> ✓ Funding; however this is due to the prioritisation of things such as community halls, roads, etc. Therefore tourism info centre, arts and crafts, etc., do not receive sufficient support. ✓ Education is needed for decision makers, on tourism; they need to be exposed to what benefits will be realised if the tourism sector is more prioritised. ✓ Not all spheres of government refer to the IDP when they implement tourism projects at the local level. Whatever developments are to be established, must be included in IDP, so that other spheres of government will use that as point of reference. ✓ Not all local stakeholders look at bigger picture of where the province wants to go. ✓ The municipality needs to have a functioning website- they don't have one. This is due to a combination of planning and funding- mainly funding. ✓ The Municipality would like to move to the tourism hub at the airport, but the council still needs to approve this; which has currently not happened. ✓ They don't have a strategically located tourism info office in Ulundi. ✓ The grant received from district is not enough. ✓ Key infrastructure in the district is a district and local function; there are sometime overlaps. ✓ LED and tourism do not fall under the same management. Both LED and Tourism officers have different supervisors who happen to lead different portfolios. This has hindered tourism from stimulating Local Economic Development in Ulundi. The suggestion from the local municipality is that a joint LED and Tourism unit is required.

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INSTITUTION/ BODIES	ROLE/ RESPONSIBILITY	CHALLENGES
CTO: private sector.	<ul style="list-style-type: none"> ✓ To market and promote the local area as a tourist destination ✓ To represent the needs and concerns of established tourism businesses 	<ul style="list-style-type: none"> ✓ Most people registering with CTO don't want to register again; they don't see the benefit. Marketing benefit, and being registered.
LED and Tourism Portfolio committee	<ul style="list-style-type: none"> ✓ To engage in ideas sharing ✓ To recommend proposed projects to the Municipality to recommend to council 	<ul style="list-style-type: none"> ✓ LED and tourism portfolio committee need education, educational tour is needed, to expose them to projects, need to come up with something more interesting and practical. ✓ Need to come up with something that will interest those not interested in tourism
District Tourism Forum – all CTO representatives, all tourism officers from Local, Tourism officer from district level.	<ul style="list-style-type: none"> ✓ Ideas sharing platform at the District level. ✓ From here, the District supports the LMs. They decide what support and grants are to be given. - 	
Zululand Tourism- Tourism unit within district	<ul style="list-style-type: none"> ✓ Support the LMs, give advice to LMs, and provide grants to LMs. ✓ District functions- 4 major functions- water, district and local roads, planning (LED and planning), and tourism (this is shared between the district and local level, although in Zululand the local municipalities opted to take over this function. ✓ In most districts, district is running the tourism function; organisational, structural, development, marketing. In Zululand, the District cannot impose anything at local LM without LM approval. ✓ The District also links local government with 	<ul style="list-style-type: none"> ✓ Structures and budgets should be in place, local tourism offices should be operational, but this is not always the case. Often, local municipalities cannot handle projects alone, due to lack of capacity Therefore, although tourism is a local function, it ends up being a District implementation. ✓ Technically speaking, the LM should support the DM, as tourism is a local function, but this is not often the case.

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INSTITUTION/ BODIES	ROLE/ RESPONSIBILITY	CHALLENGES
	provincial government	
Local Tourism Forum: Amafa, Mthashana, Traditional Authorities, CTO, Municipality	✓ To propose tourism development projects; to allow an avenue for sharing of ideas by representatives of different sectors in the LM	✓ Forum should be made up of representatives of different sectors which affect tourism, however, not all of them are aware of the seriousness of attending the meetings, becomes impossible to get the message across.

6. SWOT AND GAP ANALYSIS

The following section summarises the report through addressing its key strengths, weaknesses and opportunities. Overall, it is clear Ulundi Municipality has significant potential for further development, much of which is due to its already established infrastructure, and some due to its heritage assets, environmental assets, and access to markets. However, due to access, and a need to further tourism product development challenges, these have not been fully realised, leaving Ulundi Municipality tourism largely latent.

STRENGTHS

- ✓ Established infrastructure
- ✓ Stream of potential tourists entering the municipality
- ✓ Its role as a business and governmental service node

WEAKNESSES

- ✓ Capacitation challenges of the Municipality
- ✓ Lack of funding for development of projects by the local municipality
- ✓ Poor service delivery by businesses in the local municipality, which is reported to deter tourists
- ✓ Decision makers not understanding the benefits of tourism, and prioritising other needs of the municipality
- ✓ A lack of power by the local municipality to implement projects; unfunded mandate
- ✓ Lack of tourism activities
- ✓ No accommodation establishments on site public environmental conservation areas to ensure round the clock nature activities.
- ✓ Most activities after hours are on site private establishments, and underutilised.
- ✓ Close to no tourism activities are open after 4pm
- ✓ There are no car hire companies in the municipality
- ✓ Only two shuttle companies exist in the LM at present
- ✓ There is minimal variety of eating establishments in town
- ✓ Apart from two billboards along the R66, marketing of FedAir on Ulundi/ ZDM is limited.
- ✓ The municipality has not played a direct enough role in heritage management, funding and identification of heritage tourism opportunities; in support of Amafa
- ✓ Tourism marketing websites do not report on Ulundi Airport

THREATS

- ✓ Overlapping responsibilities between the District and Local level
- ✓ Poaching; conservation strength of Municipality is in its conservation areas, particularly one of which suffers from Rhino Poaching
- ✓ Insufficient funding to upgrade environmental conservation facilities
- ✓ During peak season, there is a lack of accommodation establishments.
- ✓ Dissension between the public and private sector in tourism development.
- ✓ Exorbitant prices charged for transport and these companies do not have credit card/ electronic facilities for payment.

- ✓ The development of environmental conservation may be undercut by the fact that Hluhluwe Imfolozi Park, which is quickly and easily accessible, provides more developed and well established facilities, is bigger, and has the Big Five. Tourists may opt to go to HIP instead. Therefore conservation facilities in Ulundi should offer differentiated conservation products, with experiences which cannot be accessed at HIP.

OPPORTUNITIES

- ✓ Discussions with the Royal Family to establish potential linkages with the Royal Dance
- ✓ Adventure activities, which the market requested during interviews
- ✓ Township tourism activities which do not currently exist
- ✓ Adventure activities around the Black and White Umfolozi River
- ✓ Development plans for the tourism hub indicate that the airport will also be established as a leisure area in the near future.
- ✓ Potential through the airport to develop restaurants, and other entertainment, through the tourism hub.
- ✓ Untapped unique cultural and historical heritage resources, e.g.: The development of the Anglo Zulu War original site (Ondini Battle Field) as a signature marketing area for Ulundi.
- ✓ Organizing of a signature heritage event like the Battle of Ondini Commemoration
- ✓ Establishment of tourism info centre with an art and craft centre in partnership with the local community for sustainable community beneficiation
- ✓ Development of Cengeni gate as a to be a full service tourist gate
- ✓ New flight route from Jhb to Phinda via Ulundi Airport (this presents opportunities for entertainment of guests through Zulu dancing, providing refreshments to guests, etc.).
- ✓ Zulu dancing at Airport (already dance groups are inquiring about this opportunity)
- ✓ The development of a car hire facility
- ✓ Tour guides to entertain guests for 3-4 hours, based on airline flight schedules and routes
- ✓ The installation of banking facilities at Ulundi Airport, as more flights are scheduled
- ✓ More involvement with private sector through inviting them to participate at planning meetings
- ✓ Walking trails through overnight stays in townships, as well as activities along the trails (particularly for international visitors).
- ✓ The legislature building being used as a theatre facility for Zulu theatre (musicals, performances, dancing, etc)