2012

*Senqu Local Municipality*

# RESPONSIBLE TOURISM SECTOR PLAN

*Final Report*

*August 2012*

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# EXECUTIVE SUMMARY

## Introduction

The Senqu 5 Year Responsible Tourism Sector Plan has been developed in order to outline the direction in which the tourism industry in the Senqu Local Municipality needs to be developed, taking into account the local economic conditions and the specific issues that need to be addressed in order to realise the full potential of Senqu's tourism industry.

Throughout the development of the Senqu Responsible Tourism Plan a systems approach to tourism development was adopted. This approach focuses on more than just improving the available tourism products and services, and includes addressing components that are integral to the efficient functioning of the tourism industry as a whole.

The Responsible Tourism Sector Plan therefore seeks to improve the tourism industry in the Senqu Local Municipality by:

1. Assisting the municipality in fulfilling its mandate to promote and grow the local tourism industry
2. Creating a better understanding of the underlying tourism environment in the Senqu Local Municipality so as to enable the municipality and other stakeholders to identify and implement more effective tourism related interventions that will benefit the whole economy
3. Aligning the Senqu Local Municipality's tourism initiatives with those identified in the Joe Gqabi District Tourism Marketing and Development Plan
4. Identifying gaps and key issues in the tourism industry as well as identifying whether opportunities to fill these gaps exist.

The primary aim of the Responsible Tourism Sector Plan is to provide a tourism marketing and development strategy that will:

- Guide public and private investment
- Provide and institutional framework for tourism development in the municipality
- Highlight programmes and projects that will grow the tourism sector
- Provide an industry based strategy based on researched target markets
- Focus on the unique selling points of the local municipality
- Provide a coordinated approach to tourism development in the municipality

The following paragraphs summarise the key findings of the plan, highlighting the importance of the tourism industry in the municipality.

## Situation Analysis

The Senqu Local Municipality is located in the Joe Gqabi District Municipality which is in the north-eastern part of the Eastern Cape. The municipality borders the Kingdom of Lesotho in the north-east, the Free State Province in the north-west, the Maletswai Local Municipality in the west, the Elundini Local Municipality in the east, and the Chris Hani District Municipality in the south. The municipality had a population of 123 508 in 2011 and spans an area of 7 325.43 km$^2$. The main towns in the municipality are: Barkly East, Lady Grey, Rhodes and Sterkspruit.

## Policy Review

A policy review was the first step undertaken in order to ensure that any subsequent processes would be based on, and align to, national, provincial, district and local policies, strategies and plans. Several polices, strategies and plans were consulted and summarised some of which included:

- JGDM Tourism Marketing & Development Plan

- JGDM Strategic Assessment of Alpine Tourism
- Feasibility Study: North Eastern Cape Grassland Conservation and Development Area

The following recurring themes identified in these documents, were incorporated into the Senqu Responsible Tourism Plan development process:

- The principles of responsible and environmentally conscious tourism development
- Focusing on cultural and heritage tourism development
- Ensuring that the economic benefits of tourism are enjoyed by all participants
- The removal of spatial inequality in terms of tourism products/development

## Socio-Economic Profile

The Senqu Local Municipality struggles with a high unemployment rate with only 20% of the population being employed. A large portion of the population earns no income. The region also experiences low levels of household income, with 42% of its population living below the poverty line (i.e. less than R 800 per month).

The educational attainment of the population is very poor as indicated by the fact that 55% have not attained an education beyond primary school. As a result only 5% of the population has completed matric. The economy is based heavily on unskilled and semi-skilled employment. This impedes the development of the local tourism industry which relies on semi-skilled and skilled labour.

## Economic Profile

In the Senqu Local Municipality, the GDP growth rate has increased between 2000 and 2010, averaging 2.8% over this period. It should however be noted that this growth is calculated off a low base, and is below the district growth rate for the same period (5%). The economy is skewed towards non-productive economic sectors, namely government and community services.

The main characteristics of sectoral employment are a declining agriculture and trade sectors. The agricultural sector is a significant employer in the region given the low skill levels in the Senqu Local Municipality. The government and community services sectors are important employers with the majority of the area's population being employed by the public sector (39%). This is a negative characteristic as it is indicative of a population dependence on government initiatives as well as an underdeveloped private sector.

## Tourism Market Analysis

The assessment of the Senqu Local Municipality's tourism industry indicated that it was relatively well developed in comparison to the rest of the Joe Gqabi District Municipality. Figure 1 illustrates the existing supply of accommodation establishments as well as the identified tourist attractions while Table 1 illustrates a summary of some of the key findings that came out of the tourism market analysis.

**Table 1: Summary of tourists visiting the Senqu Local Municipality**

| | |
|---|---|
| **Number of visitors (2011)[1]** | 16 708 |
| **High season months** | April, June – July, December |
| **Percentage of domestic visitors** | 92% |
| **Percentage of international visitors** | 8% |

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[1] Of this figure approximately 12 531 tourists visited formal accommodation establishments while the remaining 4 177 came to visit Friends and Relatives. These figures were based on data collected from 88% of accommodation establishments in the Senqu Local Municipality and estimates of VFR numbers.

| | |
|---|---|
| **Main domestic source markets** | Gauteng (28%), Eastern Cape (26%), Free State (16%), Western Cape (15%), KwaZulu-Natal (14%) |
| **Main international source markets** | Netherlands<br>Germany<br>United Kingdom<br>United States of America<br>Other European – France, Norway, Denmark |
| **Activities undertaken when visiting** | Fly-fishing (60%), Hiking (54%), Adventure activities (35%), 4X4 trails (27%), Horse riding (25%) |

**Source:** Urban-Econ Tourism Survey (2012)

**Figure 1: Attractions and accommodation in the Senqu Local Municipality**
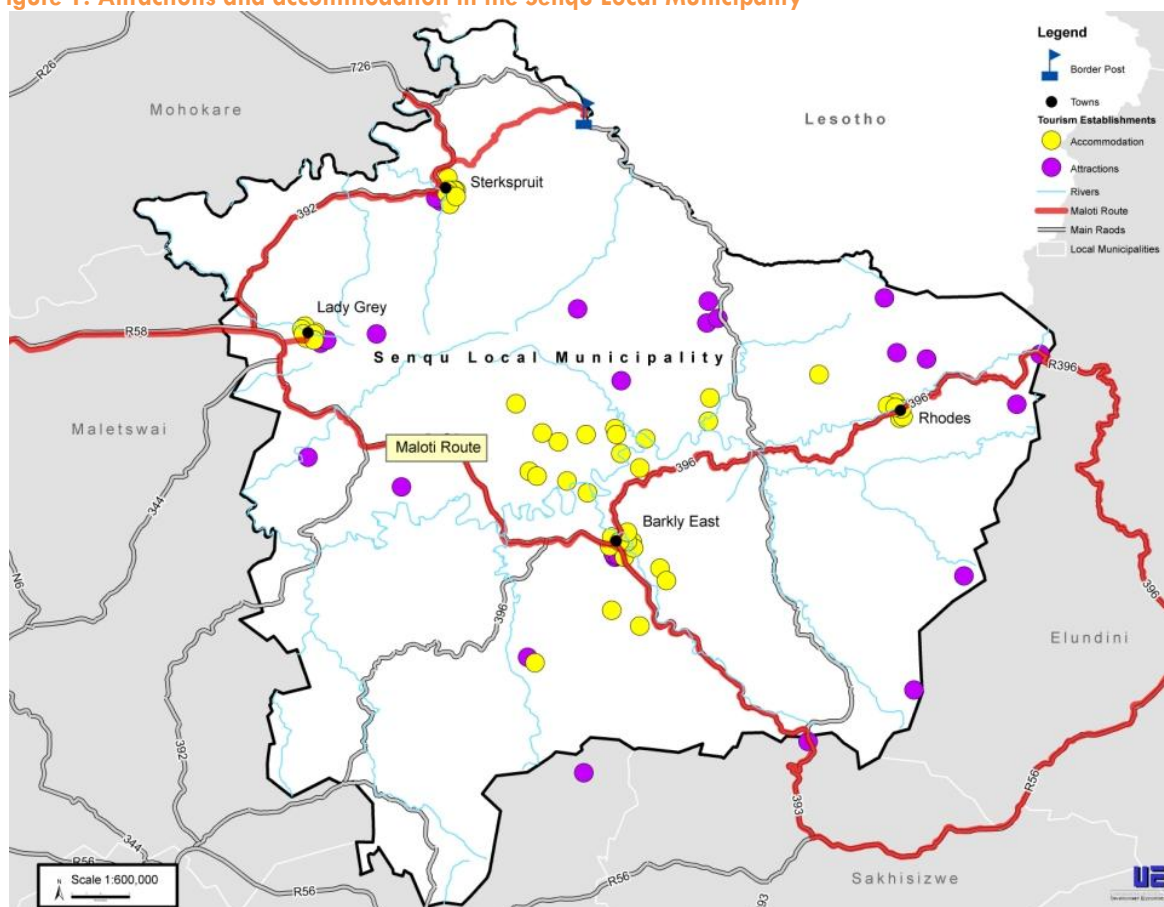


Other key outcomes of the tourism market analysis for the Senqu Local Municipality:

- Accommodation types are fairly diverse with a range of B&B's, self catering and guest houses
- The majority (65%) of accommodation establishments in the municipality are not graded; of those that are graded most are two to three stars.
- Approximately 535 people are directly or indirectly employed by the local tourism industry.
- Domestic tourists spend on average 2.2 days in the municipality while international tourists spend on average 2.7 days in the area.
- There are few packaged tourism products with most activities being informally organised.
- There is a small international tourist market.
- Both international and domestic tourists mainly visit the area for leisure purposes, although there is also a notable domestic business tourist market centred around the public sector.

- Main markets are adventure tourist, nature based tourists, special events tourists and business tourists.
- Principle drawcards to the area are its fly-fishing and events (Lady Grey Passion Play, Rhodes Wild Trout Festival, Salomon Sky Run etc.).
- Most accommodation establishments are run as secondary businesses which impacts the level of professionalism within the industry.
- Tourist visitor numbers are anticipated to grow by an estimated 14% by 2015.
- Inadequate level of promotion of tourism products by both the public and private sectors

## Tourism Systems Analysis

The tourism system analysis chapter reviewed the various components of the Senqu tourism system in terms of its institutional framework, infrastructure, support services and marketing activities. Some of the key findings were:

- The current institutional framework is fairly well established with operational CTO's in each of the towns in the municipality. The LTO has also recently been re-established.
- Approximately R 600 000 has been allocated by the Senqu Local Municipality for tourism development in the 2012/13 financial year.
- Transport infrastructure, while extensive, is in a very poor condition. The proposed airstrip at Rhodes is seen as a key vehicle for allowing a greater number of tourists to access the area.
- Overall signage within the Senqu Local Municipality is fairly good with most places clearly indicated. Many of these signs are however in poor condition and not compliant with national and provincial standards.
- As far as soft infrastructure (skills and training), there is a definite need for awareness programmes amongst the community, politicians and government officials. Two FET colleges – one in Aliwal North and the other in Sterkspruit – can be used for this purpose.

*"Without decent roads in the area we can forgot tourism"*

– SENQU BUSINESS OWNER

There is currently no operational tourism office within the Senqu Local Municipality. This makes it difficult for visiting tourists to access information about the area once they arrive. Plans are however in place to staff a visitors information centre through the roll out of the Eastern Cape Highlands brand.

*"Marketing!! We need to create awareness about the area to attract more tourists"*

–TOURISM PRODUCT OWNER

Auxiliary support services such as petrol stations, emergency repairs, medical services and police services are found throughout the municipality, with the highest concentration in the towns of Lady Grey and Barkly East.

In terms of marketing a variety of methods are used to market tourism product owners within the area, the most common being the internet. Beyond individual product owner marketing there is little municipal wide marketing to generate awareness about the area. What marketing that does occur is highly fragmented and conducted under a number of different brands.

## SWOT Analysis

The SWOT analysis analysed the Senqu Local Municipality's destination offerings in terms of the various factors that motivate a tourist to travel to the area. This assessment identified that the area has developed competitive advantages around its accommodation, activities and maintenance of its rural scenic beauty.

The gap analysis identified key gaps for the current markets visiting the Senqu Local Municipality. This included a lack of conferencing facilities, limited beds and limited formal tourist activities.

In terms of the destination mix for tourists are motivated to visit the area due to the attraction/ assets that are on offer. Activities, particularly events such as the Passion Play, Salomon Skyrun are strong drawcards. The area is however constrained by inadequate accommodation supply or lack of auxiliary services and tourist related amenities.

The SWOT analysis analysed the destinations Strengths, Weaknesses, Opportunities and threats in terms of various categories. Key opportunities identified include:

- Marketing of the area through the Eastern Cape Highlands Brand
- Emerging product development
- Networking
- Infrastructure development

## Tourism Marketing and Development Plan

The tourism marketing and development plan provides a structured plan on how to exploit the opportunities identified in the Situation Analysis. The tourism marketing and development plan sets out how the Senqu Responsible Tourism Plan is to be implemented through the following elements:

- Vision
- Goals and Objectives
- Strategic Pillars
- Interventions and Projects

These elements of the Senqu Responsible Tourism Plan were established through engagements with representatives of both the public and private sectors by means of a workshop session.

### Vision

The following vision was identified for the Senqu Responsible Tourism Plan:

> **To develop the Senqu tourism industry into a leading destination where tourists can experience its natural beauty and thereby transform the industry into a vehicle for sustainable economic growth.**

### Goals

The vision of the Senqu Responsible Tourism Plan is to be achieved through the following five goals:

1. Market the Senqu Local Municipality as a tourist destination
2. Understand the local tourism industry through accurate and current tourist information/data
3. Create an all-year-round destination for tourists thereby removing the impacts of seasonality
4. Support and expand the current tourism product base
5. Increase tourism related linkages between towns within the local municipality and other regions outside of the municipality
6. Remove obstacles to the development of the local tourism industry
7. Monitor and learn from the tourist experience so as to better meet the needs of visiting tourists

### Objectives

Measurable objectives were also developed in order to determine the success in achieving each of the specified goals and ultimately the tourism vision for the municipality. These objectives provide both the quantitative and qualitative baseline information to evaluate the overall tourism plan at periodic intervals during, and at the end of the plans timeframes. These objectives, rationales of which can be found on page 70, were as follows:

- **Objective 1:** *Increase the number of both domestic and international tourists by 4% per annum between 2012 and 2017, and the number of VFR tourists by 2% per annum between 2012 and 2017*
- **Objective 2:** *Upgrade and maintain the Senqu tourism website ensuring that it is linked to individual town websites by 2015*
- **Objective 3:** *Increase the average length of stay for domestic tourists to 3 days and to 4 days for international tourists by 2017*
- **Objective 4:** *Establish linkages with LTO's or their equivalent in the Free State and the Kingdom of Lesotho by 2017*
- **Objective 5:** *Assist in supporting 20 emerging tourist product owner between 2012 and 2017*
- **Objective 6:** *Increase the number of people directly employed by the tourism industry by 4% annually between 2012 and 2017*
- **Objective 7:** *Ensure that current tourist spend remains constant between 2012 and 2017, increasing by 3% per annum beyond 2017*

## Strategic Pillars

In order for the vision, goals and objectives o be realised it is essential that an environment conducive to tourism development is created. This involves activities that both tackle present constraints to tourism development and initiatives that boost tourism activity. The Senqu Responsible Tourism Plan recommends that that these actions be undertaken through the following strategic pillars:

- Infrastructure Support Base
- Product Development and Transformation
- Marketing the Destination
- Collaborative Institutional Functioning
- Monitoring and Understanding the Tourism Economy

**Supporting emerging tourism product owners and local crafters is a key objective of the Senqu Tourism Plan**

For each strategic pillar an overall purpose, rationale and key outcomes were identified. Specific interventions/projects as well as phasing was also identified for each strategic pillar (see Table 2).

**Table 2: Tourism interventions/projects**

| Strategic Pillar | Interventions | Phasing |
|---|---|---|
| **Infrastructure Support Base** | Upgrading of key tourist access roads (R58, R726) | Short-term |
| | Grading and maintenance of eight passes | Medium-term |
| | Implementation of JGDM signage strategy | Short-term |
| | Develop new and upgrade existing picnic sites and viewing points | Medium-term |
| **Product Development and Transformation** | Develop a database of tourism related businesses | Short-term |
| | Promote tourism networking through LTO and CTO's | Medium-term |
| | Development of rock art within the municipality | Long-term |
| | Feasibility study into small scale rail tourism | Long-term |
| | Exploration of formalising craft and cultural tourism products | Medium-term |
| | Provision of political support to the establishment of conservation area | Short-term |
| | Expanded development and support to flower and bird routes | Medium-term |
| | Support and expand existing packaged tours | Medium-term |
| | Promote existing events and introduce new events in off season | Medium-term |
| **Marketing the Destination** | Development of destination marketing material | Short-term |
| | Updating and maintaining the Senqu Tourism website and social media | Short-term |
| | Develop an events calendar | Short-term |

| Strategic Pillar | Interventions | Phasing |
|---|---|---|
| | • Conduct a marketing drive that targets key tourist segments | Medium-term |
| Collaborative Institutional Functioning | • Build municipal tourism capacity through site visits | Medium-term |
| | • Strengthening and capacitation of LTO and CTO's | Medium-term |
| | • Mentorship programme for emerging product owners | Long-term |
| | • Training and customer service programme for tourism employees | Short-term |
| | • Community tourism awareness programme | Short-term |
| | • Establish a Visitor Information Centre (VIC) and provide training to staff | Short-term |
| Monitoring & Understanding the Tourism Economy | • Undertake regular tourism data collection via surveys | Short-term |
| | • Impact assessment for tourism projects | Long-term |
| | • Creation of an activities database | Short-term |

## Implementation Plan

In order to successful implement the outlined interventions/projects several recommendations were made relating to the existing Senqu Local Municipality's institutional structure. These recommendations related to roles and responsibilities, budget allocations and implementing agents. Some of the key recommendations were to:

- Formalise the structure of the Senqu LTO through the establishment of a municipal entity
- Implement projects based on a phased approach ensuring quick win and foundational interventions/projects occur first
- Utilise the LTO as the primary vehicle for marketing the Senqu Local Municipality with the support of the VIC
- Clearly define role and responsibilities between different stakeholders in the Senqu tourism industry so as to better manage expectations
- Improve the level communication between all tourism role-players

# Chapter 1: Introduction

The tourism industry has been recognised as having the potential to address the socio-economic challenges facing both South Africa and the Eastern Cape. The Eastern Cape Province, where the Senqu Local Municipality is located, was ranked fifth in terms of international tourist visits and third in terms of domestic tourists in 2010. These tourists generated approximately R 6.4 billion in direct tourism spending of which just over half (56.5%) was generated by the international market segment. The tourism industry in the Eastern Cape however exhibits a clear spatial divide, with tourism products and activities in the western part of the province being more developed than those in the eastern regions.

The Senqu Local Municipality has a number of unique selling points as well as several well established products. These unique selling points and tourism products have made it one of the more developed tourism markets within the Joe Gqabi District Municipality.

In this context, the Senqu Local Municipality needs to position the area as a destination of choice for both international and domestic tourists. In addition to this, the Senqu Local Municipality seeks to stimulate the local tourism industry so as to generate employment and accelerate local economic development. The formulation of a Responsible Tourism Sector Plan for the Senqu Local Municipality will serve as the guiding document for this development process.

## 1.1 Objectives of the Study

The overall objective of this study is to develop a Responsible Tourism Sector Plan for the Senqu Local Municipality that will outline the direction in which the tourism industry needs to be developed, taking into account local economic conditions and the specific issues that need to be addressed in order to realise the full potential of Senqu's tourism industry.

The Responsible Tourism Sector Plan therefore seeks to improve the tourism industry in the Senqu Local Municipality by:

1. Assisting the municipality in fulfilling its mandate to promote and grow the local tourism industry
2. Creating a better understanding of the underlying tourism environment in the Senqu Local Municipality so as to enable the municipality and other stakeholders to identify and implement more effective tourism related interventions that will benefit the whole economy
3. Aligning the Senqu Local Municipality's tourism initiatives with those identified in the Joe Gqabi District Tourism Marketing and Development Plan
4. Identifying gaps and key issues in the tourism industry as well as identifying whether opportunities to fill these gaps exist.

The primary aim of this plan is therefore to provide a tourism marketing and development strategy that will:

• Guide public and private investment
• Provide and institutional framework for tourism development in the municipality
• Highlight programmes and projects that will grow the tourism sector
• Provide an industry based strategy based on researched target markets
• Focus on the unique selling points of the local municipality
• Provide a coordinated approach to tourism development in the municipality

## 1.2 Methodology

The Senqu Tourism Sector Plan was developed taking into account legislation, polices and strategies at a national, provincial and local (both district and municipal) level. These considerations are captured in the policy

review section of the report. Efforts were made to ensure that an adequate understanding of the legislative and policy framework within which the tourism industry operated occurred.

A product audit was carried out in order to develop a comprehensive database of all tourism products within the local municipality. This step informed the tourism supply analysis for the municipality, with the inputs being utilised in the development of the Situation Analysis of the report. It should be noted that the project's timeframes prevented the development of a detailed activities/attractions audit. The *Situation Analysis* investigated the current status of the tourism system in the Senqu Local Municipality, with specific focus on the following components:

- Tourism Products (attractions, transport, accommodation, hospitality etc.)
- Hard Infrastructure (roads, information technology etc.)
- Soft Infrastructure (tourism awareness, human resources etc.)
- Existing marketing initiative and channels
- Support Services (tour guiding, banking, health services, safety and security etc.)
- The enabling environment for tourism development (the role of local government and the private sector, tourism entities and forums etc.)

Following the completion of the situational assessment a *SWOT Analysis* was conducted in order to outline the strengths and weaknesses of the tourism industry in the municipality and to identify potential opportunities and threats to the areas tourism industry. The Strengths, Weaknesses, Opportunities and Threats identified during this step were used as the basis for the development of the final tourism plan.

Stakeholder participation was conducted throughout the process in order to obtain key role-players inputs into both the situational analysis and the final strategy. The detailed methodology pursued as part of the Tourism Plan's development process is illustrated in Figure 1.1.

**Figure 1.1: Methodology**
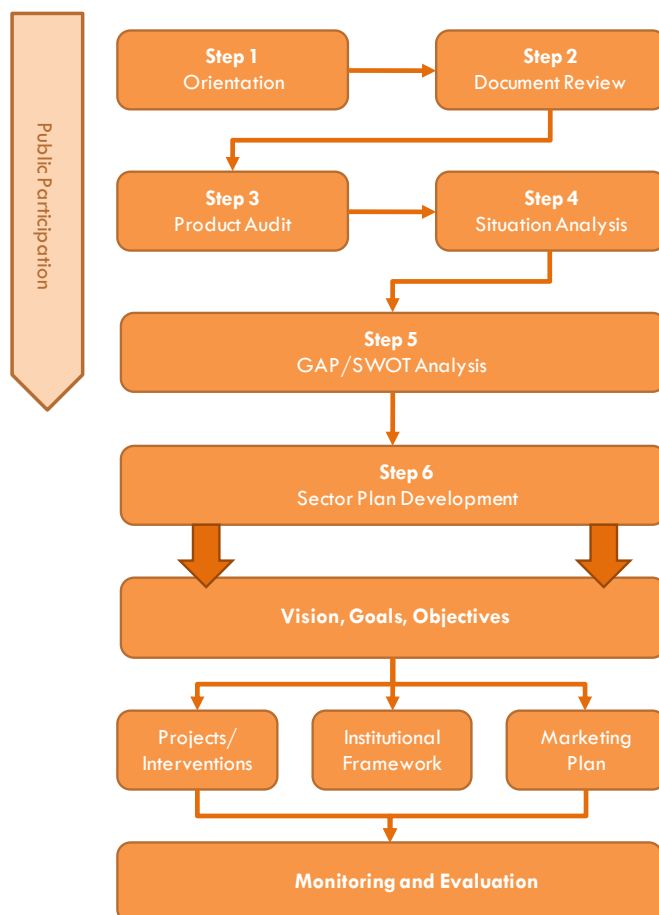
## 1.3 Data Sources

Various data sources were utilised for the development of the Senqu Tourism Plan. Secondary research, by means of assessing various polices and strategies, was conducted in order to identify broad guidelines for development. Primary research was also conducted during the development of the Senqu Tourism Plan. This took the form of face-to-face interviews with identified stakeholders as well as representations made at CTO meetings. Structured telephonic interviews were conducted with a sample of tourism product owners identified in the product audit. Feedback from the stakeholder workshop was also incorporated into the final plan. Table 1.1 outlines that various data sources utilised during the study.

**Table 1.1: Types of data sources utilised**

| Data Source | Description |
|---|---|
| **Desktop Research** | <ul><li>Policies and strategies</li><li>Legislation</li><li>Previous studies</li><li>Other relevant documents</li></ul> |
| **Tourism Stakeholder Interviews** | <ul><li>7 face-to-face interviews</li><li>Tourism Officer</li><li>Tourism associations, forums, organisations</li><li>Other identified persons</li></ul> |
| **Tourist Product Owner interviews** | <ul><li>52 telephonic interviews</li><li>Owners of accommodation establishments</li></ul> |
| **Stakeholder Workshop** | <ul><li>Tourism stakeholders in the area were invited to a tourism workshop, the inputs from which were incorporated into the report</li></ul> |

## 1.4 Study Area

The Senqu Local Municipality is located in the Joe Gqabi District Municipality which is in the north-eastern part of the Eastern Cape. The municipality borders the Kingdom of Lesotho in the north-east, the Free State Province in the north-west, the Maletswai Local Municipality in the west, the Elundini Local Municipality in the east, and the Chris Hani District Municipality in the south. The primary study area for the project will be delineated as the Senqu Local Municipality. The secondary study area will comprise the Joe Gqabi District Municipality.

**Figure 1.2: Location of Senqu Local Municipality**

## 1.5 Role of Local Government in Tourism Development

Tourism development is considered a joint responsibility between local government and the private sector. Local government's role in tourism development is informed by both legalisation and frameworks which articulate its functions as:

1) The development of local government (White Paper on Local Government)
2) Integrated development planning (Municipal Systems Act)
3) Local economic development (National Local Economic development Framework)
4) Environmental protection (National Environmental Management Act).

This legislation also acknowledged that the tourism industry is a highly competitive and commercial industry. It is therefore necessary for local government to focus on enhancing their areas competitiveness through economic development

Local government's role in tourism and the potential for interventions was highlighted in the South African Tourism Planning Toolkit. Potential local government interventions to foster and build commitment to tourism development were identified to include:

- Raising awareness about tourism benefits within communities such as the SA Tourism Welcome Campaign.
- Developing the locality's destination marketing and management through workshopping with stakeholders
- Promoting partnerships between public and private sectors
- Developing and implementing policies that promote sustainable tourism development through the IDP and LED.
- Promoting mixed tourism developments
- Assisting in training in order to build local capacity
- Supporting responsible consumption and the enjoyment of tourism
- Building political will to meet development targets
- Increasing funding or support to local NGO's (civil society) to enable them to engage with communities in dialogue on tourism
- Facilitating, through promotion and assistance of existing business and new enterprises with required resources such as information, land use matters, training
- Acting as a catalyst for new business development
- Ensuring appropriate infrastructure
- Protecting natural resources frequented by tourists and locals
- Consolidating visitor information centre that (focus on destination marketing, visitor information

This Senqu Tourism Plan will be developed in alignment with these planning objectives and will seek to provide a plan that guides the local municipality towards appropriate and sustainable interventions that will promote the local tourism industry.

## 1.6 Report Outline

The remainder of the report will be structured as follows:

**Table 1.2: Report outline**

| Chapter | Title | Purpose |
|---|---|---|
| **Chapter 2:** | POLICY REVIEW | This section of the report provides a review of key legislation, policies and strategies at a national, provincial and local level. |

| Chapter | Title | Purpose |
|---|---|---|
| **Chapter 3:** | SOCIO-ECONOMIC PROFILE | Provides a desktop demographic overview of the population residing within the Senqu Local Municipality and assesses indicators such as population growth, household income and their possible impact on competitiveness. |
| **Chapter 4:** | ECONOMIC PROFILE | In this chapter various economic indicators such as the GGP and sectoral trends are examined at a local level, based on desktop research. |
| **Chapter 5:** | MARKET ANALYSIS | A detailed analysis of the local tourism industry is covered in this chapter. This includes an assessment of the prevailing demand and supply conditions. |
| **Chapter 6:** | TOURISM SYSTEM ANALYSIS | The various components of the tourism system are analysed in this chapter. This includes an assessment of the institutional structure, infrastructure, support services and marketing of the Senqu Local Municipality. |
| **Chapter 7:** | SWOT ANALYSIS | The SWOT Analysis chapter identifies the Senqu Local Municipalities tourism industry's Strengths, Weaknesses, Opportunities and Constraints in order to inform the development of the final strategic plan. |
| **Chapter 8:** | TOURISM MARKETING AND DEVELOPMENT PLAN | This chapter outlines the vision, goals, objectives and strategic pillars of the Senqu Responsible Tourism Plan. The chapter also identifies proposed tourism interventions and projects for the Senqu Local Municipality. |
| **Chapter 9:** | IMPLEMENTATION PLAN | The Implementation Plan identifies the various institutional structures required to implement the Senqu Responsible Tourism Plan including budget allocations and roles and responsibilities. |

# Chapter 2: Policy Review

National, provincial and local polices, plans and strategies provide the framework in which the tourism industry functions. It is therefore imperative the Tourism Plan for the Senqu Local Municipality is developed in line with these policies and strategies. The purpose of the following chapter is to highlight some of these polices, highlighting the potential impact they will have on the development of the Senqu Tourism Plan.

The reminder of the chapter will be structured under the following headings:

- National Planning Framework
- Provincial Planning Framework
- District Planning Framework
- Local Planning Framework

## 2.1 National Planning Framework

### 2.1.1 White Paper on the Development and Promotion of Tourism in South Africa, 1996

The *White Paper on the Development and Promotion of Tourism in South Africa* aims to develop the national tourism industry in a sustainable, responsible and competitive manner in order to improve the quality of life of all South Africans. As part of the White Paper several guiding principles are outlined for tourism development. Some of these guidelines these include:

- Tourism development should be **private sector driven**
- An **enabling environment** should be created by the government sector
- Effective **community involvement** is imperative to successful tourism growth
- Tourism should be underpinned by **sustainable environmental practices**

The White Paper strongly promotes the principle of **responsible tourism.** The document also clearly outlines the importance of tourism development being **private sector driven.** This means that the government sector needs to play a **supportive role** in the development process. Furthermore the White Paper suggests that any tourism intervention conducted by a municipality should seek to be highly **consultative** as well **beneficial the entire local community.**

### 2.1.2 National Responsible Tourism Guidelines for South Africa, 2002

The *Responsible Tourism Guidelines for South Africa* indicates that all tourism development should occur in a responsible manner that is both economically and environmentally sustainable. The guidelines further outline that responsible tourism should:

- Generate greater **economic benefit** for local people as well as enhancing the well being of local communities
- **Involve local people**/communities in decisions that affect their lives
- Make positive **contributions to the conservation** of both the natural and cultural heritage of an area
- Provide an **enjoyable experience** for tourists through engagements with local peoples and cultures
- Minimise the negative economic, environment and social impact of tourism developments
- Be **sensitive to the different cultures** of tourists while at the same time fostering mutual respect between tourists and communities

Several of the factors outlined in the National Responsible Tourism Guidelines are also reflected in the White Paper on Development and Promotion of Tourism in South Africa most notably **community involvement** in the development process. Key to responsible tourism planning, in addition to community involvement, is the use of interventions that **promote the natural, economic, social and cultural well being** of the target area. By following this approach it will be possible to develop suitable tourism products.

## 2.1.3 Tourism BEE Charter, 2005

The *Tourism BEE Charter* expresses the commitment of all tourism stakeholders to the empowerment and transformation of the sector. It also aims at working collectively to ensure that the opportunities and benefits of the tourism sector are extended to previously disenfranchised groups. The charter goes on to set out the standard level of inclusion of previously disenfranchised groups in the tourism sector by means of a scorecard. Key focus areas of this scorecard are:

- Ownership
- Strategic representation
- Employment equity
- Skills development

- Preferential procurement
- Enterprise development
- Social development
- Industry specific indicators

BEE should be regarded as an important building block of the tourism sector. Therefore tourism product owners in the Senqu Local Municipality should be actively encouraged to complete and pursue BEE targets. This will contribute to the overall development of BEE within the local tourism sector thereby ensuring a more authentic tourism market and product range.

## 2.1.4 Marketing Tourism Growth Strategy for South Africa (2011-2013), 2010

The *Marketing Tourism Growth Strategy* is a plan developed by SA Tourism as a means of conducting ongoing research and analysis about the marketing of the South African tourism industry. The strategy also assists is supporting choices around which markets and consumer segments to focus on and specifically how to activate growth through marketing, brand positioning and channel fulfilment in the chosen focus area.

The overall aim of the strategy is to defend market share while at the same time pursing an increase in the volume of tourists and the value that these tourists add to the economy. Part of the strategy also seeks to reduce seasonality.

The Marketing Tourism Growth Strategy for South Africa draws attention to the domestic tourist market, **year round tourism** and a desire to move away from the **geographic polarization** of tourists. The strategy further highlights key markets and consumer segments that will be targeted by SA Tourism over the short term. The matching of Senqu consumer segments with those of SA Tourism (where appropriate) can provide the Senqu Local Municipality with an available tool for marketing the area.

## 2.1.5 Department of Tourism's Medium Term Strategic Plan (2011/12 – 2015/16), 2011

The strategic plan maps out the service delivery commitments for the National Department of Tourism and its mandate to create conditions for sustainable tourist growth and development for South Africa. The strategic plan further specifies how the Department will contribute to the realisation of the national governments vision for tourism as articulated in the National Tourism Sector Strategy. In pursuit of this vision the functions of the Department are organised around four programmes:

- **Administration:** The purpose of which is to provide strategic leadership, centralised administration, executive support and corporate services to assist in the functioning of the Department and its activities.
- **Tourism Development:** This programme seeks to facilitate and support the development of an equitable tourism sector through the articulation of various strategies to guide the growth of the tourism sector.
- **Tourism Growth:** This programme seeks to promote and grow the competitiveness and quality of the South African tourism sector.

- **Policy, Research, Monitoring and Evaluation:** This programme provides sector policy development, research, planning, monitoring and evaluation for the Department as it relates to the tourism sector.

Key themes that the strategic plan seeks to address in the South African tourism sector are:

- People empowerment and job creation
- Tourism sector transformation
- Sustainable tourism growth and development
- Responsible tourism promotion
- Tourism service excellence
- Tourism sector knowledge and policy leadership
- Integrated tourism governance
- Public education awareness and outreach
- Human capital management

It is imperative that the interventions and projects proposed in the Senqu Tourism Plan align and **relate to the objectives articulated in the National Department of Tourism Strategic Plan.** Without such alignment it is unlikely that interventions proposed in the Senqu Tourism Plan will obtain support (particularly in terms of funding) from other government related tourism entities.

## 2.1.6 National Tourism Sector Strategy, 2012

The *National Tourism Sector Strategy* is intended to serve as the overall guide for the development of the tourism industry in South Africa. Specific objectives for the strategy are set out under three broad themes namely:

- **Tourism growth and the economy:** This theme seeks to grow the tourism sectors absolute contribution to economy, generate a greater number of employment opportunities in the tourism and expand the role of domestic tourism in the total tourism economy.
- **An enhanced visitor experience:** This theme aims to deliver a quality experience to visitors while at the same time entrenching the tourism culture amongst South Africans thereby positions South Africa as a globally recognised tourism destination.
- **Sustainability and good governance:** Through this theme national government seeks to transform the tourism sector, address the issue of geographical and seasonal spread of tourism, promote responsible tourism practices and unlock tourism economic development at a local government level.

This national strategy highlights several key challenges that have a direct bearing on the development of the Senqu tourism industry namely **seasonality** and the **geographic spread of tourism products and activities.** The strategy seeks to address these factors by focusing developmental resources on the rural areas thereby enhancing the supply of rural tourism products.

## 2.1.7 Rural Tourism Strategy, 2012

The *Rural Tourism Strategy* has been developed by the national Department of Tourism as a means of ensuring a developmental approach when it comes to packaging rural tourism products and opportunities. The approach seeks to **prioritise spatial nodes** which have growth potential in order to stimulate growth in the tourism industry in South Africa.

The Rural Tourism Strategy further identifies three critical problems facing the rural tourism development namely:
- Tourism in rural areas has been inadequately resourced and funded
- A number of key tourist attractions are located in rural areas and are not receiving the benefits stemming from the tourism industry

- The limited involvement of local communities

As a means of address these three problems the Rural Tourism Strategy sets out the following objectives:

- To create a platform to share knowledge of best practise, development opportunities and challenges in rural areas for tourism development
- To facilitate the coordination of rural tourism development initiatives amongst relevant stakeholders
- To create an enabling environment for rural tourism development to stimulate job creation
- To identify and recommend strategic areas/nodes for tourism development in rural areas within the sector
- To guide strategy development with key documentation generated for tourism development and management in South Africa

The **Joe Gqabi District Municipality** (JGDM) has been identified as a **high poverty rural node**. This means that the JGDM will be one of the focus areas for both rural and pro-poor tourism development. The JGDM will also subsequently be the target of a number of the interventions proposed in the Rural Development Strategy. The implementation of these interventions in the JGDM will have important implications in terms of the **availability of funding** for rural tourism development projects in the Senqu Local Municipality.

## 2.1.8 National Heritage and Cultural Tourism Strategy, 2012

The *National Heritage and Cultural Tourism Strategy* seeks to provide strategic direction as well as guide the development and promotion of heritage and cultural tourism in South Africa. The strategy provides a framework for the coordination and integration of heritage and culture into the mainstream of the greater tourism industry.

A number of challenges were identified in the development of the strategy that are seen as key constraints to the full integration of heritage and cultural tourism into the full South African tourism product mix. These included:

- Underrepresentation of cultural and heritage tourism products in the marketing of South African destinations
- Fragmentation and disparity between the conservation needs of heritage and the development requirements of tourism due to a lack of comprehensive data and an integrated framework for heritage and cultural tourism products
- Revenue generated from the commercialisation of non-cultural and heritage tourism products is not adequately distributed to the development of cultural and heritage resources
- Heritage resources tend to be misrepresented through uniformed interpretation at tourist venues which can potentially compromise the integrity and authenticity of heritage and cultural tourism products.

Cultural and heritage related tourism products form an integral part of the tourism product mix in the Senqu Local Municipality. Accordingly the national strategy identifies interventions (i.e. **research, marketing, sustainable development**) that can be used to support the development of Senqu cultural and heritage products.

## 2.2 Provincial Planning Framework

### 2.2.1 Eastern Cape Tourism Master Plan, 2009

The Eastern Cape Tourism Master Plan serves as the guiding document for provincial tourism planning in the province. As the overarching strategy for the Eastern Cape the tourism master plan aims to develop the tourism sector, along sustainable principles, in order to create additional employment opportunities and attract a greater

number of visitors to the province. The plan aims to achieve these objectives by focusing on the following priority areas:

- Tourism product development
- Tourism marketing
- Human resource development
- Development of tourism relevant infrastructure

- Transformation of the tourism sector
- Tourism research and Information
- Tourism safety and security
- Management of the tourism sector

The implementation of the Eastern Cape Tourism Master Plan will help to contribute to the **creation of an optimal environment** for tourism related interventions in the Eastern Cape. Furthermore several of the priority areas will have a direct bearing on the development of the Senqu Local Municipalities tourism industry most notably the development of **tourism related infrastructure.**

## 2.2.2 Provincial Spatial Development Plan – Eastern Cape, 2010

The Eastern Cape Spatial Development Plan is a coordinating document that aims to direct provincial public sector investment towards a common vision and set of objectives. Beyond this, the plan seeks, through the application of investment and management polices, to:

- Achieve sustainable economic growth
- Protect natural environmental systems
- Utilise resources efficiently
- Integrate planning and land use managements

In addition to indicating that tourism related interventions in the Senqu Local Municipality should occur in a manner that **protects natural environmental systems,** the plan places particular emphasis on the development of the Sterkspruit area. These interventions are chiefly centred on the development and **upgrading of infrastructure** – a critical enabling factor for the growth of the local tourism industry.

## 2.2.3 Eastern Cape Parks and Tourism Agency (ECPTA) Strategic Plan (2011 – 2014), 2010

The vision of the ECPTA strategic plan is for the Eastern Cape to be a province where biodiversity, conservation and tourism management underpin sustainable development. In order to achieve this vision the ECPTA strategic plan sets out three broad goals namely:

- Secure key biodiversity in the Province
- Serve as a key catalyst for all aspects of tourism in the Eastern Cape
- Establish and maintain an efficient institution

Through the pursuit of these three goals and their associated interventions the ECPTA seeks to address the following challenges:

- Employment creation
- Economic and rural development
- Sustainable natural resource use
- Secure pattern of economic development

The ECPTA Strategic plan sets out several important areas of focus for the Senqu Tourism Plan. These include: 1) tourism marketing, 2) industry transformation, 3) enhancement of existing tourism products and 4) development of key tourism infrastructure.

## 2.2.4 Feasibility Study: North Eastern Cape Grassland Conservation and Development Area, 2011

North Eastern Cape Grassland Conservation and Development Area feasibility study sought to identify appropriate areas for the development of a SANParks operated conservation and development area (incorporating a significant portions of the both the Senqu and Elundini Local Municipalities). The feasibility study assessed three separate sites, identifying the one located in the North Eastern Cape as the most feasible. Based on the outcomes of the report for establishment scenarios for the establishment of the conservation and development area were proposed. These were:

- A traditional national park scenario with accommodation facilities similar to that of the Mountain Zebra National Park
- A core conservation area with farmhouse style accommodation
- Conservation partnership with farmers
- Lease of land for conservation purposes from local land owners

The estimated macro-economic impact of the construction and operational phases of the proposed development was estimated at R 7.7 million, with the project anticipated to create 66 direct employment opportunities with a potential for 119 jobs in total.

> The establishment of a conservation and development area as proposed by the Feasibility Study for the North Eastern Cape Grassland Conservation and Development Area could have a significant impact on the Senqu Local Municipality's tourism industry. In addition to the **economic benefits,** the conservation and development area could create a new, unique attraction that could potentially **draw a greater number of tourists to the area**. The study also highlights the areas **environmental sensitivity** and means that tourism developments need to be **closely monitored.**

# 2.3 District Planning Framework

## 2.3.1 JGDM Tourism Marketing & Development Plan, 2009

The Joe Gqabi District Tourism Marketing and Development Plan identified opportunities for tourism in the Senqu Local Municipality that included the expansion and improved marketing of the Maloti Tourism Route. The importance of the nature-based tourism was also highlighted in the Plan particularly activities linked to backpacking tourism, bird watching and hiking trails.

Beyond these interventions, the Plan indicated that further development, marketing and support for events currently occurring in the Senqu Local Municipality (Passion Play, MacNab, Wartrail Tri-Challenge, Rhodes Marathon, Salomon Sky Run etc.) was required.

Other specific projects identified in the Plan were:

- Assist in tourism development along the Maloti Route resulting in an increase in tourism numbers accessing the route
- Facilitate the development of two scenic/mountain pass routes in the JGDM
- Facilitate the establishment of one annual event per annum, and assist in the promotion of existing events in the JGDM so as to generate an increase in tourists.
- Development of a topographical JGDM adventure tourism map
- Development and marking of two new hiking and mountain bike trails per annum in the district
- Establishment of a district heritage tour which includes aspects such as: Anglo-Boer War history, San culture and heritage; Xhosa culture and heritage; Palaeontology; Geology and Bushman rock paintings

- Facilitating the development of one historical, cultural and/or architectural walking tour within the main towns in the JGDM
- Promoting sports tourism products and sports events
- Promoting and facilitating the development of budget accommodation
- Linking budget accommodation with adventure tourism.
- Facilitating the development of a arts and craft hub as well as related sales outlets
- Facilitating the upgrading of four memorial/heritage sites/museums per annum
- To develop mountain/alpine tourism in the JGDM so as to generate an increase in tourists visiting related tourism products.

Key actions identified in the Tourism Plan to support the development of mountain/alpine tourism were:

- Identify mountain/alpine tourism products and activities in the District.
- Identify infrastructural needs.
- Provide necessary infrastructure.
- Feasibility assessment into need for higher end accommodation establishments in the area.
- If feasible, then lobby for private sector investment.

The Plans full list of programmes and projects addresses issues around signage, tourism institutions, marketing, product development, infrastructure and human resources development. The Tourism Plan further identified gaps in the district tourism market that included poorly maintained towns, a lack of quality restaurants, lack of shopping centers and poorly integrated marketing campaigns.

The proposed marketing strategy for the district focused on the alpine regions of the Elundini and Senqu, with the slogan '*The Wild Side of the Drakensberg*' and the branding '*Eastern Cape Highlands*'. The sub-brand for the Senqu Local Municipality is illustrated by a trout and the slogan '*Earth Meets Sky*'. The tourism markets identified within the district for development were families, adventure/thrill seekers, budget tourism and backpackers.

In terms of roles and responsibilities the District Tourism Organisation was identified responsible for promoting the district as a region in conjunction with the District Tourism Unit. The Plan indicated however that the District Tourism Unit should focus on ensuring adequate infrastructure, skills development and research.

The JGDM Tourism Plan identifies priority interventions for the Senqu Local Municipality as well as **presenting a marketing brand and slogan** for the area. Furthermore the plan allocates budgetary resources to the various interventions. The Senqu Local Municipality can use this plan as justification for **requesting an increase in the financial allocation to the tourism industry** from the district municipality.

## 2.3.2 JGDM Spatial Development Framework (SDF), 2009

The Joe Gqabi SDF indicated that the Senqu Local Municipality has a number of tourism activities and products relative to other parts of the district. Furthermore the SDF identified a number of district tourism assets within the municipality that could be further developed. Those that were located in the Senqu Local Municipality included:

- Holo Hlahatsi Dam, with opportunities for tourism linked development
- The scenic and natural surroundings of the area that make it well suited for nature based tourism products

The district SDF also identified Lady Grey and Barkly East as tourism nodes within the Senqu Local Municipality. The SDF went on to identify tourism resources, activities and facilities in the area which included:

- Holo Hlahatsi Dam
- The historical town of Rhodes
- The presence of the only ski resort in South Africa
- Tele Bridge border post into Lesotho as a vehicle for economic tourists
- Two potential tourism loops

The JGDM SDF helps to highlight areas within the Senqu Local Municipality that **exhibit high levels of tourism potential.** These areas need to be considered as part of the Senqu Tourism Plan in order to establish whether these areas still exhibit high potential and whether additional municipal resources should be allocated to them.

## 2.3.3 JGDM Local Economic Development (LED) Strategy, 2009

The main purpose of the JGDM Local Economic Development (LED) Strategy is to facilitate the development of a district economic strategy and implementation framework that would guide development interventions to improve the economy and empower the people of JGDM. The objective of the LED Strategy is therefore to contribute towards meeting the following targets:

- Reduce by 60-80% the number of households living below the poverty line
- Increase the number of jobs created locally through all municipal-run capital projects
- Increase the percentage of budget spent on implementing economic development programmes for a particular financial year in terms of the IDP
- Increase the economic growth rate
- Increase the proportion of development activities that take into account the interests of vulnerable groups (i.e. women, elderly, youth and the disabled)
- Increase the amount of funds injected to the district municipality by sector departments and other development agencies

The JGDM LED Strategy identifies several areas of potential for the Senqu tourism industry including: **shopping tourism from Lesotho, Tiffindell Ski Report**, high altitude **alpine park**, the **historical railway line** between Lady Grey and Barkly East and development of the **fly-fishing market.** A number of the projects identified in the JGDM LED Strategy speak directly to these areas of opportunity. It is imperative that these opportunities are recognised into the Senqu Tourism Plan particularly given the likelihood of **funding availability.**

## 2.3.4 JGDM Heritage Management Strategy & Implementation Plan for Barkly East, 2011

The *Heritage Strategy and Implementation Plan* is intended guide the development of the Barkly East and surrounding area so as to create a heritage destination thereby stimulating local economic development through tourism.

The specific objectives of the strategy are to:

- Research and develop a database of all heritage sites, rock art sites and resources
- Develop a heritage management plan and implementation strategy for Barkly East and surrounds;
- Develop a guideline of Rules and Regulations for new and improvement of buildings that receive heritage status
- Make recommendations regarding the preservation of Rock Art in the JGDM

The JGDM Heritage Management Strategy helps in **identifying key tourist assets** within the Senqu Local Municipality that need to be protected. It also articulates clears methods of achieving this protection which should be reflected in the Senqu Tourism Plan.

## 2.3.5 JGDM Strategic Assessment of Alpine Tourism, 2011

The JGDM Strategic Assessment of Alpine Tourism was developed in order to realise the full potential of the district tourism industry as an economic generator. The plan acknowledges that the JGDM area has a diverse eco-cultural tourism product base, yet the management, marketing and tourism development of the area is fragmented and therefore hindering the maximisation of its potential. The objective of the study was therefore threefold:

- To conduct a supply chain assessment of existing, planned and potential tourism development activities
- Assess and determine the infrastructure required to support this
- Conduct economic impact assessments of the existing and planned/potential tourism industry

JGDM Strategic Assessment of Alpine Tourism identifies the **tourist** as the **key component of the value chain.** The document also establishes that it is imperative to **increase tourism demand** in order to ensure that the benefits of tourism development are enjoyed by the maximum number of people in the JGDM.

## 2.3.6 JGDM Draft Integrated Development Plan (IDP) (2012/13 – 2016/17), 2012

The mission of the JGDM as articulated in the IDP is to "Fight poverty through stimulating the economy and by meeting basic needs, improving service delivery quality and capacitating government and communities within a sustainable environment". In pursuit of this vision the JGDM IDP sets out five key performance indicators:

- Service delivery and infrastructure provision
- Local Economic Development
- Municipal Transformation and Institutional Development
- Financial Viability and Financial Management
- Good Governance and Public Participation

The JGDM IDP places considerable emphasis on the development of the district tourism industry as a vehicle for job creation. Furthermore the JGDP IDP acknowledges the **biggest challenge** facing the **development of tourism industry** in the district, is the **quality of roads.** Given that tourism as well as infrastructure provision are listed as critical areas in the JGDM IDP, it is likely that **funding** will be made available to address these issues. Should funding be allocated, the Senqu Local Municipality could be in a position to access it.

## 2.4 Local Planning Framework

## 2.4.1 Senqu Local Economic Development (LED) Strategy, 2007[1]

The Senqu LED Strategy articulates the following vision: "*Senqu is the economic hub of Joe Gqabi region that contributes meaningfully to sustainable job creation and poverty reduction.*" This vision commits stakeholders to:

- Develop Senqu into a hub of profitable and sustainable businesses
- Ensure LED contributes to additional jobs and a reduction of poverty

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[1] At 2007 Senqu LED Strategy is currently under review, with a final draft expected by the end of 2012.

The vision further seeks to create clear benefits for both the business, community and government sectors through higher profits for local business, greater employment among the inhabitants of the Senqu Local Municipality and an expanded tax base through which the government sector can expand its services. To achieve this vision, the following 2012 objectives were developed:

- To grow the local economy to achieve a minimum of 3.5% pa by 2012
- To increase the level of employment from 30.4% to 47.8% by 2012
- To reduce the number of impoverished households from 45.1% to 33.8%
- To grow and transform the tourism and agriculture sectors thus ensuring that 25% of businesses in these sectors are owned by previously disadvantaged individuals and communities by 2012
- To contribute to the expansion of the local tax base thus growing the municipal revenue base from 30% to 45% by 2012

To achieve this vision and strategic objectives the Senqu LED Strategy sets out four strategic priority focus areas or strategic development thrusts along with a rationale as illustrated below:

- **Local Area Development**
  Developing the physical area of Senqu to be an attractive destination to invest-in, do business, visit, work and live in.
- **Institutional Development**
  Developing the appropriate institutional capacity to lead LED, facilitate LED, executive economic improvement initiatives and support LED.
- **Enterprise Development**
  Supporting existing businesses to improve their profitability (competitiveness) and increase the number and viability of new business start-ups of all kinds
- **Economic Diversification**
  Supporting existing tourism and agriculture businesses to improve their profitability (competitiveness) and increase the establishment of new viable enterprises in these priority sectors.

The Senqu LED Strategy is important to the development of the Senqu Tourism Plan as it sets out the **municipality's long term economic objectives**. The Senqu Tourism Plan interventions therefore need to recognise these objectives and aim to assist in achieving them.

## 2.4.2 Senqu Spatial Development Framework, 2009

The Senqu SDF indicates that the municipality has a relatively untapped tourism market with areas of unspoilt natural beauty as well as a variety of leisure and recreation facilities which also have a high level of historic value.  The SDF further identifies tourism as one of the major economic drivers of the local economy.  The following key components were identified for tourism, specifically in areas with linkages to the Drakensburg and Maloti tourism routes.  These included:

- Eco-scenery
- Cultural
- Heritage

- Good access routes
- Safety
- High quality restaurants and hotels

The following spatial strategies were identified for each of the five key performance indicators for the Senqu Local Municipality:

1. **Basic Needs**
   - Identifying areas with the greatest basic needs
   - Link services and supply networks systematically

2. **Spatial Fragmentation**
   - Consolidate and densify appropriate settlements,
   - Integrate sprawling settlements
3. **Linkages and Access**
   - Identify nodes that require linkages,
   - Improve existing linkages
   - Upgrade strategic linkages
4. **Land use management**
   - Develop appropriate new zoning schemes
   - Support land reform
   - Settlement upgrade initiatives
   - Identifying land zones of opportunity
5. **Environmental Management**
   - Implement principles of integrated environmental management

> The Senqu SDF provides guidance on key planning considerations that need to be **considered as part of the Senqu Tourism Plan's development process.** Furthermore it also highlights specific areas within the municipality that have high levels of tourism potential.

## 2.4.3 Senqu Integrated Development Plan (IDP) 2011 – 2016, 2012

The vision of the Senqu Local Municipality as articulated in the IDP is to be: "A developmentally orientated municipality that provides appropriate, efficient and economical infrastructure and services for all residents'. The IDP also sets out the following municipal priorities in line with the organisations powers and functions:

- Roads and Bridges
- Water and Sanitation
- Local Economic Development (LED)
- Human Settlements
- Waste Management

- Land Administration
- Community Facilities
- Electricity
- Telecommunication
- Health

These municipal priorities are to be achieved under the following six key performance areas (KPA):

- Good governance & public participation
- Municipal transformation and institutional development
- Municipal financial management and viability
- Local economic development
- Spatial analysis and rationale
- Service delivery and infrastructure

> The Senqu IDP serves as the **principal strategic document** of the municipality and it is therefore necessary to ensure that the Senqu Tourism Plan **aligns with it.** The Senqu IDP also highlights the importance of the tourism industry to the local economy, placing it as one of the most important parts of the LED KPA.

## 2.5 Synthesis

The following chapter reviewed legislation and policy documents which form the basis for the development of the Senqu Responsible Tourism Plan. This legal, administrative and policy framework at a national, provincial, and

local government level guides decision-making and should be considered when conceptualizing the tourism plan. The main aspects' coming out of these polices and strategies were:

- The principles of responsible and environmentally conscious tourism development
- Focusing on cultural and heritage tourism development
- Ensuring that the economic benefits of tourism are enjoyed by all participants
- The removal of spatial inequality in terms of tourism products/development

Based on the various Senqu **planning documents** the following key tourism resources and assets were identified:

- Holo-Hlahatsi Dam
- Rhodes
- Tiffindell Ski Resort
- Telle Bridge border post
- Mountain passes
- Maloti Drakensberg Route
- Scenic environment and natural beauty

# Chapter 3: Socio-Economic Profile

This chapter will provide a brief outline of the Senqu Local Municipality's socio-economic characteristics. The purpose of this process is to place the Senqu tourism industry in context so as to assess what impact the development of the industry could have on the socio-economic environment of the Municipality. Furthermore, the section seeks to identify any potential socio-economic trends that could have a potential impact on the development of the local tourism industry.

The chapter will be discussed under the following headings:

- Population profile
- Age and gender
- Education levels
- Employment status
- Household income
- Synthesis

## 3.1 Population Profile

The Senqu Local Municipality had a total population of approximately 123 508 in 2011, accounting for 38.6% of the total population of the Joe Gqabi District Municipality. A more detailed breakdown of the population profile of the Senqu Local Municipality is illustrated in Table 3.1 below. It should be noted in Table 3.1 that the population figures for each of the towns in the Senqu Local Municipality have been estimated based on their population size quoted in the 2001 Census and the overall population growth rate for the local municipality.

**Table 3.1: Overview of the Senqu Local Municipality's population structure**

| Indicator | 2001 | 2011 |
|---|---|---|
| Area km$^2$ | 7 325.43 | |
| Population[1] | 135 856 | 123 508 |
| Sterkspruit[2] | 5 902 | 5 366 |
| Barkly East | 11 433 | 10 394 |
| Lady Grey | 4 024 | 3 658 |
| Rhodes | 500 | 455 |
| Rossouw | 300 | 273 |
| Rural | 113 697 | 103 363 |
| Number of households | 34 329 | 32 502 |
| Population density | 18.5 | 16.7 |
| Average household size | 3.9 | 3.8 |
| Population growth rate | -0.9% | |

**Source:** Quantec (2012)

From Table 3.1 it can be seen that:

**The municipality is characterised as non-urban with a strong rural presence**

The Senqu Local Municipality is a largely rural area with the majority (83.7%) of the municipalities population scattered in the non-urban areas. This is particularly evident in the area around Sterkspruit, the municipality's most populous area. The rural nature of the municipality is further highlighted by the low population density of 16.7 people per square kilometre, slightly above the district level of 12.6 people per square kilometre.

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[1] The population of the various towns is based on forecasted figures extrapolated from Quantec Research (Pty) Ltd. (2012)

[2] Sterkspruit town was defined as comprising the following three sub-places (Sekotong, Vergenoeg and Dontsi). The figure presented in the table therefore does not include the large rural population situated within the greater Sterkspruit area.

The low population density and small population is characteristic of non-urban, rural areas throughout the Eastern Cape were the majority of the population is confined to urban nodes or service centres with the remainder being dispersed in rural areas. A low population density has important implications on the provision of economic and tourism related infrastructure, the provision of which could potentially be made more difficult due to the dispersed nature of the population/settlements.

**Senqu's population has shown negative growth over the last 11 years**

While the overall population of the Senqu Local Municipality has declined over the last 11 years, there was a slight moderation in this trend between 2008 and 2011 when the population growth rate slowed to an annualised growth rate of 0.5% compared to -0.9% between 2001 and 2007. While it is difficult to establish the cause of this growth, it is speculated that part of the increase can be attributed to a greater number of economic migrants from Lesotho.  The negative growth rate is also misleading in the fact that certain areas – particularly Sterkspruit – have exhibited a population growth well in excess of the municipal average.

**The population of Sterkspruit, the primary settlement area, accounted for 91.4% of the total population of the Senqu Local Municipality in 2011**

The greater Sterkspruit area is the largest settlement in the Senqu Local Municipality. Furthermore population in this area has been accelerating faster than the rest of the municipality, with a population growth rate of 1.8% between 1996 and 2001 compared to a municipal growth rate of 0.8% over the same period.

## 3.2 Age and Gender

The age and gender composition of a region can have a significant effect on the demographic and socio-economic profile of an area. This structure can have important implications on the size and nature of the job market and thereby the overall labour productivity and subsequently the competitiveness of a region. The current age and gender structure of the Senqu Local Municipality is illustrated in Figure 3.1 below.

**Figure 3.1: Age and gender structure in 2011**
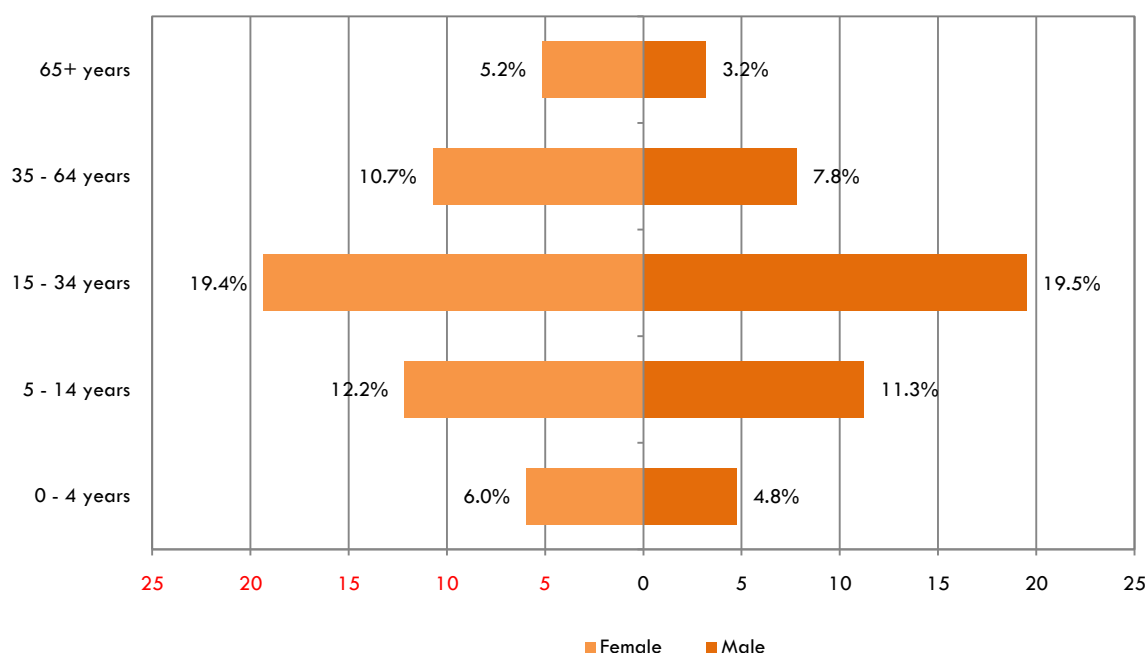


**Source:** Quantec (2012)

**Over a third of the population of the Senqu Local Municipality are younger than fifteen**

According to Quantec (2012) 34.3% of the Senqu Local Municipalities population is between the ages of 0 and 14 with an additional 38.9% falling between the ages of 15 and 34 years old. The high number of children relative to the working age population also impacts the dependency ratio (i.e. the working age population relative to individuals under 14 years of age and older than 65 years of age). A high value for this ratio indicates that a significant proportion of the population is dependent on a relatively small work force.

While dependency is a pressing issue, the prevalence of a youthful population can also have positive effects on the competiveness of the Senqu tourism industry primarily through innovation. Young people, particularly tertiary students, are recognised as the primary drivers of innovation in a country. By fostering youth development programmes linked to tourism entrepreneurship the youth can become critical drives of the Senqu tourism industry.

**Over a third of the population of the Senqu Local Municipality are younger than fifteen**

A young population tends to dedicate more of their income allocation to retail spending. Having a strong, vibrant youth culture in the area could therefore promote economic growth in sectors that cater for this demographic. This includes businesses that supply products such as clothing, personal care and food and beverages. This is however based on the assumption that this demographic group is gainfully employed and that there are opportunists locally to spend their earnings.

## 3.3 Education Levels

Education levels have a direct impact on economic development and the quality of life enjoyed by residents of an area. This is because educational levels influence the skills profile and thus the employability of a population. Education has a direct impact on a workers potential, how productive they are, and ultimately their earnings. Education is therefore acknowledged as being linked to the economic development of an area through income potential. This section will seek to characterise the Senqu Local Municipality in terms of its average education attainment levels and skill attributes in order to establish the skill levels available to tourism product providers.

**Figure 3.2: Level of educational attainment in 2011**
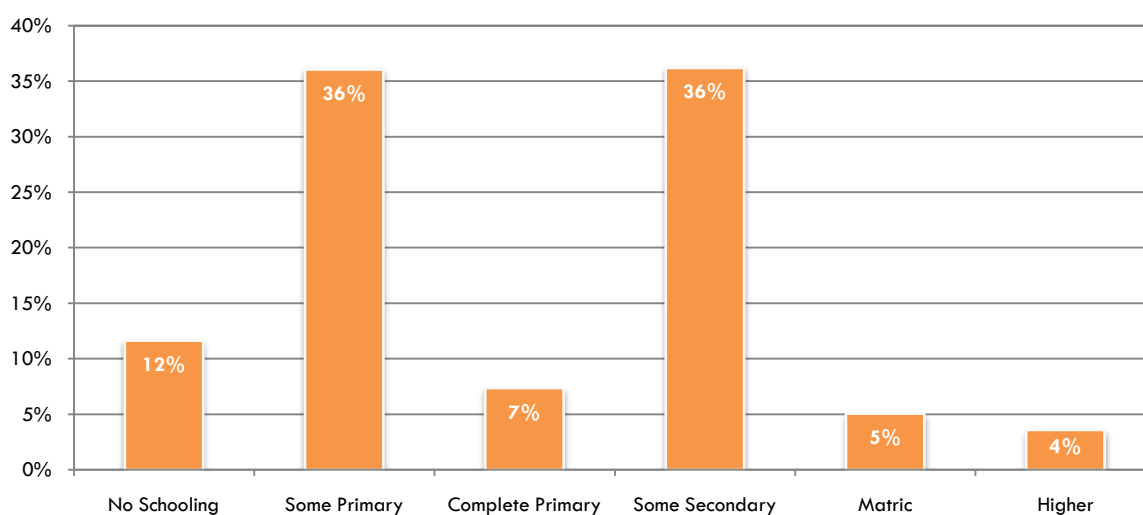


**Source:** Quantec (2012)

**Senqu's population has a low level of educational attainment**

Only 8.7% of the adult population has achieved a matric or higher qualification, with almost 50 percent of the population not having completed their primary schooling. The Senqu Local Municipality has the third lowest

educational attainment in the Joe Gqabi District, and also ranks below both the provincial and national averages. Given the large number of schools, particularly around the Sterkspruit area, the low levels of educational attainment can probably be attributed to the poor quality of education provided by these under-resourced schools. The presence of only a single tertiary institution within the Senqu Local Municipality is insufficient to meet the required demand within the municipality. The poor education levels amongst Senqu inhabitants can also negatively impact their attractiveness as employees for new businesses.

> **Low levels of education negatively affect the employability and income earnings potential of the inhabitants of the Senqu Local Municipality**

Low levels of educational attainment, as presented in Figure 3.2, mean that the employability of local inhabitant's n the first economy is inhibited. Given their poor level of educational attainment, Senqu residents are more likely to be employed in low-earning, second economy jobs. Those residents that do have high educational levels will be more likely to be employed in higher-earning jobs.

> **Poor education levels may impede the ability of local residents to become fully active in tertiary industries particularly tourism.**

Only nine out of every hundred residents of the Senqu Local Municipality have completed high school. As a result here is an inadequate supply of suitably skilled individuals in the Senqu Local Municipality that are able to be gainfully employed in secondary and tertiary sectors (i.e. tourism) of the economy. Low educational levels reduce a person's ability to be absorbed into the formal economy and as such, their ability to obtain higher earning jobs.

## 3.4 Employment Status

As was indicated in the education profile, the education levels of an area have a direct impact on employment within that area. Employment subsequently has an impact on household income levels and the overall economic structure of an area.

Employment indicators are also an important measure of the absorption capacity of a given local economy. In addition, high levels of unemployment are generally associated with poor socio-economic conditions and subsequently the incidence of poverty.

Figure 3.3 provides a high level employment profile for the Senqu Local Municipality. For the purpose of this sections people's employment status will be categorised as employed, unemployed or not economically active. Each of these states is defined below:

- **Employed:** A person who has, within the last seven days, performed some form of work for remuneration
- **Unemployed:** Those people within the economically active population who: 1) did not work during the seven das prior to the survey; 2) want to work and are available to start work within two weeks of the survey; and 3) have taken active steps to look for work or to start some form of self-employment in the four weeks prior to the survey
- **Not Economically Active:** A person who is not working and not seeking work

> **There is a high rate of worker discouragement**

In 2011 71.4% of the population was identified as being not economically active. Typically this classification relates to discouraged workers, which are those individuals that have given up their attempts to obtain employment because of perceived ineffectiveness of this action. This disillusionment can result from several causes but it is primarily attributed to the lack of available jobs in a given area. This lack of jobs can be further exacerbated by other social issues and lead to social unrest.

**Figure 3.3: Employment status in 2011**
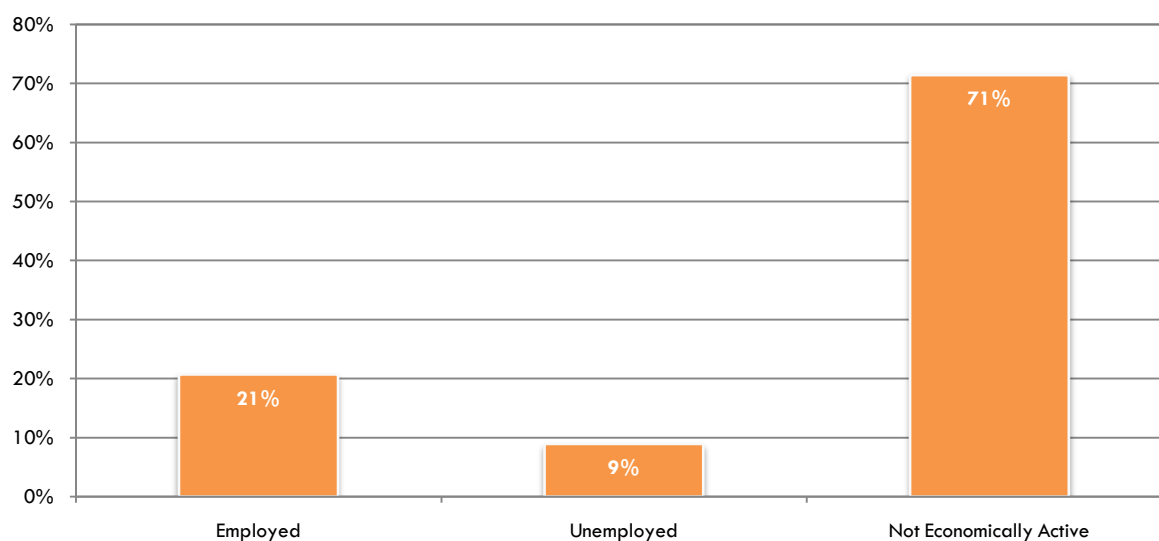


Source: Quantec (2012)

**There is a high dependency ratio**

Just over 80 percent of all individuals in the Senqu Local Municipality were not employed for some reason. This means that the 20.7% of people that were employed were directly or indirectly responsible for the upkeep of the rest of the non-working adult population as well as minors and retired persons.

**Employment in the area is primarily in the formal sectors**

Research from Quantec (2012) indicates that almost 77 percent of the workforce is employed in the formal sector. It is widely recognised that the informal sector (or the second economy) is where the greatest potential exists for creating opportunities for the unemployed. This is due to the low skill levels required for most informal sector jobs as well as the significant barriers to entry facing unemployed individuals wishing to enter the formal economy.

## 3.5 Household Income and Poverty

Household income is an important indicator of welfare in an area as it determines the ability of households to meet basic needs as well as their capacity to afford a particular lifestyle. The demographic make-up of said area, coupled with its educational characteristics and employment trends all have an impact on the overall household income of the area.

**A significant percentage of households are found in the lower income brackets and are therefore reliant on social grants and other transfer payments**

Seventy-four percent of households in the Senqu Local Municipality earn R 1 600 or less per month. This income level is associated with high poverty levels and is attributed to a household that is probably dependent on some form of social grant. With a large percentage of Senqu household receiving no or low levels of income, it can be deduced that the typical resident in the Senqu Local Municipality can be classified as a low-income earner.

**Average weighted monthly household income was R 2 521 in 2011**

This is significantly below the provincial average of R 4 544. It must be noted that this figure is based on labour remuneration, as well as other sources of income such as government transfer payments, grants and subsidies.

Continuing low levels of income can trap households in poverty making them dependent on government grants to simply meet basic needs.

**Figure 3.4: Average monthly household income in 2007**
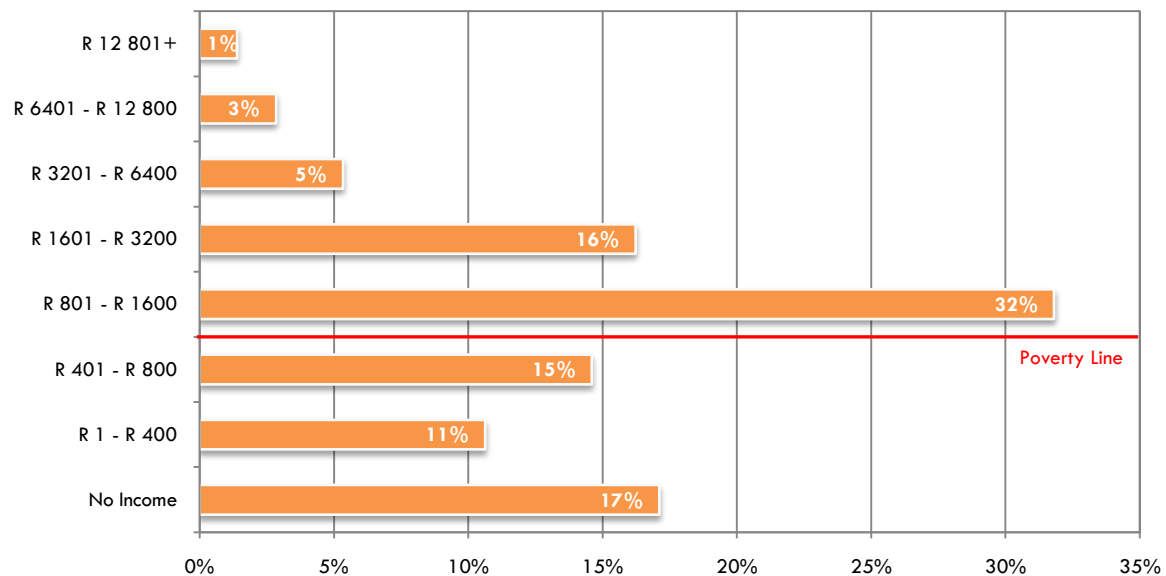
**Poverty levels in the Senqu Local Municipality are high**

Using the UN Poverty line of R 800 per household per month, approximately 42.2% of households in the municipality live in poverty. This is very high and is primarily due to the large number of low income earners in the Sterkspruit area of the municipality. It is also important to note that poverty is a complex issue and is a function of more than just household income. A broader definition of poverty will result in a notably higher incident of poverty than the figure recorded here.

## 3.6 Synthesis

This chapter has sought to provide an overview of the Senqu Local Municipality by profiling key indicators that can be used to describe the typical worker, resident and household.

By discussing various demographic indicators, it has been possible to establish the socio-economic background in which the Senqu tourism industry operates. Based on the outcomes of this chapter the Senqu Local Municipality can be said to be characterised by:

- **Predominately rural**
- **Exhibits a very young population**
- **Affected by outward migration to areas of perceived greater economic opportunity**
- **Low education levels**
- **High number of discouraged and unemployed workers**
- **Low levels of household income coupled with high levels of poverty particularly around the Sterkspruit area**

# Chapter 4: Economic Profile

Given that the promotion of tourism essentially aims to expand employment opportunities and facilitate economic development of an area, it is imperative that the tourism plan is grounded in a solid understanding of the local economy so as to establish how effective the proposed interventions are at addressing these targets. Ultimately, this chapter will provide baseline information from which to assess the effectiveness of the tourism plan.

In addition this chapter explores the general economic conditions in the Senqu Local Municipality with the intention of providing an economic profile of Senqu which outlines significant features of the economy in terms of various economic indicators, including growth rates and sector contributions to GDP.

This chapter is structured under the following headings:

- Economic Structure of the Senqu Local Municipality
- Local Economic Trends
- Senqu Economic Profile

## 4.1 Economic Structure of the Senqu Local Municipality

Gross Domestic Product (GDP) is an important indicator of economic activity and comprises the value of all goods and services, produced during one year, within the boundaries of a specific region and is commonly used to measure the level of economic activity in an area in this case the Senqu Local Municipality.

The GDP of the Senqu Local Municipality was approximately R 1.21 billion[1] in 2010, which accounted for just over 26 percent of the district economy and 0.9% of the Eastern Capes GDP.

**Figure 4.1: Overview of the local economy for 2010**
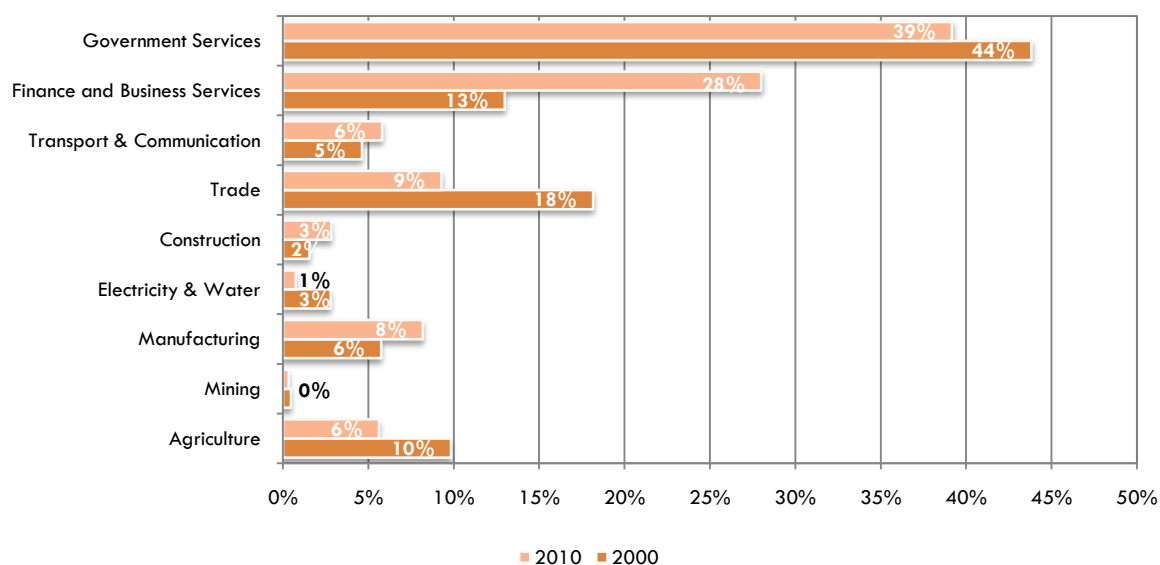


**Source:** Quantec (2012)

Figure 4.1 presents an overview of the structure of the Senqu Local Municipality economy from which the following observations can be made:

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[1] Constant 2005 Prices

**The Senqu Local Municipality has a moderately sized economy, relative to other municipalities**

The Senqu Local Municipality had the second largest economy in the district in terms of GDP during 2010, but the lowest GDP per capita (R 9 591). This was well below the district average of R 14 177. This low GDP per capita however is attributed to the high population relative to economic output.

**The local economy is dominated by the government and community services sectors**

These sectors, which mainly involve public sector expenditure, accounted for 39.2% or R 474.5 million of the total economic output of the area in 2010. This reinforces the findings of the socio-economic profile that indicated that the municipality comprised a largely poor population overly dependent on public sector activity.

**Tertiary sectors are integral to the economic output of the municipality**

Tertiary sectors, comprising financial and business services, trade, transport and communication and government services, contribution a combined total of R 996.7 million (82.3%) to the total economic output of the Senqu Local Municipality. It is within these sectors that the most value-adding activities occur. The high levels of tertiary sector activity can partially be explained by the importance of the tourism industry to the local economy. Although tourism is not distinctly classified as an economic sector, it primarily incorporates elements of the tertiary sector particularly the trade sector.

**Primary and secondary sectors make a marginal contribution to formal economic activity**

The agriculture, mining, manufacturing and construction sectors, while in and of themselves are small, they collectively account for 17.7% of the Senqu economy. This indicates that the rural Senqu Local Municipality is still reliant on low value, raw material production and has little value addition.

**Informal activity is not represented in official statistics**

Although agricultural activity produced an output of approximately R 68.1 million in 2010, it must be noted that the figure only pertains to formal sector activity. Due to this, small scale subsistence agriculture such as those practised by rural communities is not captured in the economic output data. This agricultural activity, were it to be captured, could potentially increase the agricultural sectors GDP presented in Figure 4.1.

A similar situation exists in the trade sector, where the economic output of informal businesses such as hawkers and other informal traders is not directly captured in the GDP of the trade sector as defined in Figure 4.1.

**The Senqu Local Municipality plays an important role in both the economy of the district and the surrounding local municipalities.**

The Senqu economy is the second largest in the district, surpassed only by the Elundini Local Municipality. The Senqu economy also accounts for approximately 20 percent of the economic output of the broader region[2]. The dominance of the Senqu Local Municipality can be attributed to its size (in terms of both population and output) relative to the less development municipalities in the surrounding area, particularly those in the Chris Hani District Municipality.  The sizeable population however detrimentally impacted the Senqu Local Municipality's GDP per capita which was, on average, 42.3% below that of surrounding municipalities.

## 4.2 Local Economic Trends

It is important to understand the growth trends that have defined the local economy in the recent past. Through this, it will be possible to identify which sectors have shown competitive gains and how these sectors would be suited to supporting interventions in the tourism industry in the Senqu Local Municipality.

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[2] This broader region is defined as including the municipalities of Emalahleni, Sakhisizwe, Elundini, Maletswai, Mohokare (Free State)

Figure 4.1, which introduced the sectoral trends that characterise the Senqu economy between 2000 and 2010, also showed several structural changes including:

**The contribution of the government sector has increased**

While the output of this sector has remained largely constant, its contribution has increased as a result of lower growth experienced in other economic sectors. This is viewed as a negative development as it is widely held that the government sector should not be the primary driver of the economy due to its lack of value adding.

**The contribution of the manufacturing and construction sectors has been growing**

In 2000 these sectors made a combined contribution of 7.3% to the total economic output of the Senqu Local Municipality – by 2010 this figure had risen to 11.0%. A strong manufacturing sector is seen as one of the driving forces of a developing economy and is indicative of a growing regional economy. A vibrant manufacturing sector is also indicative of value adding to primary resources.

On the other hand, a growing construction sector is seen as a barometer of confidence in the future growth prospects of an economy. It is important to note however that the construction sector is very cyclical and has a strong correlation with the overall performance of the economy.

Further analysis of economic trends in the area is presented in Table 4.1 which outlines key growth statistics for the local economy between 2000 and 2010, and Figure 4.2 which compares the study areas economic growth rate to that of the district. From these two figures it emerges that:

**The Senqu economy as a whole grew at an average rate of 2.8% per year between 2000 and 2010**

Senqu's total GDP output increased from R 920.1 million in 2000 to approximately R 1.21 billion in 2010. This equates to just more than a 30 percent increase in total GDP over an 11 year period. While this is a positive sign the district economy, over the same period, grew by 66.1%.

**Table 4.1: Sector economic growth rates between 2000 and 2010**

| Sector | Average Year-on-Year Growth | |
|---|---|---|
| | Senqu | Joe Gqabi |
| Agriculture | -2.8% | -2.6% |
| Mining | -0.4% | -2.9% |
| Manufacturing | 6.5% | 9.3% |
| Utilities | -10.0% | 1.9% |
| Construction | 9.1% | 11.1% |
| Trade | -3.9% | 0.4% |
| Transport and Communications | 5.2% | 8.2% |
| Finance and Business Services | 11.0% | 13.0% |
| Government and Community Services | 2.1% | 3.6% |
| **Total Economy** | **2.8%** | **5.2%** |

**Source:** Calculations based on Quantec (2012)

**Senqu's economy has consistently grown at a slower rate than the rest of the Joe Gqabi District Municipality**

Figure 4.2 visually depicts this observation. Although the Senqu economy has grown at a slower rate than the district economy, the 2009 to 2010 period saw the Senqu economy's growth accelerating to bring it in line with the performance of the district economy. This can be attributed to strong growth of both the manufacturing sector (with its links to agro-processing) and the government and community services sectors.

**Figure 4.2: Senqu and JGDM economic growth rates over time**
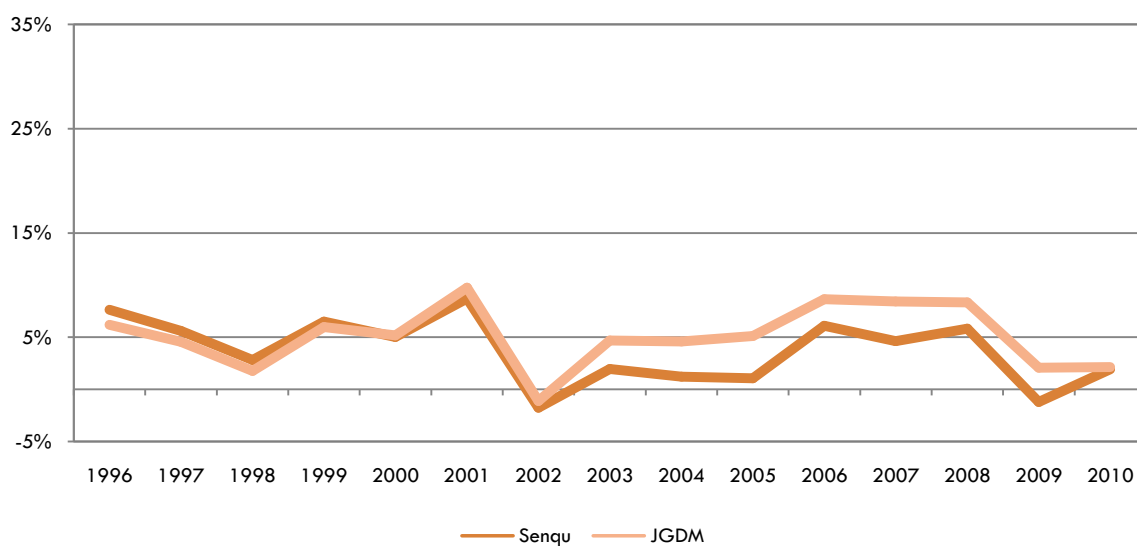


Source: Quantec (2012)

**Construction and manufacturing have experienced relatively strong growth rates**

During the 2000 to 2010 period the construction sector exhibited the highest growth rate, although it still underperformed relative to the district municipality. This growth was primarily driven by the increased activity in the RDP and low cost housing markets as well as road repairs. As evident by this fact, the public sector has been the main industry driver with the private sector playing a minimal role.

The Senqu manufacturing sector, while also underperforming relative to the district economy, still exhibited strong growth relative to other economic sectors. This growth was largely driven by the agro-processing industries linked to livestock production.

**The growth experienced by the utilities, and financial and business services sectors came off a low initial base**

While the finance and business services sector has shown a strong growth rate and the utilities sector a significant decline, their performance needs to be placed in context. Both of these sectors had small economic bases in 2000 and as a result even small changes in output yielded high growth rates even though the sectors are relatively small.

The high growth rated for the finance and business services and utilities sectors presented in Table 4.1 must be contextualised by contextualised by the fact that this growth came of an initial small output level in 2000. This means that although they registered high rates of nominal growth in reality these sectors are still relatively small.

## 4.3 Senqu Local Municipality's Economic Profile

This section will present an overview of the local economy by combining the various economic sectors with their respective:

- Average GDP contributions
- Year-on-year growth rates
- Employment levels

This data is combined and incorporated into a bubble diagram as illustrated in Figure 4.3.

**Figure 4.3: Senqu's local economic profile**
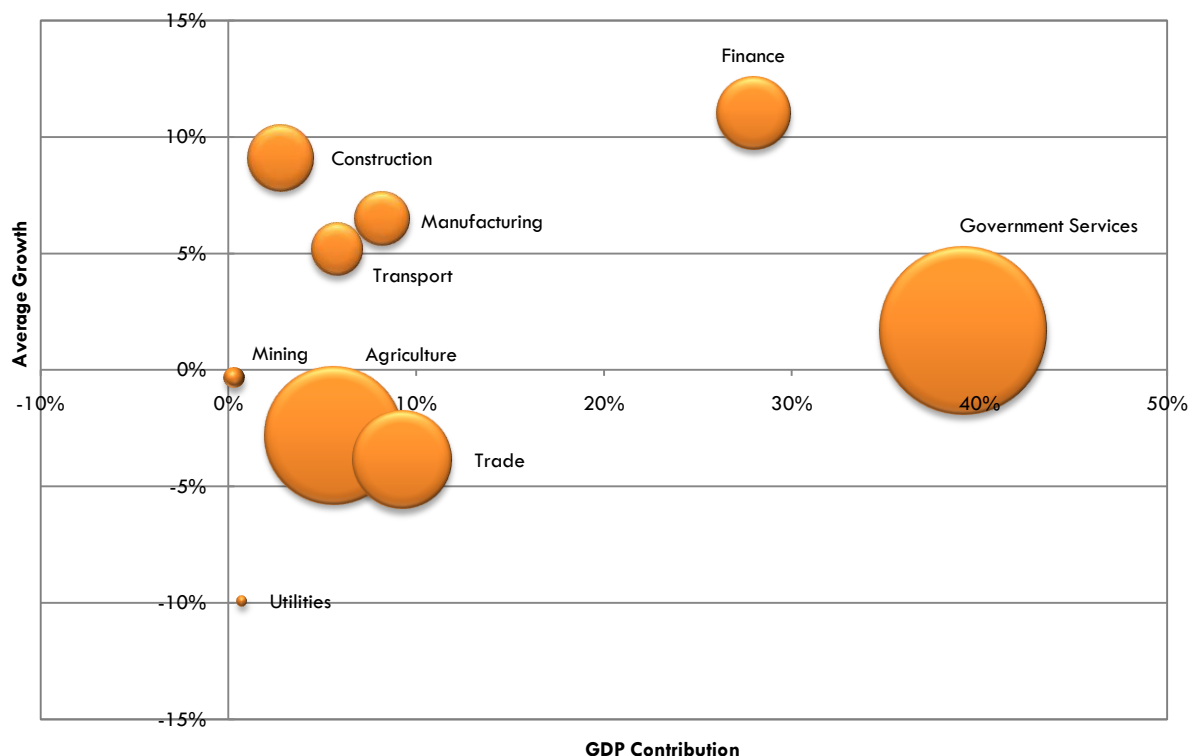
Each of the bubbles in Figure 4.3 represents one of the nine Standard Industrial Classification (SIC) economic sectors. The vertical (Y) axis represents average sectoral growth between 2000 and 2010. Ideally each of the bubbles should be situated on the upper part of the graph, indicating high average growth rates over the period. The horizontal (X) axis represents the average GDP contribution of ach sector between 2000 and 2010 The further the bubble is to the left-hand side of the graph the greater the contribution that sector has to the municipalities total GDP. Finally, the size of each of the bubbles is based on the employment contribution of each sector to the municipalities total employment levels – the larger the bubble, the more people are employed by that sector.

The ideal situation for the local economy would be one in which the bubbles are of a similar size clustered at the end of the x-axis and high up on the y-axis. This would indicate a highly diversified economy that is characterised by high output growth and a balanced distribution of employment opportunities.

**The government services sector employs the most people in the local economy and has the greatest contribution to Senqu's economy**

As the largest bubble in terms of size, and the furthest to the right, the government services sector is the largest employer and highest contributor to GDP in the municipality. This further reiterates the importance of public funded expenditure on sustaining the economic activity of the Senqu Local Municipality.

**The agriculture and trade sectors are the second and third largest employers respectively**

The agricultural and trade sectors employ a combined total of just fewer than 40 percent of all formally employed people in the local economy. The dominance of the agricultural sector further strengthens the assertion that the Senqu Local Municipality is a non-urban area.

The trade sectors employment may be attributed to the large number of small trade businesses situated in the major settlements in the municipality. The strength of the trade sector as an employer can also be attributed to the fact that several employment opportunities in the tourism industry (restaurants and accommodation) fall into the trade sector category.

> **The financial and business services sector is the only sector that is classified as a high growth, high contribution sector in the Senqu economy**

While the construction and manufacturing sectors have shown steady growth over the last 11 years, they only have a comparatively small contribution to the overall GDP of the Senqu Local Municipality. The financial and business services sector, while still relatively small exhibits strong potential both in terms of its overall share of GDP and its employment potential. As the Senqu Local Municipality develops the high end services industry, such as those in the financial and business services sector, will become increasingly important to the municipalities economic output.

## 4.4 Synthesis

This chapter has sought to characterise the Senqu Local Municipality in terms of its economy. This was undertaken by providing an assessment of the municipality's economic performance between 2000 and 2010 with a focus on identifying sectors that can help support the development of the tourism industry.

The structure and performance of the economy as discussed in this chapter will allow for the identification of economic issues in the community. Furthermore the information presented in this chapter will provide a baseline from which to assess the economic impact of proposed tourism interventions.

Overall this chapter has revealed how the local economy can be described as:

> - **Non-urban, rural nature**
> - **A low economic growth rate (2.8%) but with several strong performing sectors**
> - **A developing trade sector strongly linked to the tourism industry**
> - **A large contributor to the overall economic output of the Joe Gqabi District Municipality but with no sectors that outperform the district average**
> - **An economy dominated by the government services and trade sectors**

# Chapter 5: Market Analysis

The tourism market analysis addresses the components of supply and demand in the tourism industry in Senqu Local Municipality. As will be evident in the supply and demand analysis of the Senqu Local Municipality the area has a well established tourism industry with a small but adequate supply of tourism products to meet the current demand.

This market analysis has been developed based on interviews held with stakeholders, primary information collection from product owners and a product supply audit. In order to ascertain information about the number and capacity of accommodation facilities within the municipality a survey was conducted by Urban-Econ Eastern Cape among tourism product owners. Tourism attractions were identified based on the database developed for the Joe Gqabi Tourism Marketing and Development Plan.

## 5.1 Tourism Product Supply

The tourism sector can be considered to include those businesses and activities directly related to tourism such as accommodation, tourist attractions, tours, car hire etc. It also includes those businesses that support the tourism industry such as motor vehicle repairs, finance and banking, internet and telecommunications, petrol stations and retail.

The following section seeks to analyse the supply of products within the Senqu Local Municipality that are directly involved in the tourism industry. The subsequent section (Chapter 6) explores the supply and provision of products and services in the broader tourism sector.

**Figure 5.1: Attractions and accommodation in the Senqu Local Municipality**
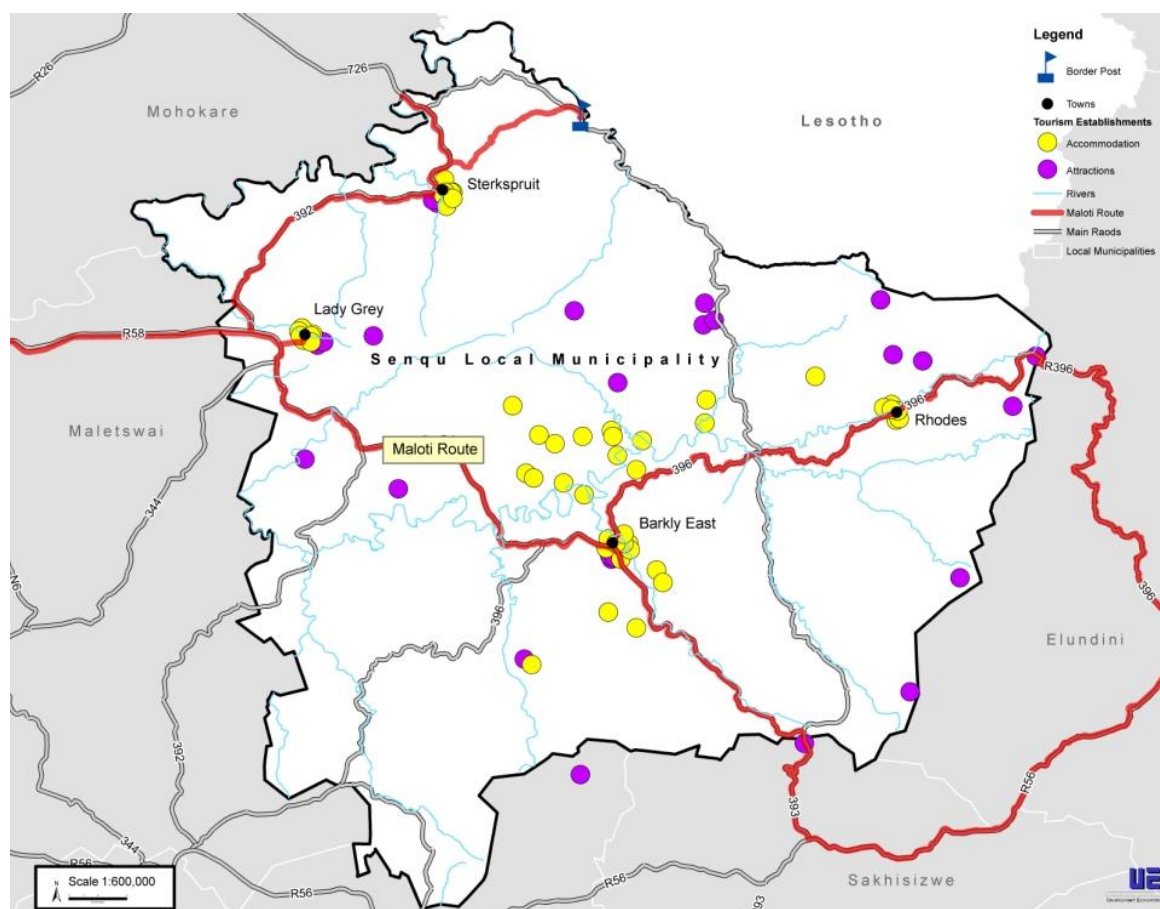


**Source:** Urban-Econ Tourism Survey (2012)

## 5.1.1 Accommodation Supply

The Senqu Local Municipality has a wide range of accommodation available to a visiting tourist. These include town-based guest houses and B&B's, guest farms (farm stays) and lodges. Each town within the municipality offers a visiting tourist a fairly wide range of accommodation establishments (see Figure 5.2 and Table 5.1).

A total of 59 tourist accommodation establishments were identified in the Senqu Local Municipality which have approximately 751 beds available. This equates to total sellable bednights per annum of 274 115. This data was obtained by means of primary research through the conducting of a tourism survey administered to tourism accommodation establishments within the municipality. Approximately 52 surveys were conducted amongst these 59 accommodation establishments (88.1% of the population). The remaining accommodation establishments (7) contact details were verified and incorporated into the tourism product database (see Annexure 1).

**Figure 5.2: Senqu accommodation by type**
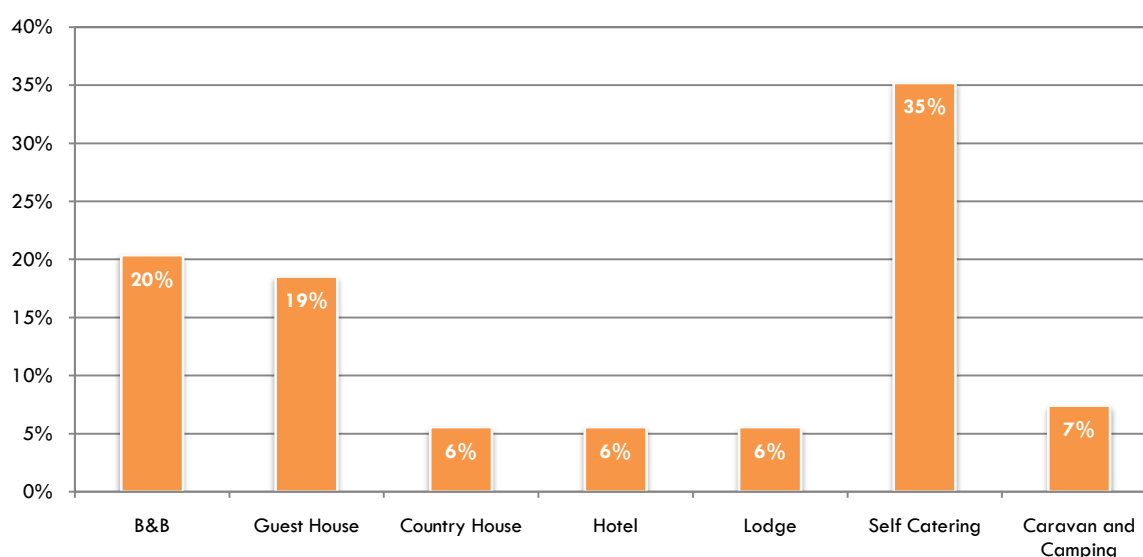


**Source:** JGDM (2006), Urban-Econ Tourism Survey (2012)

Based on Figure 5.2 it is evident that the predominant types of accommodation establishments in the Senqu Local Municipality are self catering establishments, bed and breakfasts and guest houses, which collectively account for 74.1% of the total accommodation facilities in the area.

Budget accommodation that is often favoured by backpackers, adventure enthusiasts and nature based tourists are less common within the municipality (i.e. caravan and camping – 7.4%, backpackers and hostels – 1.9%). Even though there are only a few such establishments in the Senqu Local Municipality, the caravan and camping facilities cater for a high number of such tourists during peak periods.

**Table 5.1: Bed availability and price by accommodation type[1]**

|  | B&B's | Guest Houses | Country House | Hotel | Lodge | Self Catering | Caravan & Camping |
|---|---|---|---|---|---|---|---|
| Bed Availability | 139 | 163 | 166 | 121 | 36 | 220 | 13 |
| Affordability[2] | R 292 | R 362 | R 312 | R 337 | R 290 | R 417 | R 165 |

**Source:** Urban-Econ Tourism Survey (2012)

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[1] Table 5.1 excludes bed availability for backpackers (34) at an average cost of R 80 per person.

[2] As measured by the per person nightly rate

Table 5.1 indicates that accommodation establishments in the Senqu Local Municipality are relatively affordable in comparison to other parts of the Eastern Cape, with an average nightly rate per person of approximately R 272. Where breakfast and dinner are not included this rate increases by R 61 and R 114 respectively.

The majority (65.5%) of accommodation establishments in the Senqu Local Municipality are not graded with the Tourism Grading Council of South Africa (TGCSA). A potential reason for the low level of grading is that 85.3% of the accommodation establishments that are not graded do not rely on the tourism industry for their primary source of income. This is significantly above the average for the rest of the Senqu Local Municipality, where only 73.1% of accommodation establishments indicated that they were dependant on another form of business for their primary income.

**Figure 5.3: Percentage of graded establishments**



Graded Establishments **35%**

Non-Graded Establishments **65%**
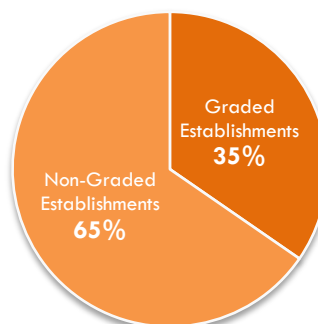
**Source:** Urban-Econ Tourism Survey (2012)

The low rate of graded establishments coupled with the fact that less than 27 percent of accommodation establishments rely exclusively on the tourism industry as their primary source of income can potentially have an impact on the professionalism of the industry as product owners may not provide a high quality service due to the fact that they are not dependant on the establishment's revenue for their livelihood.

Furthermore, interviewed tourism stakeholders also indicated that they saw little value in having their establishment graded, particularly given the associated costs. Positively, almost all emerging accommodation establishments were registered with the TGCSA.

Growth in the number of accommodation establishments in the Senqu Local Municipality is fairly static with most establishments having been in operation for more than 7 years (see Figure 5.4). Furthermore, over 70 percent of these establishments indicated that they had been in operation for more than 10 years. The low number of new accommodation establishments suggests that existing facilities are adequately meeting the current tourism demand. The strong presence of older and more established tourism accommodation enterprise also suggests a level of stability in the local tourism industry.

**Figure 5.4: Period of operation**
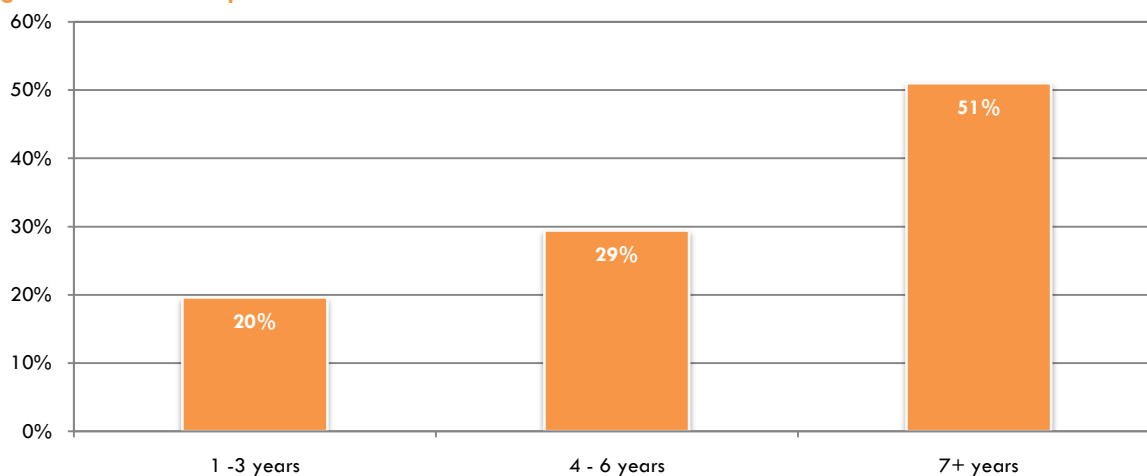


**Source:** Urban-Econ Tourism Surveys (2012)

While many of these accommodation establishments have been in existence for several years, they tend to employ only a few people as seen in Figure 5.5.

From Figure 5.5 it is evident that 70.6% of accommodation establishments employ fewer than four people with the majority (54.9%) employing between one and two staff. In most of these cases these accommodation establishments are staffed by the owner and ether a domestic worker or a general cleaner. The survey sample suggests that approximately 214 people are directly employed by the tourism industry. This figure however excludes both the indirect and induced jobs created by the tourism industry[3].

The survey results also indicated that the majority (71.2%) of this employment was from accommodation establishments situated in the Barkly East (37.9%), Rhodes (26.2%) and Lady Grey (26.2%) areas. The remaining 9.8% of tourism employees are employed in the Sterkspruit area.

**Figure 5.5: Number of persons employed by Senqu accommodation establishments**
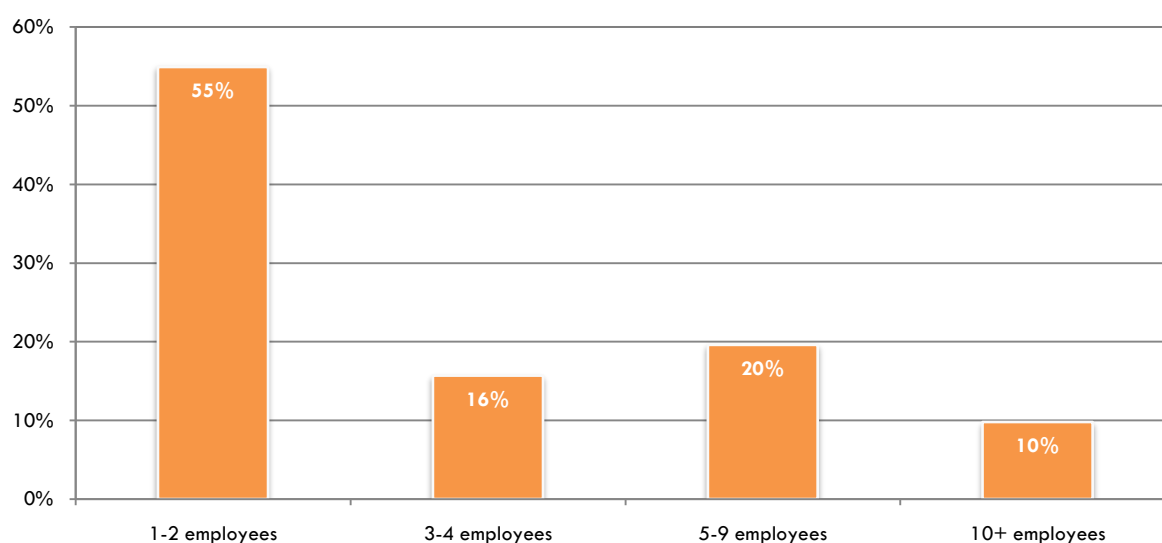
Accommodation establishments interviewed indicated that their average annual bed occupancy rate[4] was 48 percent. This figure however varied significantly across the municipality with Rhodes having the lowest reported bed occupancy rate (37%) and Lady Grey the highest (57%). Lady Grey's high reported bed occupancy rate can be attributed to the clustering of economic infrastructure, particularly the municipal offices and magistrate court in the town.

**Table 5.2 Total bed availability and occupancy rates**

| | |
|---|---|
| Number of beds available | 751 |
| Total sellable bed nights per annum | 274 115 |
| Average occupancy levels | 48% |

Although these figures are low, it should be noted that the survey respondents were asked to self report and due to the project time frames it was not possible to verify these figures through direct observation. Furthermore very few survey respondents keep accurate records of bed occupancy levels and therefore the figures provided by respondents were estimates of actual values.

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[3] The application of the South African tourism multiplier of 1.5 indicates that the current tourism industry generates a further 321 indirect jobs bringing the **total employment in the tourism sector to 535**.

[4] The **Bed Occupancy Rate** is defined as: "The percentage of beds which have been occupied over a given period (In this case a year). It is calculated by dividing the number of occupied bed days for the period, by the number of available bed days for the period, and expressing the result as a percentage."

The average length of stay for tourists visiting Senqu accommodation establishments also was indicated to be very low, with **domestic tourists** spending approximately **2.2 days** in accommodation establishments and **international tourists** only **2.7 days**.

## 5.1.2 Attraction Supply

Based on the Joe Gqabi Tourism Marketing and Development Plan as well as additional research, a total of 45 tourist sites and activities were identified (see Annexure 2). While only 45 tourism sites and activities were identified in the JGDM Tourism Plan it is important to note that there are a number of tourist attractions and activities offered on an informal basis by the various accommodation and tourist establishments that are not specifically captured. These activities and attractions rather fall within the overall product offered by the accommodation establishment. Such activities included guided hiking trails, quad-biking, cultural site visits etc.

Tourist products in the Senqu Local Municipality can be divided into various subgroups as listed in Figure 5.6 below.

**Figure 5.6: Senqu tourist attractions by type[5]**
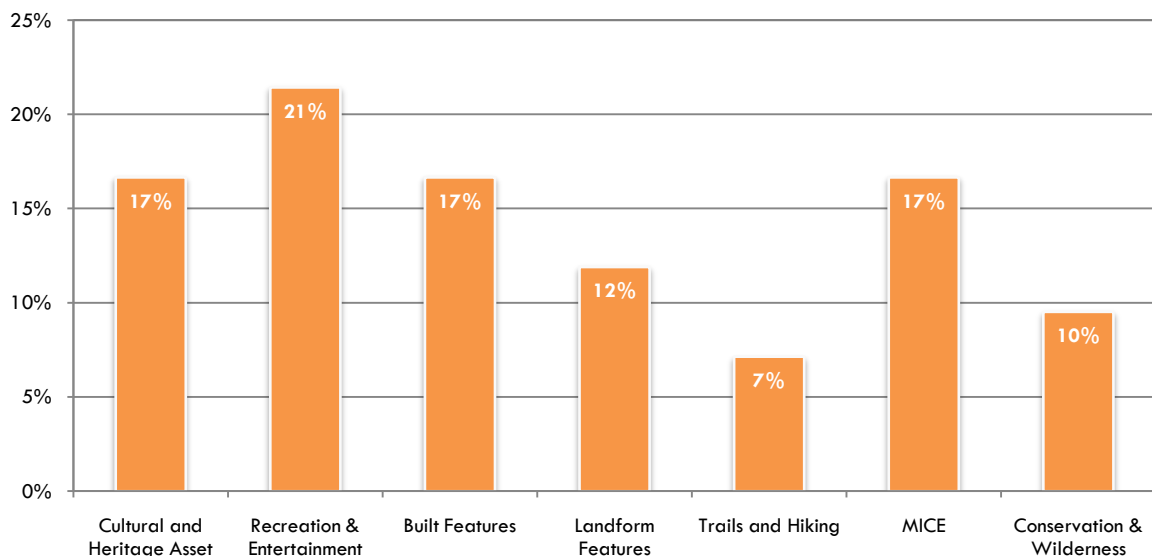


Source: Adapted from JGDM (2006)

The above figure indicates that the Senqu Local Municipality has a high level of diversity when it comes to its available tourism assets. The dominant category of attractions was recreation and entertainment which accounted for 21.4% of the total product offerings within the municipality. The dominance of this category is the result of a large number of sporting related activities in the area including quad-biking, horse riding, trout fishing etc. A number of these activities are however not well developed and rather form part of other tourist attractions.

Several of the recreation and entertainment tourist assets in Senqu are sports fields and grounds for sports such as rugby, tennis and golf. Most of these sports, with possibly the exception of golf, are not attractions but rather recreational assets and are therefore additional attractions on a visit. There is however scope to expand activity based tourism linked to these assets as identified in the Joe Gqabi Tourism Marketing and Development Plan.

Although the conservation and landform feature categories, which includes nature reserves, passes and other environmental features such as rivers and mountains, only account for 21.4% of tourism attractions they are by far the most frequently cited attractions visited by tourists. The prevalence of environmental assets makes the municipality ideally suited for the provision of nature based tourism products. The establishment of the conservation and development area, which will span the parts of the of the Senqu and Elundini Local

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[5] MICE refers to Meetings, Incentives, Conferences, and Exhibitions/Events

Municipalities as well as areas of Lesotho, will further expand the nature-based tourism products offered within the municipality

Built features, which account for 16.7% of the total tourist assets in the Senqu Local Municipality, form a small part of the overall tourism product mix. Several of these assets, such the railway line between Barkly East and Lady Grey, however have significant historical importance. Currently these tourist assets are underdeveloped and are of an insufficient scale to become stand alone attractions. It is therefore necessary to ensure that these attractions are packaged as part of tourism products.

Some of the key attractions to the Senqu Local Municipality are the unique local events that happen throughout the year. Some of these events are illustrated in Table 5.3.

**Table 5.3 Festivals and events held in the Senqu Local Municipality**

| Festival/Event | Month | Festival/Event | Month |
|---|---|---|---|
| Garmin Wartrail Tri-Challenge | March | Rhodes Marathon | July |
| Lady Grey Passion Play | March/April | Rhodes Extreme | September |
| Barkly East Duathlon | March | Lammergeier Half Marathon | September |
| Rhodes Wild Trout Festival | March | Salomon Skyrun Endurance Race | November |
| Royal MacNab Hunting Competition | June | | |

Several of these events are exceptionally well established and attract a number of both domestic and international tourists annually. The Senqu Local Municipality also has several other smaller festivals that run throughout the year. Both established and emerging events have considerable potential to be expanded beyond their current offerings through linkages with other attractions.

## 5.2 Tourism Demand

Establishing the existing demand and profile of tourist visiting the Senqu Local Municipality is an important part of the tourism analysis process. From this analysis it will be possible to indentify key focus areas that will improve the competitive edge of the local tourism industry.

The following section examines the tourism demand trends at a national, provincial and local level in order to understand the relevance of the different market segments as well as to establish growth prospects for the Senqu Local Municipality's tourism industry.

### 5.2.1 International Tourist Market

In 2011, there were approximately **8 339 354 foreign tourist arrivals** to South Africa, which represented an increase of 265 802 arrivals from the 2010 level. This represents an increase of 3.3% between 2010 and 2011, compared to a global average growth rate of 4.4%. Tourism to South Africa has been growing steadily since 2001 as South Africa started implementing its Tourism Growth Strategy. The global economic crisis however has had a significant adverse affected on international tourist travel. Continuing global uncertainty is likely to continue to negatively impact foreign tourist travel.

The United Kingdom, the United States of America, Germany, Netherlands and France continue to remain the top five overseas source markets. The top three African air markets in 2011 were Nigeria, Angola and the Democratic Republic of Congo, where as the top three African land markets were Zimbabwe, Lesotho and Mozambique.

Table 5.4 below illustrate the main purposes of visits of foreign tourists to South Africa:

**Table 5.4: Purpose of visit by foreign tourists to South Africa**

| Purpose of Visit | Percentage | | Percentage Change |
|---|---|---|---|
| | 2010 | 2011 | |
| Leisure | 57.1% | 57.9% | ⬆ |
| Business | 30.8% | 30.1% | ⬇ |
| Medical | 4.7% | 4.5% | ⬇ |
| Religion | 0.3% | 0.5% | ⬆ |
| Other | 7.1% | 7.0% | ⬇ |

**Source:** SAT (2012)

Current international demand figures suggest that the majority of foreign visitors to South Africa are either on shopping visits, Visiting Friends and Relatives (VFR) or on holiday. This means that leisure tourism demand is the largest segment of the foreign arrivals market. The demand for holiday trips increased slightly (0.8%) between 2010 and 2011, whereas business trips as well as shopping trips decreased. This is reflective of the changing economic conditions throughout the world as global uncertainty reduces businesses financial resources for international travel.

The average length of stay for foreign tourists varies based on the purpose of their visit. During 2011 all foreign tourists stayed for an average of 8.3 days. International tourists who visited the country for a holiday however spent an average of 10.2 days in the country.

International tourists usually visit more than one province while in the country as indicated by Figure 5.7. Gauteng is by far the most visited part of South Africa due partly to the fact that one of South Africa's major international airports (O.R. Tambo) is located in the province.

**Figure 5.7: Provincial distribution of all foreign visitors**



| | Gauteng | Western Cape | Eastern Cape | KwaZulu-Natal | Mpumalanga | Limpopo | North West | Northern Cape | Free State |
|---|---|---|---|---|---|---|---|---|---|
| 2010 | 49.4% | 18.6% | 4.4% | 11.8% | 14.1% | 13.0% | 6.6% | 1.2% | 7.3% |
| 2011 | 46.3% | 16.7% | 3.7% | 10.9% | 15.8% | 12.1% | 6.0% | 1.2% | 8.2% |
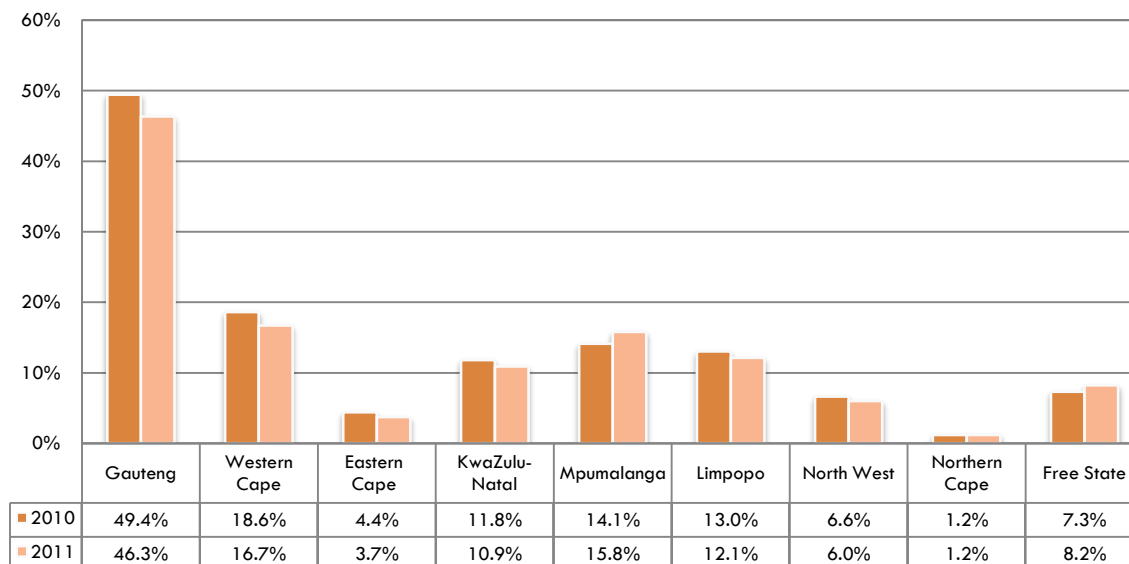
**Source:** SAT (2012)

In 2011, the Eastern Cape accounted for approximately 3.7% of the international tourists to the country, a 0.7% decline from the 2010 figure. The Eastern Cape is ranked eighth in the country in terms of the distribution of international tourist arrivals. This is notably lower than other provinces and indicates that the Eastern Cape is not a major destination for international visitors.

**Table 5.5: Total foreign spend by province in 2011**

| Province | R' billions | Percentage Share |
|---|---|---|
| Gauteng | R 27.5 | 38.8% |
| Western Cape | R 18.2 | 25.7% |
| KwaZulu-Natal | R 7.1 | 10.0% |
| Mpumalanga | R 4.7 | 6.6% |
| Eastern Cape | R 3.5 | 4.9% |
| Other Provinces | R 9.9 | 14.0% |

**Source:** SAT (2012)

Table 5.5 indicates the total foreign spend (excluding capital expenditure) by international tourists visiting South Africa. Gauteng and the Western Cape capture the greatest share of international tourism revenue in 2011. Although the Eastern Cape has a low share of total international tourist arrivals, it attracted the seventh highest share of direct foreign tourist spend.

To understand which attractions and facilities to offer to international tourists so as to meet their demands, it is important to look at some of the activities taken by international tourists while visiting South Africa. Figure 5.8 clearly illustrates that the majority of foreign visitors participate in recreational activities such as shopping, nightlife and socialising. It is also significant to note that 20.0% of tourists also visit either natural attractions or cultural and historical sites.

**Figure 5.8: Activities undertaken by international tourists in 2011**
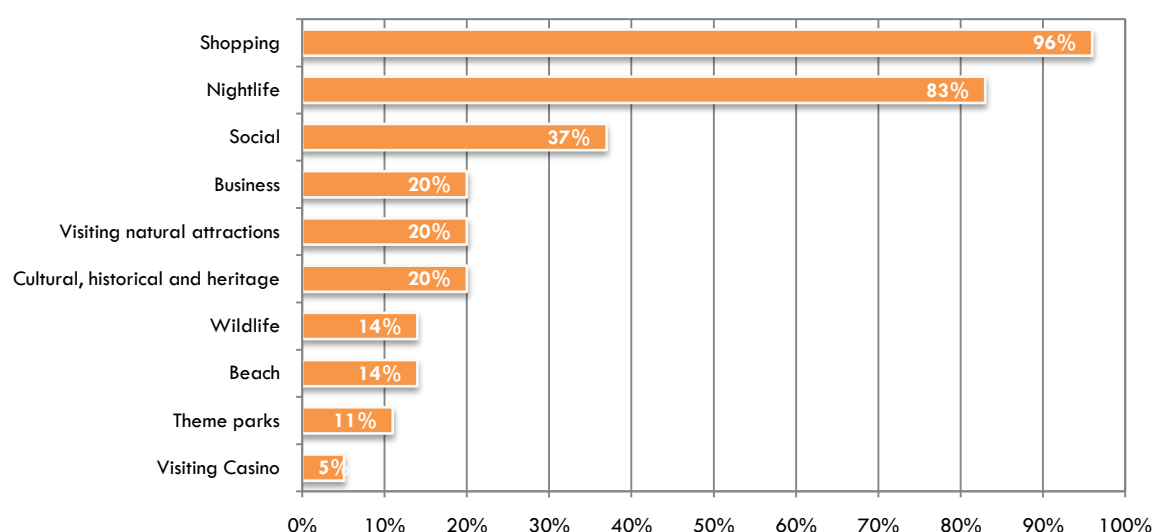


**Source:** SAT (2012)

*Key Findings:*

- **The global tourism market is growing despite downward international economic pressure.**
- **The leisure tourism market is the largest market segment and should be targeted**
- **Foreign tourists visiting the Eastern Cape spend a greater amount of money than domestic tourists**
- **The tourism product offering should be diverse and not only focus on nature segment**

## 5.2.2 Domestic Tourist Market

Domestic tourism is a significant contributor to the tourism industry that often receives less attention than international tourism. Domestic tourism can be regarded as a more effective generator of local income than the

international market because it relies on local sources and reduces economic leakage. Table 5.6 outlines the key statistics for domestic tourism in South Africa for 2010 and 2011.

**Table 5.6: Key domestic tourism statistics**

| Indicator | 2010 | 2011 | Percentage Change |
|---|---|---|---|
| Total domestic trips | 29.7million | 26.4 million | 11.1% |
| Annual domestic bednights | 130.8 million | 115.2 million | 11.9% |
| Revenue | R 21.1 billion | R 20.3 billion | 3.8% |
| Average spend per trip | R 710 | R 780 | 9.9% |
| Average length of stay | 4.4 days | 4.4 days | |
| Top source market | Gauteng | Gauteng | |
| Top destination | KwaZulu-Natal | KwaZulu-Natal | |

**Source:** SAT (2012)

As illustrated in Figure 5.9, Gauteng was the largest contributor to total domestic revenue in 2011, generating approximately R 8.8 billion, while KwaZulu-Natal and the Western Cape were the largest recipients of domestic revenue (R 5.6 billion and R 3.3 billion respectively). The Eastern Cape has a larger injection of tourism spending (R 2.5 billion) than leakage (R 1.7 billion), which is very favourable for tourism development within the province. Of concern however, is that this positive tourism revenue surplus has declined from R 1.8 billion in 2010 to R 0.6 billion in 2011.

**Figure 5.9: Total domestic tourism spending per province in 2011**
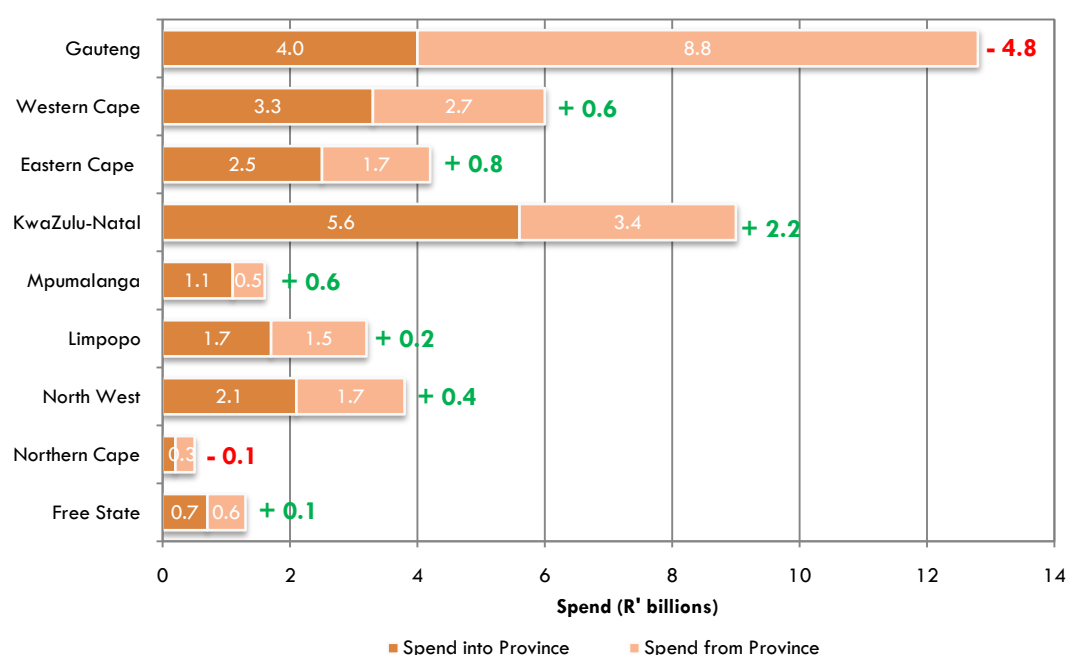


**Source:** SAT (2012)

Figure 5.10 shows that, as was the case with international tourists, the main reason for travelling to a particular province was to Visit Friends and Relatives (73.4%). This was a slight decline from 2010 when 74.2% of domestic tourists travelled to Visit Friends and Relatives. A holiday was the second most frequently sighted reason for a domestic trip (15.4%).

**Figure 5.10: Percentage of domestic trips by purpose**



Figure 5.11 illustrates the activities undertaken by domestic tourists while they are on their trip. From the figure it can be seen that domestic tourists primarily engage in unpaid activities associated with VFR travel. Apart from shopping, only a small number of domestic tourists engage in income-generating activities for the tourism industry.

**Figure 5.11: Activities undertaken by domestic tourists in 2011**
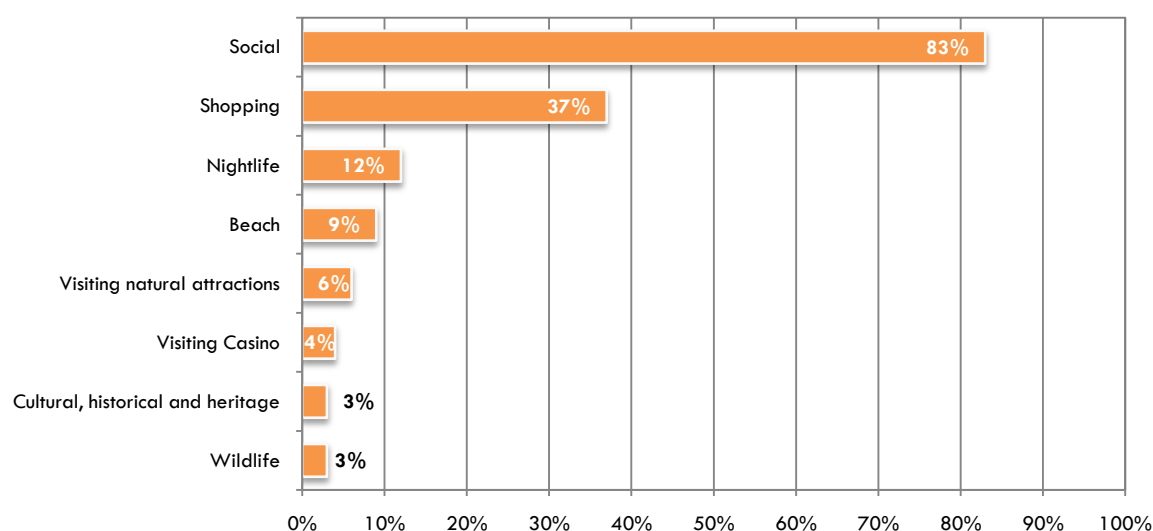


Source: SAT (2012)

*Key Findings:*

- **Domestic tourism mainly consist of VFR tourists and therefore the direct income generated from this tourism segment is not as significant as would be the case with holiday and business tourists**
- **Domestic tourism is highly seasonal typically mirroring the domestic school holiday period**
- **The preference destination for trips in general is KwaZulu-Natal. According to the StatsSA Domestic Tourism Survey however Gauteng was the most visited province for day trips.**

## 5.2.3 Local Tourist Market

The characteristics of the Senqu tourism industry were determined based on a product survey conducted with accommodation establishments as well as by means of interviews with key tourism stakeholder. A summary of the outcomes of this research is illustrated in Table 5.7 below:

**Table 5.7: Demand considerations**

| | |
|---|---|
| **Number of visitors to formal establishments (2011)** | 12 531 |
| **High season months** | April, June – July, December |
| **Percentage of domestic visitors** | 92% |
| **Percentage of international visitors** | 8% |
| **Main domestic source markets** | Gauteng (28%), Eastern Cape (26%), Free State (16%), Western Cape (15%), KwaZulu-Natal (14%) |
| **Main international source markets** | Netherlands<br>Germany<br>United Kingdom<br>United States of America<br>Other European – France, Norway, Denmark |

**Source:** Urban-Econ Tourism Survey (2012)

## a) Tourist Numbers

During 2011 an estimated 12 531 tourists visited formal accommodation establishments in the Senqu Local Municipality. This figure however does not represent all the tourists that visited the area as it does not take into account those visitors that stayed with friends and family. Based on the assumption that an additional 25 percent[6] of visitors to the Senqu Local Municipality stay with friends and family, it is estimated that in 2011 the municipality received approximately **16 708 tourists** of which 4 177 fall within the VFR market.

While this figure is lower than more established destinations in the Eastern Cape, it comprises a significant portion of the total tourists that visit the Joe Gqabi District Municipality. Of concern however is that 42.3% of surveyed establishments indicated that the total number of tourists visiting their establishment had declined over the last three years. The majority of this decline was attributed to a contraction in the number of domestic tourists which 38.5% of surveyed respondents indicated had decreased over the last three years. Respondents attributed this to the higher fuel prices and the **closure of the Tiffindell Ski Resort** (for the Rhodes area). This was compared to only 26.9% for of respondents that indicated that international visitors had decreased over the same period.

These figures however should be placed in the context of a general decline in tourism numbers internationally due to the global economic recession. The strengthening an increased marketing of the area as an affordable alternative to other South African destinations could have an impact on reversing this trend.

The survey results also indicated that peak periods for domestic tourists was usually during April (for events such as the Passion Play in Lady Grey), and winter (June and July). December was by far the busiest month for accommodation establishments when most accommodation establishments in the area receive their greatest number of tourists (see Figure 5.12). Average lengths of stays during this period are also notably longer than at other periods during the year. International tourists generally visit throughout the year, but peak periods occur during October to November and between January and April. International visitor numbers are also high during major events and during the trout fishing season.

Off peak seasons for Senqu's domestic tourists are during January to February and August to November. Given the overlap between domestic low seasons and international peak seasons there is the possibility of international tourists to filling the gap.

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[6] This figure is based on the assumption that was applied in the Strategic Assessment of Alpine Tourism – Value Chain Assessment Report (2011) when determining the number of tourists that visit the Senqu and Elundini Local Municipality's.

**Figure 5.12: Seasonality of tourists visiting the Senqu Local Municipality**
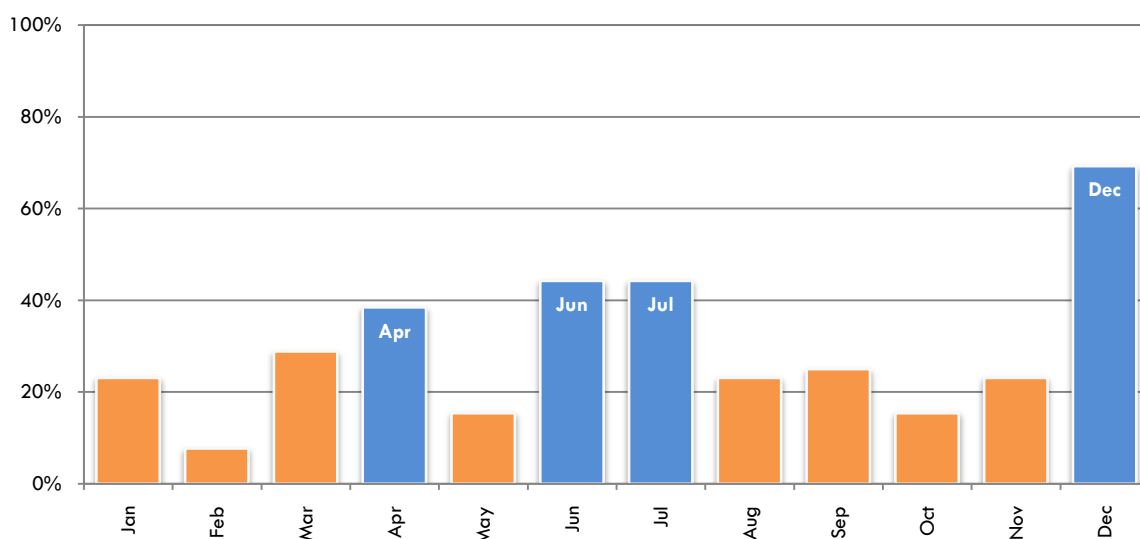
## b) Origin of Tourists

The overwhelming majority (92.4%) of tourist arrivals were domestic, with only an estimated 950 international guests visiting the Senqu Local Municipality in 2011. Major domestic source markets for the municipality were:

- Gauteng (28.3%)
- Eastern Cape (26.4%)
- Free State (15.9%)

For international tourists the top three source markets were the Netherlands (29.7%), Germany (25.0%) and the United Kingdom (23.4%). Other important source markets for international tourists were the United States of America, Norway, France and Australia.

**Figure 5.13: Type of tourists visiting the Senqu Local Municipality**
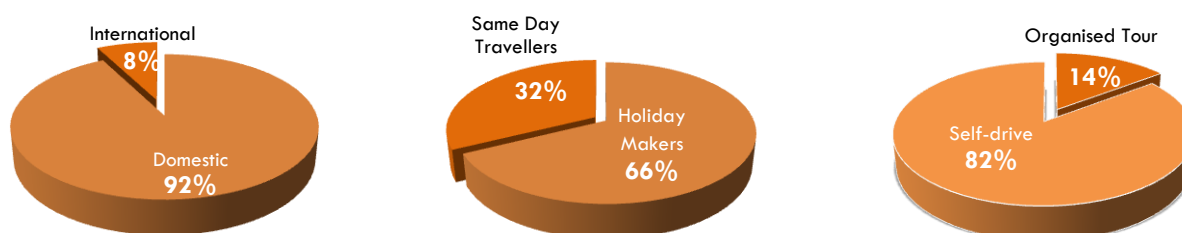
## c) Type of Visitor[7]

From the surveys conducted it was revealed that the majority (73.1%) of visitors to accommodation establishments in the Senqu Local Municipality were families. These families generally have young children (under 13 years old) who are attracted by the various adventure activities available in the area (horse riding, cycling etc.). The introduction of additional facilities specifically designed for young children could further increase the municipality's share of these tourists. An equally important market segment was retired couples, with 61.5% of

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[7] Multiple responses were permitted for this question, accordingly the figures exceed 100 percent.

accommodation establishments indicating that they received this type of tourist. Tourism stakeholders interviewed noted that there had been a noticeable increase in this type of tourists in recent years.

## d) Purpose of Visit

To identify the purpose of a tourist's visit, a distinction was made between tourists who were travelling through the area on their way to another destination (31.7%) and those who considered the Senqu Local Municipality their final destination (66.3%) (see Figure 5.13).

**Table 5.8: Purpose of visit by type of tourist**

| Purpose of visit | Type of Tourist | |
| --- | --- | --- |
| | Domestic | International |
| Leisure | 66.3% | 93.9% |
| Business | 30.9% | 6.1% |
| Religion | 0.5% | - |
| Visit Friends and Relatives (VFR) | 2.3% | - |

**Source:** Urban-Econ Tourism Surveys (2012)

The most frequently cited purpose for a domestic tourists visit was leisure followed by businesses (see Table 5.8). As indicated in Table 5.8, business visitors are an important part of the domestic tourist market. In many cases these tourists are recurring visitors to the area and can ensure regular business for accommodation establishments.

For international tourists this pattern was very similar, with leisure also being the principle purpose of their visit. The percentage of international tourists travelling for leisure purposes was however significantly higher than that of domestic tourists.

## e) Activities Undertaken

The main activities undertaken by tourists when visiting the Senqu Local Municipality, is illustrated in Figure 5.14. It should be noted that these results are based on the activities indicated by accommodation establishments and not by tourists themselves.

**Figure 5.14: Activities undertaken by visitors to Senqu**
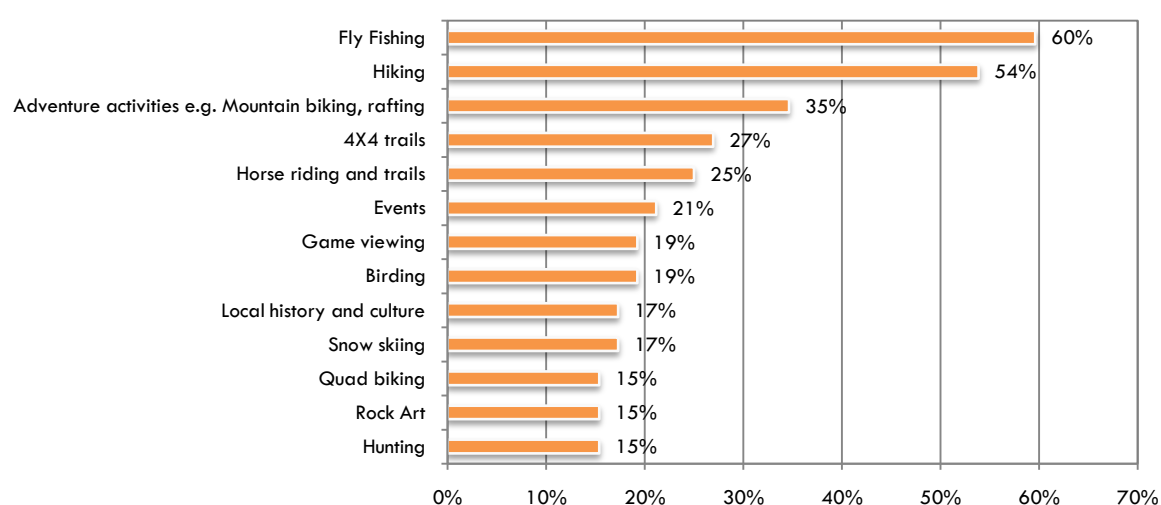


**Source:** Urban-Econ Tourism Surveys (2012)

As it has already been highlighted the Senqu Local Municipality has an abundance of nature-based assets. Certain of these assets are already being utilised as individual product offerings (i.e. Guided *Wild Flower Route*

between Lady Grey and Maclear, birding[8], hiking trails) but there remain largely underexploited due to a lack of awareness and marketing.

Likewise the Senqu Local Municipality is well suited for adventure tourism products such as rock climbing, mountain and quad biking, water rafting, canoeing etc. As with the municipality's nature-based assets these products are offered on a piecemeal basis by various establishments and require greater awareness and marketing to develop further.

By far the most popular nature based activity is fly-fishing with over 60 percent of accommodation establishments indicated that this is one of the principle reasons that tourists visited the area. The popularity of this activity can be attributed to the areas nationally recognised trout waters. A number of events are also linked to fly-fishing (e.g. Rhodes, Wild Trout Festival, Royal MacNab Competition) which also help to attract enthusiasts. While trout waters are found throughout most areas of the municipality, the most popular locations are in the mountainous areas surrounding Rhodes, New England and Lady Grey.

The Rhodes Wild Trout Festival is by far the most popular fly-fishing event in the municipality, attracting tourists from all around South Africa to Rhodes for the three day event. This annual festival has been successfully organised and managed by the Rhodes Wild Trout Association (based in Rhodes) since 1996. To date there are 44 participating farms throughout the municipality, along with a number of accommodation establishments.

As part of the festival participants (limited to 40) are required to purchase a one-day fishing permit, which allows them access to one of the 44 participating farms. Of the money generated through the sale of these permits, just under 30% accrues to the Wild Trout Association, while the reminder accrues to the participating farms.

Although snow skiing is cited as an activity undertaken by tourists, it is no longer a major draw card due to the closure of the Tiffindell Ski Resort. The closure of the resort has had a major impact on the tourism industry in the Senqu Local Municipality, particularly the areas of Rhodes and New England. The ski resort was an extremely popular activity amongst tourists during the winter months and also served as a unique tourist attraction for the area. The resorts closure has also had a highly detrimental effect on tourist numbers, with figures unlikely to recover until the resort is reopened[9].

Establishments in the Rhodes and New England area are in the process of diversifying their product offering through focusing on events such as the annual Rhodes Wild Trout Festival, Rhodes Marathon, Garman Wartrail Tri Challenge, Rhodes Cycle Race etc. Several of these events are exceptionally popular amongst enthusiasts and they help to bring in significant tourism revenue to the municipality.

Thirty percent of accommodation establishments indicated that 4X4 routes were one of the principal reasons that tourists visited the Senqu Local Municipality. This is due to the topography and terrain of the municipality which provides visiting 4X4 enthusiasts with a wide variety of both challenging and scenic routes which to enjoy. There are also eight passes situated throughout the Senqu Local Municipality:

- Naude's Nek
- Joubert's Pass
- Volunteershoek
- Carlisleshoek

- Lundean's Nek
- Bastervoetpad
- Barkly Pass
- Otto du Plessis

Accordingly to tourism stakeholders within the municipality, these passes are becoming increasingly popular amongst these enthusiasts.

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[8] The Senqu Local Municipality is home to a Cape Vulture Colony, the highly endangered Bearded Vulture as well as a wide variety of endemic alpine bird species.
[9] The Tiffindell Ski Report was officially auctioned in July 2012. The new owner hopes to have the resort operational by 2014.

Another activity that has become increasingly popular in the Senqu Local Municipality is cycle tours. The last several years have seen a number of such tours travelling to the area for both training purposes and to travel through the municipalities passes. Efforts are also currently underway to develop additional packaged cycle tours around the municipality.

## f) Forecasted Demand

The expansion of the tourism industry is directly related to the number of tourists that visit the area as an increase such numbers will act as an indicator to entrepreneurs to enter the market. The expansion of the tourism industry will also have a direct bearing on the development of the broader Senqu economy. The inverse also holds, namely that if the tourism industry were to contract, there would likely be a contraction in the greater economy. This was evident in Rhodes where the closure of Tiffindell led to the closure of several tourism related businesses (bottle store, shops etc.).

Having an indication of projected tourist numbers also assists in the overall planning process, particularly in terms of scarce resource allocation. Tourist projections provide a clear indication to the municipality of the extent to which basic services need to be expanded to cater for these tourists. These figures also assist the private sector by providing an indication of the extent to which additional tourists facilities will be required.

**Table 5.9: Visitor growth projections, 2011 to 2015**

|                       | 2011   | 2012   | 2013   | 2014   | 2015   |
|-----------------------|--------|--------|--------|--------|--------|
| Domestic Tourists     | 11 529 | 11 874 | 12 349 | 12 843 | 13 357 |
| International Tourists | 1 002  | 1 033  | 1 074  | 1 117  | 1 161  |
| VFR Tourists          | 4 177  | 4 261  | 4 346  | 4 433  | 4 521  |
| **Total**             | **16 708** | **17 167** | **17 769** | **18 393** | **19 040** |

**Source:** Urban-Econ calculations based on Tourism Survey (2012)

Table 5.9 projections are based on the estimated number of tourist to the Senqu Local Municipality in 2011 as established through the tourism survey. This figure was then projected based on the forecasted growth rate of the tourism industry[10]. Based on these projections tourist volumes (excluding tourists visiting their friends and family) is forecasted to increase by 14.0% to 19 040 by 2015. It should be noted however that interventions that directly target the local tourism industry, such as increasing the level of marketing, is likely to impact the values presented in Table 5.9

These estimates are also based on the current status quo and do not include the potential impacts of the reestablishment of an iconic draw card in the municipality such as the reestablishment of the Tiffindell Ski Resort or the establishment of national reserve as proposed in planning documents.

## Synthesis

This chapter sought to profile the nature, performance and key attributes of the local tourism industry. Tourism is identified in several strategic planning documents as a key sector in the local economy, and as such this chapter has brought out information relating to the:

- Defining characteristics that apply to the area's supply of tourism offerings
- Attributes that may be assigned to the demand for the area's tourism products and services

In the context of the broader tourism report, some of the outcomes of this chapter have included

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[10] Domestic and international tourist numbers are anticipated to grow by an estimated 4% per annum, while VFR tourist numbers are anticipated to grow at 2% per annum over the next five years. These estimates are based on the projections presented in the Strategic Assessment of Alpine Tourism – Value Chain Assessment Report (2011) as well as the South African National Tourism Sector Strategy (2012).

- Senqu tourism industry is well developed in comparison to rest of the JGDM
- Accommodation types are fairly diverse with a range of B&B's, self catering and guest houses
- Wide range of graded establishments (mainly two and three stars), with a significant number of ungraded establishments
- Few packaged tourism products with most activities being informally organised
- Domestic tourists come mainly from: Gauteng, Eastern Cape and Western Cape
- There is a small international tourist market
- Main international source markets are: Netherlands, Germany, United Kingdom
- Both international and domestic tourists mainly visit the area for leisure purposes, although there is a strong domestic business tourist market
- Main markets are adventure tourist, nature based tourists, special events tourists and business tourists.
- Anchor drawcards to the area are its fly-fishing and events (Lady Grey Passion Play, Rhodes Wild Trout Festival, Salomon Sky Runt etc.)
- Most accommodation establishments are run as secondary businesses which impacts the level of professionalism within the industry
- Tourist visitor numbers are anticipated to grow by an estimated 14% by 2015

# Chapter 6: Tourism System Analysis

This chapter analyses the status quo of the Senqu tourism industry with respect to tourism system components. Tourism development within the Senqu Local Municipality needs to create backward linkages among tourism products and between tourism products, product owners, supporting services and the municipality. The analysis of the status of these components as well as their current linkages will assist in identifying areas that should be addressed and focused on in order to optimise the system's performance. The following components will be analysed during this chapter:

- Enabling environment and institutions
- Infrastructure
- Support services
- Marketing
- Synthesis

## 6.1 Enabling Environment and Institutions

One of the key roles of local government in respect of tourism development is to create a conducive environment in which tourism development can occur. This development process includes:

- Ensuring that institutional capacity exists within the municipality for tourism development
- Establishment of tourism forums or associations to market local tourism products
- Encourage investment in the tourism industry as well as enabling infrastructure within the area
- Encourage entrepreneur development in the tourism industry
- Destination marketing

Previous tourism was marketed under a private entity (Senqu Tourism). The funding was withdrawn by the Senqu Local Municipality and subsequently the municipality has taken over the overall marketing and development of the area. The repercussions of this process have continued to polarise the tourism industry with little communication between the public and private sector and a difficult relationship. The re-establishment of the LTO is hoped to be a positive step to improving communication and rebuilding relationships.

Subsequently, the Senqu Local Tourism Organisation (LTO) has been re-established. The intention of this organisation is to serve as a platform for addressing tourism related issues within the area as well as to act as a forum for the Senqu Local Municipality and the tourism industry. The LTO's objective is also to promote the area as a preferred destination for tourists. Although the LTO has been re-established there is poor support from tourism product owners. There are three primary causes for this:

1. Limited confidence in the municipality with regard to tourism development although there is little awareness amongst product owners of the financial constraints under which the municipality operates.
2. Time and travelling cost associated with attending meetings. Tourism product owners have indicated an unwillingness to travel long distances and take time off of their business,s which in many cases is their primary source of income.

Figure 6.1 has been formulated based on discussions with both the public and private sector to articulate the current institutional arrangement between the various tourism related institutions in the area.

## 6.1.1 Public Sector

The public sector consists of the provincial government, the Joe Gabi District Municipality and the Senqu Local Municipality.

Within the provincial government there is the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) which provides an oversight role to the works of the Eastern Cape Parks and Tourism Agency (ECPTA). The ECPTA in turn is responsible for the research, development, marketing and branding of the tourism industry within the Eastern Cape.

**Figure 6.1 Senqu Local Municipality's institutional structure**
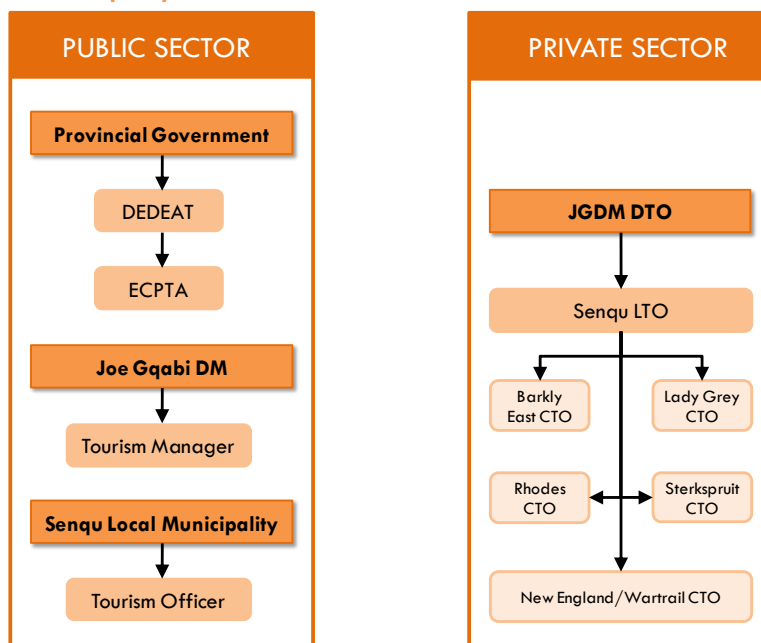


The relationship between the Senqu Local Municipality, DEDEAT and ECPTA can be significantly strengthened. Although engagements do occur between the municipality and these two agencies these interactions are infrequent and accordingly it is difficult to bring these agencies attention to specific tourism related problems within the Senqu Local Municipality. Capacity constraints on the side of both the municipality and these agencies also make it difficult to attend all relevant meetings.

The relationship between the Senqu Local Municipality and the local tourism industry is also characterised as needing work. The re-establishment of the Senqu LTO should address this issue, however considerable and an ongoing effort is required by both the municipality and the private sector to ensure open channels of communication and action. The functions of local government in terms of the tourism industry include:

- Responsible land-use planning, urban and rural development
- Control over land-use and land allocation
- Provision and maintenance of tourist services, sites and attractions  e.g. camping and caravan sites, recreational facilities (parks, historical buildings, sport facilities, theatres, museums, etc.) as well as public services
- Provision of road signs in accordance with nationally established guidelines
- Market and promote specific local attractions and disseminate information in this regard,
- Facilitate the participation of local communities in the tourism industry
- Facilitate the establishment of appropriate public transport services
- License establishments in accordance with the 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.

In terms of staff complement the Senqu Local Municipality comprises one dedicated tourism officer responsible for tourism development and planning as well as a LED intern which provides ad-hoc assistance when required. The Senqu tourism unit is currently well resourced with a budget allocation of R 600 000 for the 2012/13 financial

year – a significant increase from the 2011/2012 budget allocation of R 200 000. This notable increase in budget suggests the increased importance of tourism within the municipality.

In addition to the Senqu Local Municipality and the Joe Gqabi District Municipality there are a number of other public sector bodies that form part of the institutional makeup of the local tourism industry. These include:

- National Department of Home Affairs
- Eastern Cape Department of Transport
- South African Tourism
- Tourism Grading Council of South Africa

## 6.1.2 Private Sector

The private sector consists of five community tourism organisations (CTO's) as well as a LTO under which all the CTO's fall. Table 6.1 indicates the current structure of the CTO's within the Senqu Local Municipality as well as their executive structure and the budget they have available.

**Table 6.1: CTO's structure and budgets**

| CTO | Approximate Number of Members | Executive Structure[1] | Funds Available |
|---|---|---|---|
| Barkly East | 14 | Yes | Yes, +/- R 5 000 p.a |
| Lady Grey | 20 | Yes | Yes |
| New England/Wartrail | 10 | Yes | Yes |
| Rhodes | 10 | Yes | Yes, +/- R 50 000 |
| Sterkspruit | 50[2] | Yes | Yes, +/- R 4 000 p.a |

Table 6.1 clearly indicates that the CTO's have very limited budgets and accordingly cannot adequately perform their functions. Increased resources are therefore imperative to the success of the CTO's. Furthermore, budget allocations from the Senqu Local Municipality will go a long way in strengthening the activities of these CTO's.

As indicated previously the relationship between the private and public sector requires attention although it has begun to improve with the reestablishment of the LTO. The formalisation of the relationship between the private sector and the Senqu Local Municipality (such as through the signing of a MOU) could demonstrate to the private sector that the Senqu Local Municipality's commitment to collaborate with the private sector.

The private sector will play a critical role in the development of tourism within the area through investment in their businesses. The private sector also plays a critical role in promoting the involvement of local communities through the establishment of tourism ventures with communities. Through these partnerships the private sector can provide training to the local employees thereby assisting in skills development. Some of the specific responsibilities of the private sector include:

- Investment in the tourism industry
- Advertise and promote individual tourism services
- Continuously upgrade the skills of the workforce by providing training and retraining
- Satisfy customers needs by promoting quality products and services
- Develop and promote socially and environmentally responsible tourism
- Collaborate with the public sector in planning, promoting and marketing tourism in the area
- Involve local communities and previously disadvantaged groups in the tourism industry through establishing partnership ventures with communities, outsourcing and purchasing goods and services from communities

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[1] An indication of "Yes" means that the CTO has a Chairperson, Vice Chairperson, Treasure, and Secretary or some combination thereof.

[2] More precisely this is a business forum for all enterprises within the Sterkspruit. Tourism issues however are at the forefront of the forum's objectives.

- Represent the interests of private businesses on the board of major national and provincial tourism bodies (e.g. ECPTA)

According to the 1996 *White Paper on Tourism Development and Promotion in South Africa*, tourism within South Africa should be "government led, private sector driven and community based." This vision can only be achieved in an environment where both the public and private sectors have a mutual understanding of the common goals and objectives with regard to tourism development and where all parties are recognised as partners.

Therefore the current institutional framework within the Senqu Local Municipality should place special emphasis on creating an enabling environment where constructive relationships exist between the public and the private sector are developed.

## 6.2 Infrastructure and Support Services

Development of the tourism industry, like any other economic activity, relies heavily on the availability of basic services and infrastructure. The provision of such services and infrastructure therefore ensures the industry's continuous and smooth operation and growth.

Access to basic services such as electricity, water and sanitation as well as ancillary services that support the tourism industry are an important factor that directly affects the rate at which the tourism industry is developed. Such services ensure tourists comfort, affects the overall experience of a tourist. These services also have a direct bearing on the quality of other services provided by tourism establishments which subsequently affect the demand for these facilities and ultimately determine their sustainability.

### 6.2.1 Infrastructure Assessment

The infrastructure assessment for the Senqu Local Municipality entails an assessment of the basic service delivery within the municipality.

**Figure 6.2: Household access to water services in the Senqu Local Municipality, 2001**
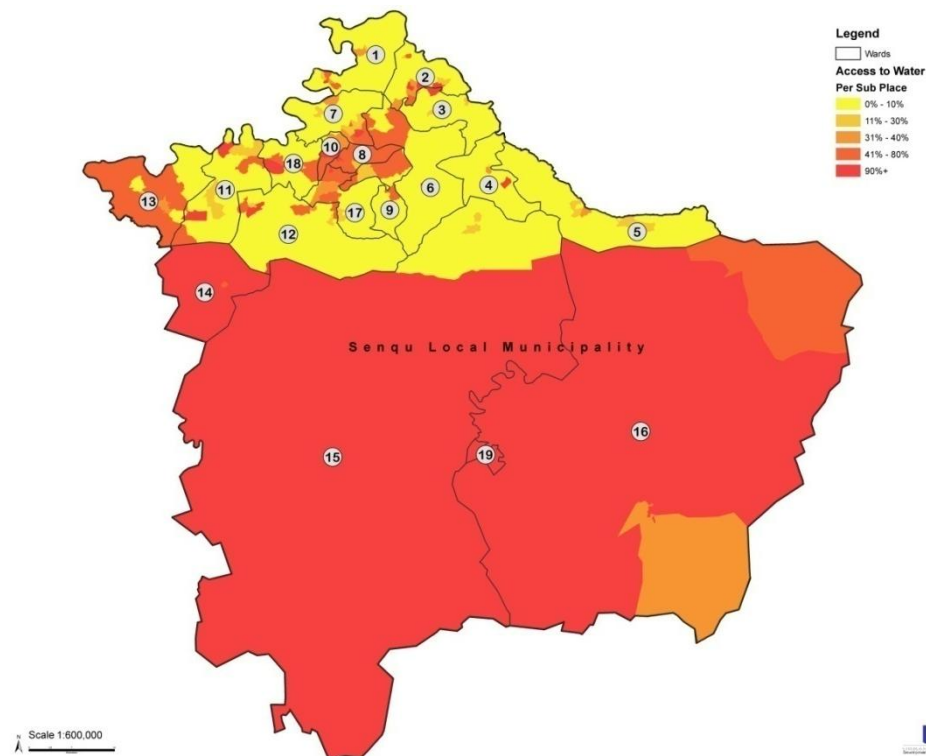


**Source:** Census (2001)

## a) Water

The Senqu Local Municipality experiences problems with decaying and poorly designed water systems that are in need of repair due to pressure placed on them by an increasing population. According to the Senqu IDP (2011) an estimated 31.2%[3] of households do not have access to piped water inside their dwellings.

Although most urban areas in the municipality (where the majority of tourists visit) have access to reticulated water, numerous informal settlements do not have access and are therefore either dependant on water from stand pipes or tankers. This is particularly true for the northern part of the municipality in the Sterkspruit area.

## b) Sanitation

Sanitation services within the urban and rural extents of the Senqu Local Municipality vary considerably. The majority of the urban areas have formal waterborne sewerage reticulation. Many of the sanitation systems have more than necessary pipeline infrastructure to accommodate an increase in usage, but most sewerage works are operating at, or over capacity.

According to the Senqu IDP (2011) 55.0% of households are considered to have access to sanitation. This access to sanitation is defined as those households with a flush toilet, sceptic tank, chemical toilet or VIP latrine. Again, access is particularly poor in and around Sterkspruit. A significant portion of the municipality however still has inadequate sanitation services.

**Figure 6.3: Household access to sanitation services in the Senqu Local Municipality, 2001**
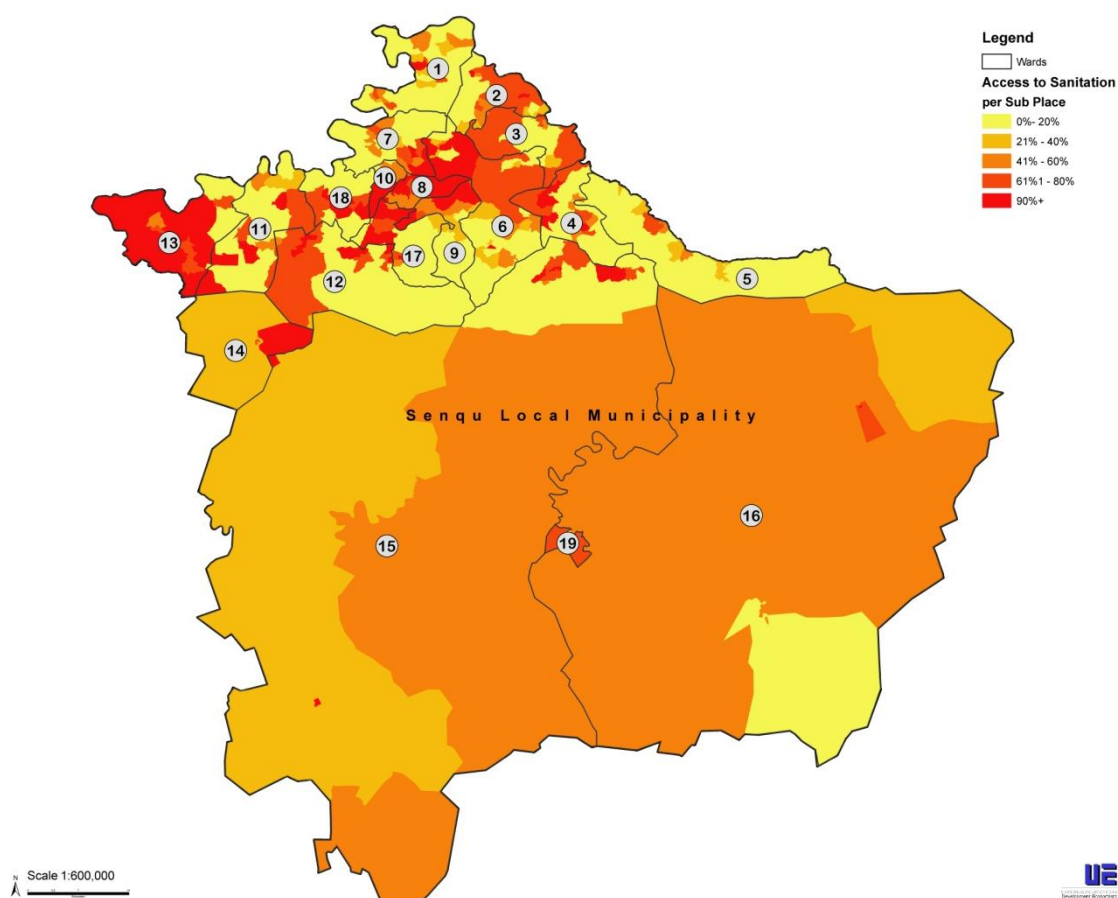


**Source:** Census (2001)

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[3] This figure is obtained from the Senqu IDP 2011-2016 and comprises those households that have no water as well as those households that have water below the RDP standard.

## c) Electricity

Access to electricity has improved greatly over the last five years, with approximately 78.6% of households in the Senqu Local Municipality having RDP standard access to electricity – the second highest in the Joe Gqabi District Municipality. Although electricity access is high, the municipality still experiences occasional electricity outages. This can have a highly detrimental effect on the tourism industry through the inability of tourist to access certain services.

**Figure 6.4: Household access to electricity in the Senqu Local Municipality, 2001**
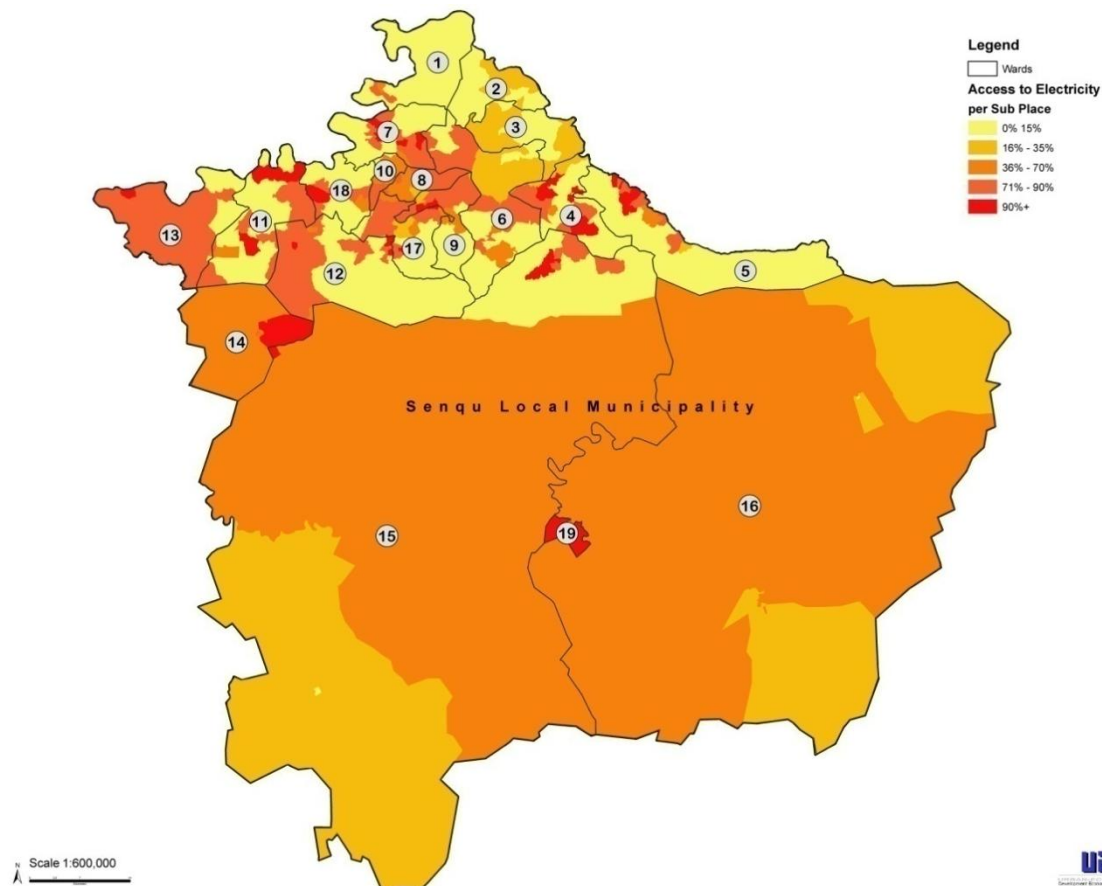


**Source:** Census (2001)

## d) Telecommunications

Telecommunications infrastructure is one of the prerequisites for the development of the tourism industry as it provides the opportunity for local tourism product owners to communicate with potential tourists about the type of attractions and the facilities available in the area. This in turn assists tourists in planning and organising their trip. Except for the main towns, the municipality is poorly serviced by landline communication infrastructure.

Cellphone reception within the Senqu Local Municipality particularly in the rural areas around Wartrail/New England and Rhodes is very poor. This is highly problematic as tourists who run into difficulty in these areas are unable to contact the authorities.

## e) Transport Infrastructure

The municipality's settlement structure is served by a fairly extensive transportation network, with several provincial, district and local roads providing good regional and local accessibility. Prominent roads include the R58, R392 and R393. There are no major railway lines or airports within the municipality.

**Road Infrastructure**

The principle access point to the Senqu Local Municipality is along the R58 which connects the towns of Aliwal North and Elliot. This is also the shortest route between Mthatha and Johannesburg. The R726 which connects the towns of Zastron in the Free State and Sterkspruit is becoming increasingly important as a means of accessing the Senqu Local Municipality from the Free State Province. The R393 is also an important mobility route as it connects Sterkspruit with the town of Quthing in the Kingdom of Lesotho via the Telle Bridge border post. This is a well trafficked road particularly by shopping tourists travelling from the Kingdom of Lesotho to Sterkspruit.

The majority of towns (Barkly East, Lady Grey and Sterkspruit) are located along the above mentioned roads, with generally good accessibility to tourist markets in the Free State and other parts of the Eastern Cape. There are two areas within the municipality that are isolated from the local tourist markets by a number of factors such as poor road condition, natural boundaries and being spatially distant. These areas include the town of Rhodes and the area around Wartrail/New England. For tourist numbers to increase to these destinations it is imperative that accessibility to these areas is improved.

Road conditions within the municipality have worsened over the last several years, particularly along one of the key access points to the municipality namely the R58. The deteriorating road conditions generate a direct obstacle to the development of the tourism industry as tourists may be unable or unwilling to travel along very poor roads to reach their destination.

Tourism establishments in the Wartrail/New England and Rhodes areas are only accessible by means of dirt roads with these roads being in a very poor condition. This makes these destinations very difficult to access and discourages tourists from visiting.

**Rail Infrastructure**

There is only one railway line in the Senqu Local Municipality which connects the towns of Lady Grey and Barkly East via New England. This railway, although decommissioned in 2002, has both historical and tourism potential as it features eight railway reverses, making it a unique attraction to railway enthusiasts.

**Airports**

There are no airports within the Senqu Local Municipality, with only Barkly East having an airstrip. The establishment of a new airstrip in Rhodes to provide tourists direct access to the town was investigated. A feasibility study was conducted and initial funding was obtained through Thina Sinako. Additional funding could not be obtained through the Eastern Cape Department of Transport and the project was subsequently shelved. The three nearest major airports to the Senqu Local Municipality are found in Bloemfontein, Maseru (Kingdom of Lesotho) and Mthatha.

## f) Signage

Signage is one of the most important marketing methods for a tourist establishment or attraction. Proper signage should be implemented to indicate to tourist exactly where they can find the different tourist attractions and facilities in the area. The overall signage within the Senqu Local Municipality is fairly good with most places clearly indicated. There is also signage that directs tourists to attractions and facilities.

Although there is a number of tourism related signage throughout the municipality, the condition of many of these signs is very poor. Some of this signage also does not comply with national and provincial standards in that brown tourism signage feature advertising for particular tourist product owners rather than providing tourists driving information.

## g) Soft Infrastructure

Soft infrastructure concerns the human resources within an area such as skill development and training as well as tourism awareness about the tourism industry. As tourism is essentially a service industry, high quality skills are

essential to ensure that the local tourism sector is competitive. This is achieved by ensuring that tourists receive a high quality of service when they visit the Senqu Local Municipality.

Based on consultation with tourism stakeholders in the Senqu Local municipality is was evident that there was a need for creating awareness about the tourism industry amongst the communities within the area. Important components of this process were ensuring that awareness was created in conservation and eco-tourism.

There is a clear need for tourism training skills facilities within the Senqu Local Municipality in order to enable the community to form part of the growing tourism industry. Currently such facilities can be accessed in both Aliwal North and Sterkspruit, although the FET College in Aliwal North is currently offering a NQF 4 and NQF 5 qualification tourism. It is imperative that the training provided by these institutions, provides tourism industry workers with the necessary skills to meet the demands of incoming tourists. It is important however to ensure that such courses are extended to not only individual employees working in the tourism industry but also to government officials to enable them to embark on tourism planning. Furthermore, it is important that training is also provided in business management to encourage the development of new tourism enterprise in the Senqu Local Municipality.

## 6.2.2 Support Services

### a) Tourism Information Office

There is currently no operational tourism office within the Senqu Local Municipality. Prior to 2009 there was such a tourism information office situated in the town of Lady Grey. From this office visiting tourists could obtain necessary information about the area as well as collect brochures for various establishments located throughout the municipality. This office is in the process of being re-established as part of the Eastern Cape Highlands Brand.

### b) Other Support Services

Limited auxiliary support services such as petrol stations, emergency repairs, medical services and police services are found throughout the municipality, with the highest concentration in the towns of Lady Grey and Barkly East. The sentiment amongst tourism product is that while there is a sufficient supply of most support services within the municipality certain services, such as those relating to emergencies, are inadequate. There was also a feeling that, although crime was relatively low, the number of police stations within the municipality was inadequate.

## 6.3 Marketing

For the Senqu Local Municipality to reach their target markets and ensure an increase in their tourist numbers, it is important that tourism products and facilities are adequately advertised. This marketing assessment will consider the current methods utilised to market the area as well as the markets that are targeted. This marketing assessment is based on a combination of the tourism survey results as well as internet research.

### 6.3.1 Product Owners Marketing Methods

The tourism establishments surveyed indicated a variety of different mechanism used to market and promote their businesses. These ranged from simple word of mouth to the use of the internet. Figure 6.5 indicates the various methods used by accommodation establishments.

Based on Figure 6.5 it is evident that the internet is by far the most utilised tool when it comes to accommodation establishments marketing their businesses. Positively, the majority (52.3%) of surveyed accommodation establishments where hosted on other websites such as SA Venues, Travel-SA and the Automobile Association (AA). This provides accommodation establishments with greater exposure to potential tourists than they would ordinarily receive by having just their own website.

The prevalence of internet marketing can be attributed to two factors namely:

- Easy exposure to a large, existing tourist market that comprises the establishments target demographic
- Fairly low advertising rates (i.e. less than R 2 000 annually)
- High return on investment

This makes the internet an ideal marketing tool for Senqu accommodation establishments which in many cases lack large marketing and advertising budgets.

**Figure 6.5: Marketing methods utilised by establishments**
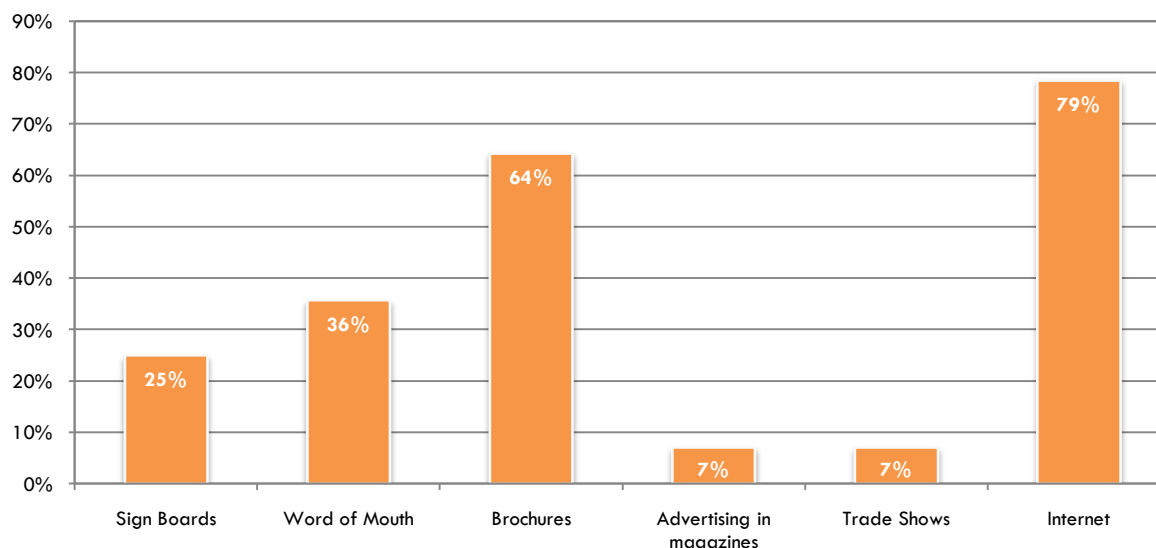


**Source:** Urban-Econ Tourism Surveys (2012)

While the majority of respondents use the internet to market their establishments, over 60 percent of accommodation establishments still use traditional marketing methods such as brochures. This can primarily be associated with the low cost associated with these methods.

These methods play a prominent role in the marketing mix of the area, but have several drawbacks. The most important of which is these methods failure to reach the desired target market or demographic. A large number of interviewed establishments acknowledged this failure and were in the process of developing their own websites. Interviewed accommodation establishments however also indicated that brochures had an important role to play in their overall marketing mix, provided they were distributed through appropriate channels i.e. Brochure Management, airports (East London, Bloemfontein).

Due to the limited financial resources available to most accommodation establishments for marketing, a significant number of them rely on word of mouth. This has proved highly successful and a number of accommodation establishments indicated that this was one of the most successful marketing methods in attracting tourists. In addition, word of mouth is also free and thus does not impact the financial viability of the enterprises.

According to the survey results, only 7.1% of accommodation establishments utilise trade shows as a vehicle for marketing their businesses. Prior to 2009, a number of accommodation establishments where able to attend various trade shows and indabas through the funds made available to Senqu Tourism. Following the withdrawal of funding to Senqu Tourism, the resources required for product owners to attend such shows on an individual basis became to onerous and accordingly the Senqu Local Municipality is now represented at far fewer shows.

Figure 6.6 indicates that very few establishments use more than three methods to market their business. As indicated businesses need to weigh up the advantages of using a number of different marketing methods with the

associated costs. Additional methods could potentially increase the businesses exposure to tourists, but it could also increase the costs associated with marketing. This in turn has a negative impact on the businesses bottom line.

**Figure 6.6: Number of marketing methods used**
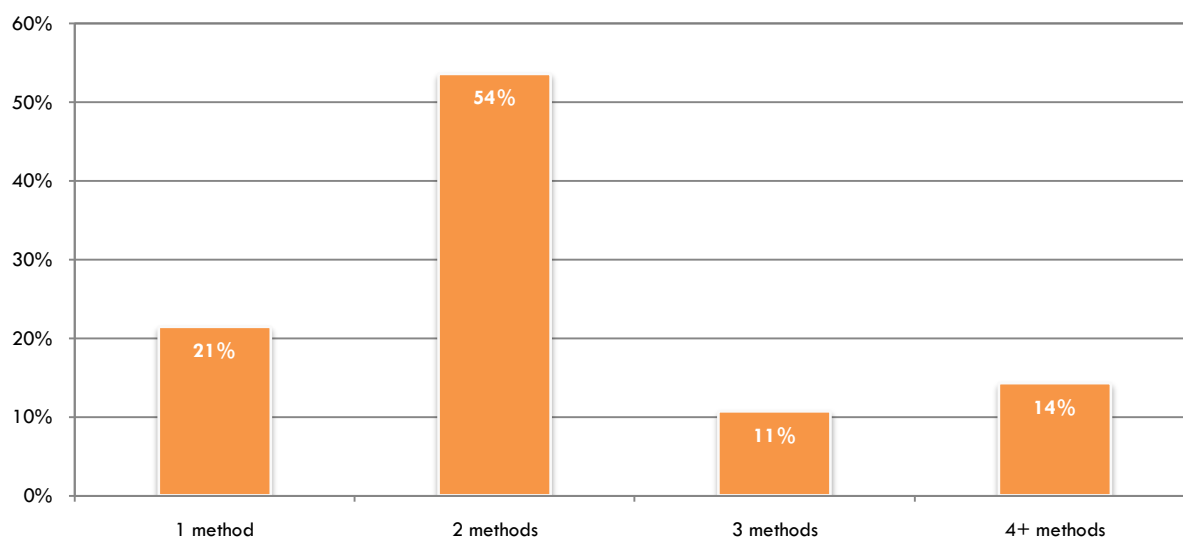
## 6.3.2 Marketing Brands

The marketing of the Senqu Local Municipality as a tourism destination is highly fragmented, with the area marketed under several different (and in some cases conflicting) campaigns and brand. The following section will discuss several of the brands under which the municipality is marketed under as well as what material has been developed under each respective brand.

### Eastern Cape Highlands

The Eastern Cape Highlands brand was developed for the Joe Gqabi District Municipality as the mother brand for all tourism products found within the district municipality. The slogan for the district brand is: *The Wild Side of the Drakensberg*. As part of the development of the Eastern Cape Highlands brand, sub brands for each of the municipalities within the district were also developed.

Under the Eastern Cape Highland brand the Senqu Local Municipality is marketed under the following slogan:

### *Earth Meets Sky*

Coupled with this slogan is a standardised description of the area which appears in all of the Eastern Cape Highlands advertising products. This description is as follows:

*Home to the historical area of Wartrail and New England, Senqu is the perfect destination for you if you enjoy hiking, fishing or hunting in the shadow of the magnificent Drakensberg Mountains. Challenge yourself and your vehicle on exhilarating 4X4 trails, take in the exceptionally varied birdlife on a tranquil walk or take an invigorating bicycle ride surrounded by beautiful scenery.*

A unique logo was also developed for the Eastern Cape Highlands brand as well as an individual icon to identify each local municipality. The Senqu Local Municipality's icon is a trout, representing the areas importance as a fly-

fishing destination. This icon has not been taken up by individual tourism product owners as part of their marketing.

This brand was extensively developed as part of the Joe Gqabi Tourism Marketing Plan and includes a website (www.echighlands.co.za), brochures, billboards and letterheads.

Currently the full implementation of the Eastern Cape Highlands brand is being hampered at a district level by lack of funding. A budget of R 800 000 has been proposed by the district tourism office to fund marketing and awareness programmes around the Eastern Cape Highlands brand, however no funding allocation has been made for the 2012/13 financial year. This has a direct bearing on generating awareness about the brand amongst tourism product owners, although it does not prevent the Senqu Local Municipality from implementing its sub-brand.

Although this should be the predominant brand for the Senqu Local Municipality, very few product owners recognised the brand. Although several establishments did indicate that they were aware of the Eastern Cape Highlands brand, none indicated that they use the material as part of their marketing products. A number of accommodation establishments interviewed indicated that they would like to use the Eastern Cape Highlands brand as part of their marketing activities but were unsure of where to obtain the relevant material.

The Eastern Cape Highlands brand is reflected within the Senqu Local Municipality's marketing material. For example both the icon as well as the slogan, *Earth Meets Sky*, is reflected in the brochure developed for the municipality. The Eastern Cape Highlands brand also features prominently on the back of the brochure. The Senqu Local Municipality has also signed an MOU with the Joe Gqabi District Municipality to support and implement the *Earth Meets Sky* brand. In terms of this MOU the Senqu Local Municipality will provide space for a visitor information centre as well as provide a staff member to run the office.

## Friendly N6

The Friendly N6 is private sector designed and run route that has been incorporated into the Eastern Cape Parks and Tourism Agency (ECPTA) *9 Routes, 9 Million Experiences* marketing campaign. As part of this campaign, the ECPTA divided the Eastern Cape into nine tourism regions based the clustering of tourism products found within each of these areas. These tourism regions are now marketed under their own distinct district brand. Based on these current regional demarcations, the Senqu Local Municipality falls within the *Friendly N6* region. The Friendly N6 region primarily comprises the area around the N6. It however also includes the entire Joe Gqabi District Municipality, as well as large parts of by the Alfred Nzo and Chris Hani district municipalities.

There is no specific slogan for the area, however the following description of the Friendly N6 region is provided on the ECPTA website.

*The N6 motorway is the backbone of this off-the-beaten-track route that offers visitors a wholesome experience including a host of outdoor activities such as fly-fishing in cold trout streams, hiking on pristine mountain trails, skiing at Southern Africa's only ski resort, viewing San rock art, rejuvenating in hot springs and visiting African villages. The area includes towns like Aliwal North (famed for its hot springs and Anglo-Boer War Garden of Remembrance) and Lady Grey, which is rife with fossil trails and pretty churches. The snow-laden slopes of Ben MacDhui near Rhodes, Southern Africa's only ski resort, add variety to the region during the winter months, which see the peaks of the southern Drakensberg dusted with snow.*

*Guest farms around Tarkastad and a game reserve boasting magnificent White Rhinos introduce the traveller to striking landscapes buffered by conical hills and flat-topped mountains. There is hiking, fishing, horse riding and biking.*

This brand has been well developed as part of the ECPTA marketing strategy and includes both brochures and billboards (exclusively located along the N6). There is no specific website for the Friendly N6, rather there is a discussion of the area on the ECPTA website (www.visiteasterncape.co.za) and on the Free State Provinces tourism portal (www.freestatetourism.org).

From the description on the ECPTA website (see above) it is evident that the marketing material makes reference to specific towns (Lady Grey, Rhodes) and attractions (fly-fishing, hiking, skiing) within the Senqu Local Municipality rather than the municipality itself. This means that other towns in the municipality such as Barkly East and Sterkspruit are not featured. This can prove highly detrimental to the creating awareness about the unique attractions within these towns.

A small percentage product owners surveyed (15.8%) indicated that they belonged to (i.e. marketed under this brand) the Friendly N6 brand. The absence of a defining logo or icon for the Friendly N6 brand also means that product owners can not include it as part of their marketing material. A number of survey respondents also indicated that they did not feel that the Friendly N6 adequately represented the area given the Senqu Local Municipalities distance from the N6.

The Senqu Local Municipality tourism marketing material does not make reference to the areas linkages with the ECPTA *Friendly N6* tourism region.

## Maloti Drakensberg Route

The Maloti Drakensberg Route is an initiative developed by the private sector in conjunction with the ECPTA and the Kingdom of Lesotho. The area targeted by this initiative covers substantial areas of the Eastern Cape, Lesotho, Eastern Free State and Ukhahlamba Drakensberg Mountains (Kwa Zulu-Natal). The Eastern Cape portion of the Maloti Drakensberg Route falls exclusively into the Joe Gqabi District Municipality (chiefly the municipalities of Senqu and Elundini). The aim of this initiative is: "*To increase the flow of visitors to these areas, opening up this scenic region and enriching the experiences of all who travel this way*".

The Maloti Drakensberg Route has been in operation for a number of years and has built a well recognised brand under the slogan:

### *... follow the magnificent mountain route...*

Maloti Drakensberg Route brand has been well developed overall several years and includes a dedicated website (www.malotidrakensbergroute.com), brochures, product directory, billboards and other signage. This marketing material can be found throughout the Senqu Local Municipality.

All the towns in the Senqu Local Municipality are expressly mentioned in the all the Maloti Drakensberg Route marketing material. A brief description of each of the towns (excluding Sterkspruit but including Wartrail) listing major attractions and activities is presented in the brochure. While Sterkspruit is excluded from the brochure, the Maloti Drakensberg Route website provides a description of the town and its attractions. Based on this marketing material it is evident, that although not specifically designed for the Senqu Local Municipality, the material easily integrates into the overall marketing of the municipality.

The Maloti Drakensberg Route proved to be the most popular marketing brand amongst surveyed accommodation establishments, with 68.4% indicating that they marketed under this brand. Although appearing in the Maloti Drakensberg Route few product owners provided a link to the Maloti Drakensberg Route website from their website. This is critical to ensuring that brand awareness about the route continues.

The current marketing material for the Senqu Local Municipality (i.e. the *Earth Meets Sky* sub brand) does not make reference to the Maloti Drakensberg Route. Old marketing material however did make reference to the Maloti Drakensberg Route,

## Senqu Tourism

Senqu Tourism was a municipal entity established by the Senqu Local Municipality with the support of private sector tourism product owners to promote and develop the local tourism industry. Senqu Tourism ceased operation in 2009 but is in the process of being re-established through the Senqu LTO.

Prior to 2009 Senqu Tourism had developed a marketing brand that was both established and had the support of local tourism product owners. As part of its activities Senqu Tourism was responsible for developing posters, brochures (for all towns in the municipality) and managing an operational website (www.senqutourism.co.za). Representatives from Senqu Tourism also attended various indabas and trade shows to build brand awareness about the area. Senqu Tourism also had strong linkages with both the Maloti Drakensberg Route and the ECPTA.

Currently, Senqu Tourism is in the process of re-establishing itself as the principal agency responsible for marketing the Senqu Local Municipality. As part of this process brochures have been developed that showcase the entire municipality. These brochures are however of a poor quality, with several inaccuracies particularly in terms of accommodation establishments contact details.

## Individual Town Brands

When Senqu Tourism and the LTO and CTO's were fully operational, they were integral in developing a marketing brand for each of the towns in the Senqu Local Municipality (Barkly East, Lady Grey, Rhodes, Sterkspruit) as well as for the Wartrail and New England areas. The following slogans were used as part of the printed marketing material:

| Lady Grey | Sterkspruit | Wartrail and New England |
|:---:|:---:|:---:|
| *"Explore Lady Grey"* | *"Explore Sterkspruit"* | *"Explore Wild Mountain Country"* |

Included in the Lady Grey published material was the slogan "*South Africa's Alpine Wonderland*".

These brands were all well developed and included marketing material such as brochures as well as websites[4] for each of the towns and areas. There was also signage and other banners produced for each town. These brands proved highly effective as they marketed the unique attractions and products within each of the towns. A considerable amount of this marketing material has been incorporated into the Senqu Tourism brochure.

When assessing each town's websites it was established that there were no linkages between a particular town and other towns and areas in the Senqu Local Municipality. Furthermore these town websites did also not have linkages to the district brand, Maloti Drakensberg Route or the ECPTA. Only the Lady Grey printed brochure made reference to the Maloti Drakensberg Route and the ECPTA.

Senqu tourism stakeholders feel that marketing material for each of the towns/areas is important due to the different attractions offered by each respective area. The marketing material was well received however there is a feeling that it needs to be updated as several of the information has changed.

This marketing material is still extensively used by the Senqu Local Municipality to advertise each of the towns/areas.

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[4] Barkly East: www.barklyeast.co.za; Lady Grey: www.ladygreytourism.co.z; Sterkspruit: www.sterkspruittourism.co.za; Rhodes: www.rhodesvillage.co.za; Wartrail and New England: www.wartrail.co.za.

### Other Marketing

An assessment of other websites and information on the internet revealed that the dominant form of marketing for the area was single product owner websites. Alternatively, accommodation establishments were advertised on South African tourist product directories such as AA, Country Roads, Where to Stay and Safari Now. Several accommodation establishments were also listed on the ECPTA and South African Grading Council websites. Senqu accommodation establishment's coverage on these websites was however very low, with less than five such establishments being listed on any one of these websites.

A number of the key events held in the municipality (Salomon Sky Run, Rhodes Wild Trout Festival) also have their own websites which are used to market both the event and the area as a whole.

## 6.4 Synthesis

This chapter reviewed the various components of the tourism system and how they could potentially impact the development of the local tourism industry. It includes analyses of the institutional framework, infrastructure, support services and marketing activities within the Senqu Local Municipality.

The current institutional framework is fairly well established with operational CTO's in each of the towns in the municipality. The LTO has also recently been re-established. Both the CTO's and LTO however face a significant constraint with respect to funding. The Senqu Local Municipality is seeking to address this shortcoming through the allocation of approximately R 600 000 to tourism development for the 2012/13 financial year.

Development of the tourism industry relies heavily on the availability of basic services and infrastructure. These factors are critical to the tourism industry as they directly impact a tourists experience when visiting the area. The following summaries the current basic services and infrastructure condition within the Senqu Local Municipality:

- Almost a third (31.2%) of the municipalities households have no access to piped water inside their dwelling, although service delivery has improved over the past few years.
- Sanitation services within the urban and rural extents of the municipality vary considerably even though 55.0% of households have access to such services.
- As far as electricity connections are concerned, over 75 percent of household in the municipality have access to this service.
- Telecommunication services, particularly cellphone reception around the Wartrail/New England and Rhodes is very poor. This is highly problematic as tourists could run into difficult and be unable to contact help.
- Transport infrastructure, while extensive, is in a very poor condition with a several roads such as the R58 and R393 needing urgent attention. The proposed airstrip at Rhodes is seen as a key vehicle for allowing a greater number of tourists to access the area.
- Overall signage within the Senqu Local Municipality is fairly good with most places clearly indicated. Many of these signs are however in poor condition and not compliant with national and provincial standards.
- As far as soft infrastructure (skills and training), there is a definite need for awareness programmes amongst the community, politicians and government officials. Two FET colleges – one in Aliwal North and the other in Sterkspruit – can be used for this purpose.

There is currently no operational tourism office within the Senqu Local Municipality. This makes it difficult for visiting tourists to access information about the area once they arrive. Plans are however in place to staff a visitors information centre through the Eastern Cape Highlands roll out.

Auxiliary support services such as petrol stations, emergency repairs, medical services and police services are found throughout the municipality, with the highest concentration in the towns of Lady Grey and Barkly East.

In terms of marketing a variety of methods are used to market tourism product owners within the area, the most common being the internet. Beyond individual product owner marketing there is little municipal wide marketing to generate awareness about the area. What marketing that does occur is highly fragmented and conducted under a number of different brands.

# Chapter 7: SWOT Analysis

The purpose of this chapter is to identify the internal and external drivers of the tourism industry within the Senqu Local Municipality by providing an analysis of the factors that encourage or inhibit tourism development. The intention of this assessment is to assist in the identification of the municipality's strengths and opportunities while also highlighting its main threats and weakness. Further, it seeks to identify gaps within its destination offering.

This chapter starts by assessing the various reasons that tourists travel to the Senqu Local Municipality using a push factor analysis. This is contrasted with an analysis of the factors that attract a tourist to a destination. These factors are determined by using a six "A's" assessment which analysis a destination based on its availability of assets/attractions, amenities, access, ancillary services and accommodation.  The chapter concludes by highlighting the municipality's strengths, weaknesses, opportunities and threats.

## 7.1 Destination Assessment

The factors that motivate or encourage a tourist to visit a particular destination over another can be described in terms of push and pull factors. These factors can be described as follows:

| | |
|---|---|
| **Push Factors** | These are the factors that **motivate** a tourist to travel to a particular destination. They also encompass the needs that a tourist feels will be satisfied when they travel. |
| **Pull Factors** | These are the factors that **attract** a tourist to a particular destination. Furthermore they are characteristics of the destination that determine whether or not the tourists' needs (push factors) will be met. Pull factors are therefore related to internal aspects of the SWOT analysis. |

## 7.1.1 Motivation Factors

The reasons motivating a tourist to travel to a particular destination affect a variety of factors internal and external to the tourist's environment. Establishing the reasons behind specific tourists' behaviours assists in determining the factors that define a place as a destination and guide the identification of opportunities that exist for development in the Senqu Local Municipality.

Several of the key factors that motivate a tourist to travel to the municipality are indicated below:

- **Leisure:** One of the strongest driving forces for tourists to travel to the Senqu Local Municipality is for a holiday, where they can take a break from their daily routine.

- **Events:** There are a number of cultural and sporting events (Passion Play, Salomon Sky Run etc.) that occur within the municipality on an annual basis. These events have established a loyal support basis with participants and visitors returning each year.

- **Professional or business:** A number of tourists to the Senqu area come for business purposes. In many cases these are recurring visitors that are primarily involved with the public sector.

- **Visiting Friends and Relativities (VFR):** A notable number of tourists travelling to the Senqu Local Municipality come to visit friends and relatives. These tourists generally do not stay in formal accommodation establishments within the municipality and accordingly their contribution to the tourism economy is fairly low.

## 7.1.2 Attraction Factors

The various factors that are intrinsic to a destination and subsequently attract a tourists to a given destination are illustrated in Table 7.1 below:

**Table 7.1:  List of the six A's of a tourist destination**

| Factor | Description |
|---|---|
| **Assets /Attractions** | This is a fundamental element in determining whether a location will become a tourism destination or not. As part of this factor natural, cultural man-made, human, intangible aspects of the attraction are considered. Assets are defined as the natural elements of a destination that are unique, while an attraction is an asset that has been developed to a point that it attracts interest and visits from locals and travellers. |
| **Amenities** | Amenities refer to facilities such as restaurants/bars, information services, public toilets, signage, retail shopping, telecommunications, emergency services etc. |
| **Activities** | Activities includes events, tours, trails, organised adventure, etc |
| **Accommodation** | Accommodation refers to the supply, diversity and quality (star grading) of facilities within the area. |
| **Access** | This factor refers to how easy or difficult it is to travel to the location. Apart from being near in terms of distance, there must be a good transport network to reach the destination. The accessibility has a direct relationship to how popular the destination is. Types of access include: airstrips, frequency of flights, road infrastructure, quality of road networks, public transport, rail access, etc. |
| **Ancillary services** | This refers to the additional, supplementary services provided. This includes car hire, laundry services, petrol stations, tourism marketing services, foreign exchange etc. |

In order to establish the attractiveness of the Senqu Local Municipality, the above six 'A' Analysis was used to assess the destination. Each of the above six "A's" for the Senqu Local Municipality has been rated on a scale of 0 to 3. A score of three refers to a particular factor that is above average in terms of its attractiveness to tourists. In contrast a score of zero represents a factor that that is poor or not present.

The results of this analysis, as well as the rationale for the selection are illustrated in Table 7.2.

**Table 7.2: Senqu six "A's" matrix**

| Factor | 0 | 1 | 2 | 3 | Rationale |
|---|---|---|---|---|---|
| Assets/Attractions | | | ● | | The natural scenery in the Senqu Local Municipality is highly diverse providing a visiting tourist with a range of scenic sites to visit. There is also little to no transformation of the natural environment. The climatic conditions in the municipality, particularly the snow in winter provide a visiting tourist with a unique experience that they can experience in few places in South Africa. There are a range of attractions within the Senqu Local Municipality ranging from festivals and events (Passion Play, Salomon Sky Run) to nature based attractions such as the alpine flora and fauna (Bearded Vulture, Cape Vulture). The municipality also has a number of cultural and heritage attractions particularly around Sterkspruit (pottery, traditional dancing, rock art, arts and crafts etc.). Few of these attractions however are organised and developed. |
| Amenities | | ● | | | Amenities particularly entrainment related are not present (e.g. no gambling, nightlife, theatre) in the municipality. There is however limited recreational activities (e.g. picnicking sites). It should be noted though that this is not the principle attraction of the area. Tourism signage is also of a varying quality. |
| Activities | | ● | | | There is a wide range of sporting and adventure related activities located in the Senqu Local Municipality. Most of these activities are linked to the natural environment and include: hiking, mountain biking, cycling, fly-fishing, 4X4 trails etc.) Most activities however are organised by individual product owners. |
| Accommodation | | ● | | | The current supply of accommodation is sufficient to meet existing demand. During major events (particularly the Passion Play and Rhodes Wild Trout Festival) considerable pressure is placed on accommodation supply. The expansion of these events is therefore limited by the current accommodation supply. The cost of accommodation establishments is also comparable to other parts of the Eastern Cape (average price is +/- R 275 per person, per night) |
| Access | ● | | | | The road condition (particularly in the New England/Wartail and Rhodes area) is very poor which negatively impacts access to these areas. Likewise the quality of surfaced roads throughout the municipality is also very bad and can potentially discourage tourists from visiting the area. There is only one airstrip within the municipality (Barkly East) and no rail network. |
| Ancillary Services | | ● | | | The Senqu Local Municipality has an adequate supply of certain ancillary services (petrol stations, medical facilities etc.). Certain ancillary services however are not available (i.e. operational tourism office) or are inadequately supplied (i.e. restaurants, marketing of the area etc.) |

The main drawcards and constraints for the Senqu Local Municipality can summarised as follows:

**Constraints:** Ancillary services | Access | Amenities

**Drawcards:** Activities | Accommodation | Assets

## 7.2 SWOT

The following table provides a summary of key internal and external factors affecting the local tourism industry for the Senqu Local Municipality. Table 7.3 indicates the opportunities within the Senqu tourism industry that could be capitalised on (based on inherent potential) to develop the industry as well as the issues that need to be addressed to realise this potential.

**Table 7.3: Senqu SWOT Analysis**

| INTERNAL ENVIRONMENT | |
| --- | --- |

| Strengths | Weaknesses |
| --- | --- |
| *Nature, Environment and Climate* | *Nature, Environment and Climate* |
| • Unspoilt, pristine environment<br>• Drakensberg, Witteberg Mountain ranges<br>• Eight mountain passes<br>• Highest free standing mountain peak in the Eastern Cape (Ben MacDhui)<br>• Alpine climate that offers snow in winter<br>• Four distinct seasons<br>• Fresh water rivers and streams with abundance of wild trout<br>• Hiking trails, horse riding trails and mountain biking<br>• Endemic bird species (e.g. Cape Vulture, Bearded Vulture)<br>• Biodiversity hotspot (Grassland Biome) | • Condition of passes is poor and in need of investment<br>• Greater environmental protection required<br>• No nature reserve to act as an anchor attraction<br>• Attractions are not well known<br>• Snow is not experienced throughout winter and when it snows it causes great disruptions to traffic and tourist movements within the municipality<br>• The sensitive nature of the environment means environmental controls on tourism are required |
| *Culture and Heritage* | *Culture and Heritage* |
| • Xhosa and Sotho culture, music and dance<br>• Historical hamlet of Rhodes<br>• Lady Grey Arts Academy<br>• Unique farm lifestyles and country hospitality<br>• Rock art sites of national significance<br>• Wide variety of history: Basotho wars, early settlers, Anglo Boer war, Olive Schriener, Railway reverses, Khoi-San, Sotho and Xhosa culture<br>• Pottery, beadwork, woven garments and woollen crafts around Sterkspruit<br>• Passion Play in Lady Grey | • Heritage could be lost or damaged if not well protected or preserved, particularly rock art<br>• Agri-tourism has not been fully explored<br>• Limited market access and poor product development and variable quality of local crafts<br>• Rock art sites are not promoted as an attraction and require sensitive management |
| *Social* | *Social* |
| • Low crime rate<br>• Senqu and the Kingdom of Lesotho have international award winning sheep shearers. | • Areas such as Sterkspruit have large populations but are not well positioned in terms of tourism offerings<br>• Poverty and unemployment very high |
| *Ancillary services, land and infrastructure* | *Ancillary services, land and infrastructure* |
| • Border post offers linkages with tours to the Kingdom of Lesotho<br>• Banking services, post offices, supermarkets and police stations are located in towns<br>• Private doctors and state hospitals located in towns | • No private hospital is located in the area or within the region<br>• Poor condition of road network<br>• Need for upgrade of caravan and camping sites and better management<br>• Airfield in the Rhodes area is needed to increase accessibility to this region |

| Planning and Legal | Planning and Legal |
|---|---|
| • New Heritage Resource Management Plan in place<br>• Alpine Tourism Plan developed<br>• Feasibility Study into Conservation and Development Area found the concept to be feasible<br>• Rural Tourism Plan speaks to importance of marketing rural areas as well as air access.<br>• District Tourism Strategy in place | • Spatially disconnected from main tourism nodes.<br>• Lack of funding for implementation of Heritage Plan<br>• Need to secure political support for Conservation and Development Area<br>• Lack of funding to support projects identified within the Alpine Tourism Plan |
| **Institutional** | **Institutional** |
| • Presence of a District Development Agency-JoeGEDA within the vacity of the Senqu Local Municipality (Aliwal North)<br>• Presence of a Tourism Officer at a local municipal level<br>• Senqu Local Municipality has signed MoU to support Eastern Cape Highlands Brand<br>• Developing municipal capacity for tourism within local municipality | • Limited funding at a local level for tourism, and no funding at district level<br>• No professional tourism organisation promoting tourism within the area<br>• Polarised tourism industry with little communication between parties<br>• No full time, funded promotion and development of tourism brand at either a district or local level<br>Lack of implementation and follow through on initiatives<br>• Lack of institutional knowledge retention within the Senqu Local Municipality and the district municipality |
| **Tourism Marketing** | **Tourism Marketing** |
| • Eastern Cape Highlands brand launched with a sub-brand for the Senqu Local Municipality. Brand includes both logos and slogans<br>• Eastern Cape Highlands website set up<br>• Successful tourism events held each year i.e. Salomon Skyrun etc.<br>• Limited tourists numbers means niche, high value tourism developments<br>• Maloti Drakensberg Route features strongly within the area and offers a strong destination appeal | • Brand still needs to increase its recognition as there is limited brand recognition amongst product owners<br>• Confusion of marketing messages, brands and routes.<br>• The Friendly N6 Route marketing does not speak to the area which is located far from the N6.<br>• No current information available within brochures<br>• No prominent links between Eastern Cape Highlands website and other town websites<br>• Lack of funds to attend trade shows |
| **Product Development and Establishments** | **Product Development and Establishments** |
| • Shopping and retail tourism amongst Lesotho nationals in Sterkspruit<br>• Limited number of graded establishments<br>• Selected towns have strong identities and product offerings. Rhodes has one of the strongest identities linked to fly fishing and the Drakensberg.<br>• Product offering includes accommodation establishments offering exceptional service and quality<br>• Growing emerging tourism market in Sterkspruit | • Seasonality of tourists which makes it difficult for emerging businesses to sustain themselves throughout the year<br>• Predominantly a domestic destination<br>• Emerging tourism businesses require product development assistance<br>• Products that are run as the primary source of income are rare which leads to differing levels of professionalism within industry<br>• Closure of the Tiffindell's Ski Resort |

| Human Resources Development | Human Resources Development |
|---|---|
| • The Lady Grey Arts Academy provides high quality education with a particular focus on culture and arts<br>• Access to an FET College in Sterkspruit that offers selected tourism related courses | • Low levels of education in the area.<br>• Tourism skills gaps have been identified to be in general rather than specific skills arena (e.g. customer services training, business management, as well as basic adult education)<br>• Specific skills development for tour guiding, chefs, waitrons, housekeeping and reception are also aspects that could be considered.<br>• Lacks awareness amongst community of the tourism industry i.e. products on offer<br>• Differing levels of customer services and knowledge of the area |

**EXTERNAL ENVIRONMENT**

| Opportunities | Threats |
|---|---|
| *Nature, Environment and Climate* | *Nature, Environment and Climate* |
| • Catalytic project linked to conservation and development area<br>• Fly Fishing beneficiation<br>• Market the Four Seasons of the Senqu Local Municipality with events in each season<br>• Payment for environmental services<br>• Bird watching, vulture hide etc<br>• Use of the historical railway line for small scale rail tourism | • Climate change<br>• Environmental degradation such overgrazing and wetland pollution threatens biodiversity<br>• Poaching and harming of endangered animals species and birds<br>• Overdevelopment or development on sensitive land<br>• Loss of sense of place through improper developments |
| *Cultural and Heritage* | *Cultural and Heritage* |
| • Develop cultural heritage especially around Sterkspruit. Need to develop a story to market the area, the story of its people and culture<br>• Heritage management<br>• Develop and promote local craft products that are unique to Senqu area through a series of outlets | • Unsustainable community projects reduce the effectiveness of tourism interventions |
| *Social* | *Social* |
| • Improve disaster management<br>• Improve SAPS knowledge of how to respond and prevent tourist related crimes<br>• Development of tourism projects that aid in poverty alleviation through protecting environmental services<br>• Community tourism projects and projects that promote social entrepreneurism | • Safety and security of tourists. A negative experience can irreparable harm the tourism sector thus ensuring the safety of tourists should be paramount. |
| *Ancillary services, land and infrastructure* | *Ancillary services, land and infrastructure* |
| • Development of routes such as local and regional loops that connect towns<br>• Information offices and information boards<br>• Improve signage<br>• Improve road network<br>• Establishment of an airstrip at Rhodes | • Continued lack of spend on infrastructure will result in increasingly poor infrastructure<br>• Many products are on private land, need to ensure that land owners are comfortable with a system for visitors to visit attractions |

| Institutional | Institutional |
|---|---|
| • Marketing and promotion agency at district level<br>• Funding for staffing and operation of a tourism information offices and marketing personnel<br>• Establish a standard tourism statistical reporting and information collection tool to collect annual tourist numbers, tourist preferences etc. | • Tourism development needs to be driven by market information<br>• Conflict amongst tourism role-players<br>• Lack of communication between parties will erode the effectiveness of any intervention<br>• Need increased political commitment to establishing a catalytic project around conservation<br>• Lack of cooperation and communication between various areas and between private sector and public sector needs to be bridged.<br>• Need a balance between emerging product owner support and established product owner promotion. |
| Tourism Marketing | Tourism Marketing |
| • The national and global market is looking for unusual experiences which is off the beaten track<br>• Senqu area is already popular with selected traditional foreign and domestic tourist markets<br>• Promote Senqu sub-brand under the Eastern Cape Highlands Brand<br>• Lobby ECPTA to pick up Eastern Cape Highlands brand in all its marketing<br>• Unified branding and promotion<br>• Market links to fly fishing and Drakensberg more strongly<br>• Create linkages to travel agencies, tour operators, specialist tour guides etc | • Traditional tourist markets have contracted<br>• Due to the destination's distance and inaccessibility mainly visited by self drive foreign tourists<br>• Lack of government funding to support destination marketing will increase the cost of doing business in Senqu Local Municipality |
| Product Development and Establishments | Product Development and Establishments |
| • Expansion of existing events as well as a greater number of events<br>• Development of a greater number of activities linked to sport tourism (i.e. trail runs, road races, bicycle tours)<br>• Package and promote itineraries<br>• Emerging tourism product owners creating networks<br>• Avi-tourism:  Birding route<br>• Wild Flower Route developed and marketed<br>• Linkages with the Kingdom of Lesotho<br>• Events linked to sheep shearing or farm experiences<br>• Ideal training environment for runners and cyclists | • The closure and liquidation of the Tiffindell Ski Resort<br>• Increased competition from other markets: Fly Fishing (Dullstroom), Arts and culture small towns (Clarens), Passes (Oudsthoorn), Hiking and alpine activities (Southern Drakensberg), Skiing (Kingdom of Lesotho) |
| Human Resources Development | Human Resources Development |
| • Develop knowledge of tourism products with service staff<br>• Develop networking and market access of emerging tourism products<br>• To develop the skills of local staff to take up positions in tourism through offering tourism | • Lack of understanding and awareness of tourism within the community |

## 7.3 Market Gap Analysis

Based on the markets and current product mix a gap analysis was conducted to identify areas that need to be supported as part of the tourism plan. Addressing these gaps will allow the local tourism industry to meet both current and anticipated demand. The primary gaps identified are illustrated in Table 7.4.

**Table 7.4: Gaps identified per tourist market**

| Tourist Market | Gap |
|---|---|
| **Education** | • Area's sites and attractions not widely known<br>• Need to reinvest in local museums<br>• Limited venues for school groups<br>• Limited points to purchase local crafts or souvenirs |
| **Business** | • Limited conferencing venues<br>• Not enough beds to accommodate conferences<br>• Limited facilities within towns and no facilities in rural areas |
| **Visit Friends and Relatives (VFR)** | • Limited retail facilities<br>• Activities are informally organised<br>• No tourist information office<br>• Limited points to purchase local crafts or souvenirs |
| **Leisure/Holiday** | • Limited budget accommodation<br>• Limited accessibility of destinations<br>• Lack of retail and restaurant facilities<br>• Cultural activities are present but limited<br>• Not enough beds for large events<br>• Activities are informally organised<br>• No itineraries developed or 'Must see list'<br>• Limited points to purchase local crafts or souvenirs |
| **Special Interest** | • No specialist information available to support this group: list of hikes, birds etc.<br>• Infrastructure: bird hides, hiking trails<br>• No specialist itineraries developed or 'Must see list'<br>• Limited points to purchase local crafts or souvenirs |

## 7.4 Synthesis

The SWOT analysis analysed the Senqu Local Municipality's destination offerings in terms of the various factors that motivate a tourist to travel to the area. This assessment identified that the area has developed competitive advantages around its accommodation, activities and its rural scenic beauty.

The gap analysis identified key gaps for the current markets visiting the Senqu Local Municipality. This included a lack of conferencing facilities, limited beds and limited formal activities.

In terms of the destination mix for tourists are motivated to visit the area due to the attraction/ assets that are on offer. Activities, particularly events such as the Passion Play, Salomon Skyrun are strong drawcards. The area is however constrained by inadequate accommodation supply or lack of auxiliary services and tourist related amenities.

The SWOT analysis analysed the destinations Strengths, Weaknesses, Opportunities and threats in terms of various categories. Key opportunities identified include:

• Marketing of the area through the Eastern Cape Highlands Brand
• Emerging product development
• Networking
• Infrastructure development

# Chapter 8: Tourism Marketing and Development Plan

The Senqu Responsible Tourism Plan seeks to address the gaps and opportunities identified in previous chapters through strategic interventions. This will be done through the identification of a unified vision, goals, objectives, strategic pillars and interventions/projects as illustrated in Figure 8.1.

**Figure 8.1: Strategic framework**



**Vision**

To develop Senqu into a leading tourist destination where visitors can experience its natural beauty and thereby transform the industry into a vehicle for sustainable economic growth.

**Goals**

1. Market the Senqu Local Municipality as a tourist destination
2. Understand the local tourism industry through accurate and current tourist information/data
3. Create an all-year-round destination for tourists thereby removing the impacts of seasonality
4. Support and expand the current tourism product base
5. Increase tourism related linkages between towns with the local municipality and other regions outside the municipality
6. Remove obstacles to the development of the local tourism industry
7. Monitor and learn from the tourist experience so as to better meet the needs of visiting tourists

**Objectives**

| Infrastructure Support Base | Product Development and Transformation | Marketing the Destination | Collaborative Institutional Functioning | Monitoring and Understanding the Tourism Economy |

## 8.1 Vision

The vision for tourism development should be rooted in the vision of the Senqu Local Municipality as articulated in the IDP. The alignment of these two visions ensures that the interventions proposed in the tourism plan can find expression in the municipality's IDP. The vision of the Senqu Local Municipality as identified in the 2011 – 2016 IDP is:

> "A developmentally orientated municipality that provides appropriate, efficient and economical infrastructure and services for all residents"

The tourism vision must therefore be developmentally orientated and focus on the provision of economic opportunities and services for all residents in the Senqu Local Municipality.

The proposed tourism vision to drive the Senqu Responsible Tourism Plan is as follows:

> **To develop Senqu into a leading tourist destination where visitors can experience its natural beauty and thereby transform the industry into a vehicle for sustainable economic growth.**

Based on this vision, the Senqu Local Municipality's mandate in terms of tourism development is to:

- Promote tourism in the municipality
- Promote and transform the tourism industry
- Ensure sustainable economic growth through tourism development

## 8.2 Goal and Objectives

In order to determine whether the tourism vision is being achieved goals and objectives have been developed. The following goals were identified for the Senqu Responsible Tourism Plan:

1. Market the Senqu Local Municipality as a tourist destination
2. Understand the local tourism industry through accurate and current tourist information/data
3. Create an all-year-round destination for tourists thereby removing the impacts of seasonality
4. Support and expand the current tourism product base
5. Increase tourism related linkages between towns within the local municipality and other regions outside of the municipality
6. Remove obstacles to the development of the local tourism industry
7. Monitor and learn from the tourist experience so as to better meet the needs of visiting tourists

Following from these goals, objectives have been developed which can be measured to determine the success in achieving each specified goal and ultimately the tourism vision for the municipality. These objectives provide both the quantitative and qualitative baseline information to evaluate the overall tourism plan at periodic intervals during, and at the end of the plans timeframes.

It is important to note that although objectives should ideally be specific, measurable, achievable, realistic and time-based, it is not always possible to set quantifiable objectives due to the lack of appropriate statistical and baseline data on specific issues. This supports the need for regular and standardised statistical reporting.

The objectives for the responsible tourism plan as well as the rationale for each objective are set out as follows:

**Objective 1:** *Increase the number of both domestic and international tourists by 4% per annum between 2012 and 2017, and the number of VFR tourists by 2% per annum between 2012 and 2017*

Based on the findings of the situation analysis the Senqu Local Municipality received approximately 16 708 tourists in 2011 of which 4 177 travelled to the area to visit friends and relatives. Although it was not possible to establish tourist numbers in the preceding year, 37% of respondents in the tourism survey indicated that overall tourist numbers had increased over the previous three years. The global economic recovery as well as improvements in domestic spending is likely to ensure that this increase in tourist numbers will continue over the medium to long term.

The targets set out in this objective are based on projections made as part of the Alpine Tourism Study (2011) conducted for the JGDM as well as domestic and international tourist forecasts outlined in South African National Tourism Sector Strategy (2012). Should these targets be attainted, the Senqu Local Municipality will attract an average of 583 additional tourists a year (see Table 5.9), receiving approximately 20 406 tourists by 2017, 4 704 of whom will be visiting friends and relatives. The attainment of these targets will be achieved through allocating funds to marketing the destination as outlined in Chapter 9.

**Objective 2:** *Upgrade and maintain the Senqu tourism website ensuring that it is linked to individual town websites by 2015*

The Senqu Local Municipality has a functional website that has been developed as part of the Eastern Cape Highlands brand to promote the area. This website will however need to be maintained and updated on a regular basis. It also lacks certain information (i.e. key attractions, accommodation establishments, auxiliary services) that would be relevant to a visiting tourist. Ensuring that visitors can access information about the area is imperative for the development of the local tourism industry.

**Objective 3:** *Increase the average length of stay for domestic tourists to 3 days and to 4 days for international tourists by 2017*

Domestic tourists currently spend approximately 2.2 days in formal accommodation establishments in the Senqu Local Municipality, while international tourists spend on average 2.7 days. The number of days spent within the municipality has a direct bearing on the performance of the tourism industry as the longer a tourist is within the area, the greater amount of money they are likely to spend. Increasing the duration of a tourist's stay in the area will increase both the economic impact of the tourism industry (through greater spending on local products) as well as encourage the development of additional tourism support services.

**Objective 4:** *Establish linkages with LTO's or their equivalent in the Free State and the Kingdom of Lesotho by 2017*

The success of tourism development in the Senqu Local Municipality rests on the creation of partnerships between a range of tourism role-players. Given that a significant number of tourists visit the Senqu area as part of a greater holiday experience, it is important that the Senqu Local Municipality cooperates with these areas to ensure maximum benefit for both itself and these other destinations. It is important that the municipality coordinates its tourism interventions with other local municipalities through engagements with their LTO's and CTO's.

**Objective 5:** *Assist in supporting 20 emerging tourist product owners annually between 2012 and 2017*

The successful development of the tourism industry and the economic benefits and opportunities that result from this developmental success will be of little use if these benefits and opportunities are not spread across the entire Senqu population. It is thus imperative that transformation takes place within the Senqu tourism industry. Transformation allows for increased opportunities for HDI's and assists in raising their living standards, lowering overall poverty levels and income inequality. Furthermore, it should be noted that the long-term sustainability of tourism growth will be in part depend on the ability of the entire municipality to become involved in the industry.

**Objective 6:** *Increase the number of people directly employed by the tourism industry by 4% annually between 2012 and 2017*

In 2011, approximately 535 people were directly (214) or indirectly (321) employed in the Senqu Local Municipality's tourism industry, accounting for approximately 3.6% of total employment within the municipality. Nationally, the tourism sector employed approximately 513 000 people or 3.9% of all employed individuals.

The objective of attaining employment growth is above the national forecast of 2.4% per annum, however a 4% increase in employment levels in the Senqu Local Municipality equates to just over 20 new employment opportunities per annum. Given the untapped potential of the Senqu tourism industry and the current level of fragmentation within the local market, it anticipated that a 4% growth target is attainable should the aforementioned interventions occur.

**Objective 7:** *Ensure that current tourist spend remains constant between 2012 and 2017, increasing by 3% per annum beyond 2017.*

Currently an international tourist spends on average R 8 900 per visit to South Africa, whilst a domestic tourist spends on average R 780 per trip. Although it has not been possible to establish the average tourism spend by tourists visiting the Senqu Local Municipality it is anticipated that the figures will be notably lower due to the absence of established tourist products as well as the area's proximity from major tourist markets.

Ensuring that tourist spend remains constant over the short term is in-line with national targets for domestic tourism spend. A growth rate of 3% over the long term is also in line with forecasted growth in tourism spending as outlined by the World Travel and Tourism Council.

## 8.3 Tourism Plan Approach

The Senqu Responsible Tourism Plan adopts a systems approach to tourism development. The advantage of such an approach is that it offers a more holistic method of developing the local tourism industry. This approach focuses on more than just improving the available tourism products and services, and includes addressing components that are integral to the efficient functioning of the tourism industry as a whole.

Therefore, in addition to focusing on product development and transformation, the systems approach addresses four other components that are essential to the effective performance of the tourism industry namely:

- Marketing and branding
- Infrastructure development
- Human resource development
- Creation of an enabling environment

It is also important that any municipal development and planning take into account the *Five Year Local Government Strategic Agenda* which sets out the following strategic priorities:

- Provision of support to local government to improve municipal governance, performance and accountability
- Addressing the structure and governance arrangements of the state in order to better strengthen, support and monitor progress
- Refining and strengthening the policy and fiscal environment for local government

The mechanism set out by national government to achieve these strategic priorities is articulated in five key performance areas. It is important to consider these key performance areas in municipal development and planning initiatives in order to maintain consistency in approach. These key performance areas, as well as how tourism can assist in their attainment, are illustrated in Table 8.1 below:

**Table 8.1: Local government KPA's**

| Key Performance Areas (KPA) | How tourism can assist with KPA |
|---|---|
| Municipal Transformation and Institutional Development | Through the development of institutional arrangements and through the coordination of all stakeholders in growing the tourism industry in the municipality. |
| Service Delivery and Infrastructure | Through the development of key tourism transport infrastructure which will lead to an increase in GDP resulting in a corresponding increase in municipal income thereby providing extra funding for the provision of basic services. |
| Local Economic Development | Through stimulating the local economy, minimising economic leakages, and ensuring a greater economic multiplier. Growth in the tourism industry will result in increased employment and household incomes, which in turn will result in greater spending in the local economy. |
| Municipal Financial Viability | Through increasing the rates base and injecting additional capital into the local economy. |
| Good Governance, Public Participation, Accountability and Transparency | Through ensuring greater involvement with local residents, particularly those involved in the tourism industry. |

## 8.4 Infrastructure Support Base

### 8.4.1 Purpose and Rationale of Strategic Pillar

As part of the systems approach, certain infrastructure is required in order for the tourism industry to develop in an effective manner. This includes the provision of hard infrastructure such as basic services (water and electricity), telecommunications, signage, tourism office etc. The supply of this infrastructure is imperative to the further development of the Senqu tourism industry due to the fact that accommodation establishments are reliant on these services to operate. The provision of adequate directional and marketing signage of decent quality is also important as it contributes to a tourist's overall experience in the area. Currently the infrastructure within the Senqu Local Municipality is of a very poor quality and is hampering tourist's access to the destination.

From these constraints four key focus areas have been identified for the infrastructure support base component of the tourism plan namely:

- Road infrastructure
- Signage
- Visitor Information Centre (VIC)
- Clean and attractive destinations

### 8.4.2 Key Outcomes of the Strategic Pillar

Several key outcomes/targets have been identified for the *Infrastructure Support Base* pillar, the implementation of which will be outlined in the following section. These outcomes include:

- Information sign boards in key locations
- Well maintained gravel road network
- Upgraded and maintained strategic access roads
- Establishment of the Rhodes airfield

### 8.4.3 Interventions and Projects for the Strategic Pillar

The overall purpose of this strategic pillar is to provide infrastructure to increase access to tourist attractions while also creating a conducive environment for greater and further tourism investment.

**Intervention/Project 1: Upgrading of key tourist access roads (R58, R726)**

The municipality's road network determines the accessibility into and within the area and therefore has a direct bearing on a visitors ability to access a given tourism product. Good quality roads also allow tourists to travel to their desired destinations safely and contribute to a tourist having a positive perception of the destination.

Given the infrastructure backlog of the Senqu Local Municipality it is important that the municipality develop partnerships with funders such as the Provincial Department of Roads and Public Works so as to upgrade and maintain key roads. The infrastructure required would include tarring and maintenance of main access roads as well as the grading of gravel and minor access roads.

Key tourist roads should be prioritised within the Senqu IDP and infrastructure plans. The Senqu Local Municipality should also make use of the local and district SDF's as guidelines to plan for the upgrading of tourism roads. Key tourist access roads that should be prioritised for upgrading and maintenance as a matter of urgency are:

- R58 between Aliwal North and Lady Grey
- R726 between Sterkspruit and Zastron
- R393 between Sterkspruit and Telle Bridge Border Post
- Access roads to Rhodes and Wartrail/New England

**Intervention/Project 2: Grading and maintenance of eight passes**

The eight passes found within the Senqu Local Municipality have become a popular tourist attraction particularly amongst 4X4 enthusiasts. The condition of the road network has deteriorated to such an extent that the passes are almost inaccessible to both 4X4's and other vehicles.

The regular maintenance of the passes, which should include the grading, should be undertaken as part of this intervention. The Senqu Local Municipality should also engage and partner with adjacent municipalities to regular maintain passes that fall between the two municipalities (i.e. Otto du Plessis, Barkly Pass).

**Intervention/Project 3: Implementation of JGDM signage strategy**

The JGDM Tourism Development and Marketing Plan identified that the district municipality lacked a coordinated road signage system which was negatively contributing to the development of the district tourism industry. In order to address this, the district tourism plan included a signage strategy that would aim to ensure that visitors to the district were made aware of its many attractions and are guided easily and effectively between various attractions.

The aim of this intervention is to partner with the Joe Gqabi District Municipality in order to facilitate the establishment and consolidation of new and existing signage within the Senqu area. Specific outcomes of this intervention include, which will be achieved through partnering with the district municipality include:

- Facilitate the implementation of location signs in Barkly East, Lady Grey, Rhodes and Sterkspruit
- Assist in introducing Eastern Cape Highlands "Welcome" signs outside the towns of Lady Grey and Sterkspruit
- Assist in coordinating the implementation of direction signs at key tourism nodes as identified in the JGDM Tourism Development and Marketing Plan
- Facilitate the implementation of tourism signs to highlight key tourism products
- Cooperate with the Joe Gqabi District Municipality to improve and maintain signage in the Senqu Local Municipality

**Intervention/Project 4: Develop new and upgrade existing picnic sites and viewing points**

Most of the picnic sites and viewing points throughout the Senqu Local Municipality are poorly and irregularly maintained. These sites also lack information boards and/or maps that can provide tourists with information or facts about the given location. The presence of such well maintained picnic/viewing sites can help to contribute to the overall experience of a tourist when travelling. The ongoing management of these sites can also potentially act as a vehicle for SMME development. The aim of this intervention is to:

- Conduct an audit of all existing picnic sites and viewing points within the municipality
- Identify appropriate locations for the establishment of new viewing points and picnic sites
- Introduce information boards/maps to key existing sites
- Monitor and maintain all sites and viewing points on a regular basis
- Information signage (i.e. high above sea level, history, road condition) along eight passes

# 8.5 Product Development and Transformation

## 8.5.1 Purpose and Rationale of Strategic Pillar

Tourism product development and transformation seeks to increase the number of tourism products within the Senqu Local Municipality while at the same time ensuring that the economic benefits generated through the

introduction of these new tourism products accrue to the HDI community. The intention of this strategic pillar is also to ensure that product development capitalises on the Senqu Local Municipality's comparative advantages.

A number of the key tourism products within the municipality have not been fully developed or marketed. This is partly due to the areas isolation from key target markets. The aim of developing tourism products and attractions is therefore to make the area a destination and not just a stop-over point en route to another location.

Although product development is not the function of the Senqu Local Municipality, the municipality can create an environment conducive to private sector tourism investment through the identification of opportunities and gaps in the local tourism market.

## 8.5.2 Key Outcomes of the Strategic Pillar

Several key outcomes/targets have been identified for the *Product Development and Transformation* pillar, the implementation of which will be outlined in the following section. These outcomes include:

- A database of tourism related businesses
- Creating a tourism business network
- Creation of unique routes
- Promotion of adventure, nature based and sports tourism

## 8.5.3 Interventions and Projects for the Strategic Pillar

The overall purpose of this strategic pillar is to grow and diversify the tourism products within the municipality, focusing on both existing and emerging products. Furthermore, it aims to broaden the spin-offs of tourism to create local employment and businesses.

**Intervention/Project 1: Develop a database of tourism related businesses**

In order to ensure that businesses, particularly those that are HDI owned, benefit from the expansion of the Senqu tourism industry it is important to have an indication of the number and type of tourism related businesses that operate in the area. This allows the Senqu Local Municipality to establish the tourism multiplier for the local industry, thereby making it possible to establish the full impact of tourism related interventions on the greater economy.

The aim of this intervention is to establish a database of businesses within the municipality that support the tourism industry, identify their locations, output and employment levels. This database should also be incorporated into the Senqu Local Municipality's preferential procurement polices when sourcing tourism related products.

**Intervention/Project 2: Promote tourism networking through LTO and CTO's**

Information about the product offerings available amongst product owners in different areas of the municipality is currently fairly poor. Accordingly, some tourism product owners are unable to direct tourists to attractions and activities that are located in other parts of the municipality.

In order to address this shortcoming, the following intervention seeks to promote greater networking amongst tourism product owners through both the LTO and the CTO's. Specific focus should be on creating awareness amongst product owners about the attractions and activities available in other parts of the municipality.

**Intervention/Project 3: Development of rock art within the municipality**

The Senqu Local Municipality is home to a number of rock art sites which are found throughout the municipality. These rock art sites are both important heritage assets and sacred/religious art forms which means that if they

are to be tourism attractions they must be managed in a highly sensitive manner. Many of the rock art sites are also situated on privately owned land, making access to them difficult. In addition there are dangers associated with allowing unaccompanied tourists onto private land due to the potential for vandalism.

With these considerations in mind, this intervention seeks to:
1. Develop the rock art component currently available in the Barkly East Museum through the expansion of the existing rock art exhibit as detailed in the Joe Gqabi Heritage and Tourism Economic Strategy. Included in this development could be the introduction of replicas of rock art found throughout the municipality.
2. Lobby the Eastern Cape Department of Sports, Recreation, Arts and Cultural for financial assistance to develop and expand the rock art exhibit at the Barkly East Museum.
3. Develop and enforce heritage site management plans for all rock art sites in the municipality to ensure that they are appropriately protected as outlined in the Joe Gqabi Heritage and Tourism Economic Strategy.
4. Protect and invest in the Denorbin rock art site as a matter of urgency.
5. Establish <u>guided and supervised tours</u> to key rock art sites. This should be facilitated by the Barkly East Museum and linked to the museum's permanent rock art exhibit.

Key factors that will need to be considered in the implementation of this project include:

- Ensuring that all <u>tours are accompanied</u> by a professional, experienced tour guide
- Keeping tour groups small (5 people)
- Establishing and maintaining a strong relationship with the land owners on whose land the rock art sites are situated

**Intervention/Project 4: Feasibility study into small scale rail tourism**

The Senqu Local Municipality is one of the three places in the world with eight rail reverses. This route runs between Lady Grey and Barkly East, with the reverses being situated in the New England area. The reestablishment of the entire route is highly improbable given the tourist volumes required to make it economically viable, however a scaled down version could be possible focusing exclusively on the rail reverses component. This scaled down version could include a service car, mountain biking trail or manually powered locomotive. This intervention would take the form of a public-private partnership between the Senqu Local Municipality, Transnet and a private sector operator.

The implementation of this project however will be dependent on the outcome of a feasibility study.

**Intervention/Project 5: Exploration of formalising craft and cultural tourism products**

There are a variety of cultural tourism products throughout the Senqu Local Municipality particularly around the Sterkspruit area. These products are linked to the traditional isiXhosa and Basotho culture of the area and include activities such as dancing and the production of **traditional crafts,** particularly pottery. These activities however occur on a piecemeal basis and are not structured into a formal product.

This intervention seeks to support and group isolated crafters into a formal product offering. Particular emphasis should be placed on linking local crafters with the network of craft hubs in the Eastern Cape. Through this process Senqu crafters will be able to obtain assistance and guidance on the **development of their craft products** as well as be able to access a larger market for their products such as through the Visitor Information Centre. Creating market access for local craters through **linking them with key events** in the municipality as well as the creation of a central craft hub for local crafters should be explored.

**Intervention/Project 6: Provision of political support to the establishment of conservation area**

A considerable deal of research has been conducted into the potential for establishing a grassland conservation area in the Senqu and Elundini Local Municipalities part of which included a detailed feasibility study. Three implementation models were proposed for the conservation area including the establishment of a formal national park. The establishment of a conservation area was found to be feasible with the potential to significantly address the unemployment and poverty within both municipalities. The project has however stalled due to the need for political support and buy-in.

The intention of this intervention is to, in partnership with the Joe Gabi District Municipality, lobby the provincial government to provide funding and political support for the establishment of a conservation area within the Senqu Local Municipality.

**Intervention/Project 7: Expanded development and support to flower and bird routes**

Flower and bird routes are currently operational between Lady Grey and Maclear focusing on the unique alpine flora and fauna found in the area. Both these routes are informally organised by local enthusiast who accompany visitors on these tours acting as guide. Given the informal nature of these routes there is limited marketing and accordingly very little awareness about the routes amongst tourists.

This intervention seeks to promote and expand these routes through the provision of funding for marketing. Funding should also be made available for the development of maps and other material (i.e. list of birds) that could be provided to tourists if they wished to travel the route unaccompanied.

**Intervention/Project 8: Support and expand existing packaged tours**

Packaged tours present tourists with a unique opportunity to experience a particular type of activity or a range of activities in the Senqu Local Municipality. These tour packages can be customised to meet the unique needs, requests or requirements of tourists. Although there are currently some formal packaged tours within the Senqu Local Municipality, scope exists to expand their number and variety. Including HDI establishments within the packaged tour offerings will also assist in the development of these enterprises by expanding their market base. Specific package tours that should be explored include:

- Events
- isiXhosa and Basotho Cultural
- Agritourism

The aim of this intervention is to:

1. Investigate the feasibility of establishing new packaged tours
2. Provide support to existing packaged tours chiefly in the form of awareness creation
3. Include packaged tours as part of overall marketing material
4. Link existing and new tour packages with similar packages in the Kingdom of Lesotho

**Intervention/Project 9: Promote existing events and introduce new events in off season**

There are a range of events offered throughout the year in the Senqu Local Municipality. Most events are well established and receive recurring visitors. These events however are clustered in March, September and November exacerbating existing tourist seasonality. These events also receive little to no municipal funding, making it very difficult to expand beyond their current capacity.

The focus of this intervention is to provide greater investment to annual events through monetary and non-monetary support. This includes providing sponsorships, assisting in sourcing non-municipal funding, promoting the

event and assisting in organisation. Key to the success of this process is running existing and new events in a professional manner such as through the appointment of an experienced events manager.

Key activities included as part of this intervention are:

- Investigating the introduction of new events in Winter and Summer (i.e. *River rafting or canoeing event, 4X4 competition*)
- Accessing funding
- Identifying sponsorship
- Appointing a professional, experienced event planner

## 8.6 Marketing the Destination

### 8.6.1 Purpose and Rationale of Strategic Pillar

The marketing of the Senqu Local Municipality is an essential element to the success of the local tourism industry as it is through this process that brand awareness about the area is created. The marketing of the Senqu Local Municipality has been undertaken in an uncoordinated, fragmented manner which has resulted in a confusion over its tourism brand. The high level of fragmentation has also meant that the Senqu Local Municipal area has received very little exposure in terms of national and provincial tourism marketing.

There is however a degree of tourism marketing undertaken by the municipality, CTO's and private tourism product owners. Current marketing takes the form of internet marketing (there is no dedicated Senqu tourism website), sign boards, brochures (information presented in brochures is not current) and word of mouth. These marketing activities are undertaken by the municipality as well as by individual product owners and CTO's.

Based on the assessment in preceding chapters there is a clear gap in that the tourism products and attributes of the Senqu Local Municipality are not marketed proactively, effectively or in a coordinated manner by either the municipality or product owners (although considerable variation exists amongst product owners).

#### a) Target Markets

Critical to marketing interventions in the Senqu Local Municipality is that they target the correct tourist markets. In terms of tourism, a target market is defined as a segment of the overall tourism market in which the Senqu Local Municipality has a comparative advantage. Tourist market segmentation allows for the identification of a tourist's unique preferences based on their lifestyle, media consumption, interests and mode of booking.

By grouping tourists into market segments it is possible to more effectively targeted individual tourist groupings through marketing campaigns and thereby increase the return on marketing spend. Furthermore, by highlighting these target markets, the responsible tourism plan can determine where scarce resources should be directed in order to achieve maximum efficiency.

Based on the South African *Tourism Marketing Tourism Growth Strategy* (2010) several traditional (United Kingdom, Netherlands, Germany, United States of America) and non-traditional (Brazil, India, China, Japan) markets were identified for targeted marketing.

Demographic market segments conducted by South African Tourism also identified the following <u>international tourist</u> markets segments for targeting:

- **Wanderlusters:** These are young singles or couples between the ages of 25 and 40 years old who have considerable travel experience and are interested in culture, nature and adventure activities.

- **Next Stop South Africa:** These are tourists over the age of 40 years old, who are financially secure, enjoy travelling and typically seek out nature and cultural experiences. This market segment prefers to travel independently or in small groups and expects a high standard of service.

The principal <u>domestic market</u> segmented identified by South African Tourism for targeting was the **youth market.** This market segment comprises tourists who are younger than 35 years old and who enjoy travelling to different provinces for leisure. They plan their holiday well in advance and will take one long holiday once a year with smaller 'mini breaks' throughout the year. The key motives for this market segment to travel include:

- Shopping
- Nightlife
- Beaches

- Sports
- Culture exploring heritage

This market segment, which is seen as having the highest growth potential, prefers to stay with friends and relatives or in self catering and camping facilities. Key constraints faced by this group include affordability while key drivers are stress relief and the opportunity to relax and socialise.

In order to establish the market segmentation of the tourists visiting the Senqu Local Municipality (and subsequently target markets for marketing interventions), a product fit analysis was conducted as illustrated in Table 8.2. Specific market segments considered were as follows:

- **Budget Market:** Those tourists who have limited travelling budgets and prefer to camp, caravan or stay in hostel accommodation.
- **Special Interest:** These are tourists who travel for a special event/festival or an activity that they are especially interested in i.e. bird watching.
- **Adventure/Thrill Seeker:** These are tourists that are attracted to sporting and outdoor activities such as mountain biking, trail running etc.
- **Nature Enthusiast:** This market segment includes tourists who travel for the enjoyment of nature whether passively (enjoying the scenery) or actively (hiking, fly-fishing etc.).
- **Youth Market:** These are tourists younger than 35 years old who enjoy leisure based activities.
- **Family Market:** This market segment comprises couples with children who are price conscious when planning a holiday. They also value accessibility and safety in a destination.
- **Golden Actives:** This market segment comprises active retirees who tend to stay for a longer period of time at a given destination.

**Table 8.2: Product fit analysis for the Senqu Local Municipality**

| Products | Nature Enthusiast | Adventure Seeker | Special Interest | Budget Market | Youth Market | Family Market | Golden Actives | Total |
|---|---|---|---|---|---|---|---|---|
| Heritage/ History | ● | | | ● | | ● | ● | 4 |
| Cultural | | | ● | | ● | ● | ● | 4 |
| Outdoor adventure | ● | ● | | | ● | | | 3 |
| Festivals and Events | ● | ● | ● | | | ● | ● | 5 |
| Nature based | ● | ● | ● | ● | ● | ● | ● | 7 |
| Sports and hobbies | | ● | ● | ● | ● | ● | ● | 6 |
| **Total** | **4** | **4** | **4** | **3** | **4** | **5** | **5** | |

Based on the above assessment the following target markets were identified for the Senqu Local Municipality as identified in Figure 8.2.

**Figure 8.2: Key tourist target markets for the Senqu Local Municipality**
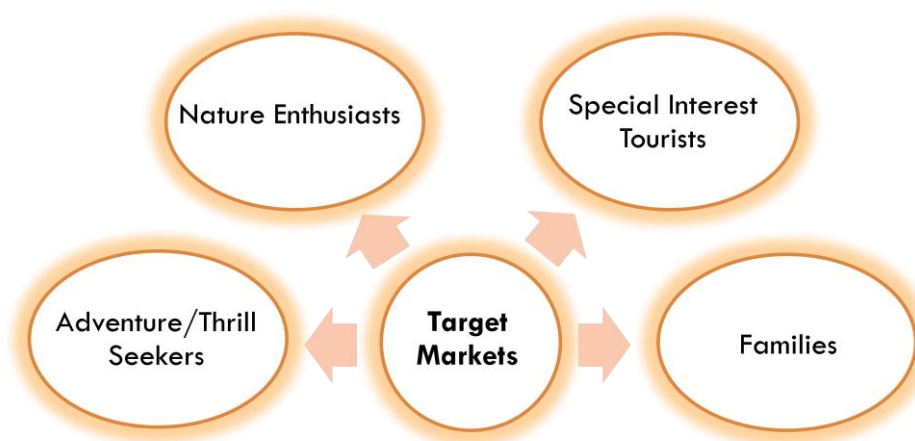


The Senqu Local Municipality has the potential to be an adventure hub given its comparative advantage in nature based activities and its scenic beauty. The Senqu Responsible Tourism Plan should therefore target adventure seekers and nature enthusiasts as part of its marketing strategy. The municipality also has a competitive advantage in unique festivals and sporting events and is subsequently able to attract a number of special interest tourists. Marketing interventions should therefore also target this tourist market through advertising the uniqueness of events in the Senqu Local Municipality.

Families are also seen as a key target market for tourism in the municipality and it is important that the necessary accommodation facilities and activities be developed in order to draw in and cater for this target market. As part of the long term marketing strategy the Senqu Local Municipality should also attempt to attract a greater number of retired couples as this is becoming an increasingly lucrative market segment.

## b) Unique Selling Points

The unique selling points of the area are those factors or attributes that differentiates the Senqu Local Municipality from other destinations. Such unique factors are also more likely to attract tourists who are looking for a distinctive experience. Unique selling points are therefore the attributes that value propositions are built on and the aspects that should be focused on when marketing the destination.

The following unique selling points or iconic products have been identified in the Senqu Local Municipality:



## Natural Environment
- Mountainous and isolated environment
- Fly-fishing
- Alpine flora and fauna

## Adventure Destination
- 4X4 trails
- Mountain biking
- Quad biking

## Iconic Events
- Passion Play
- Salomon Sky Run
- Rhodes Wild Trout Festival

Based on these unique selling points in the municipality, the Senqu destination should position itself as:

An **adventure and outdoor tourism destination** offering an abundance of nature based activities for the adventure and **nature enthusiast** while also providing several **unique events** to meet the interests of **cultural tourists.**

## c) Marketing Strategy

The Ansoff's Matrix defines four strategies that could be pursed to market the Senqu Local Municipality to tourists (see Figure 8.3). This matrix is a tool that can be used to identify objectives for tourism growth and offers strategic choices that could be pursued depending on the type of market or product (existing or new). These strategies are as follows:

**Market Penetration:** This strategy is used when entering a market in which current products already exist. This entails improving competitiveness, innovation and quality. Targeted marketing is used to attract customers away from its competitors, convince non-users to try the product or convince current clients to use the product more.

**Product Development:** Is the strategy used to bring a new product to the market. This strategy involves designing and conceptualising a new product or implementing and redesigning the product to suit the market.

**Market Development:** The market development strategy involves providing the existing product range to new markets. The product therefore remains the same, but it is marketed to a new audience. Market development will require changes to marketing strategy i.e. new distribution channels, different pricing policy, new promotional strategy to attract different types of customers.

**Diversification:** The diversification strategy refers to the marketing of new products to new markets/customers. Diversification involves high risk as both market and product are new and unknown and it requires a long term approach.

**Figure 8.3: Product market growth strategies**



It is recommended that the Senqu Local Municipality pursue a **Market Penetration** marketing strategy, capitalising on existing products within the existing market. This should be achieved through targeted marketing, branding, quality improvements and co-ordination. The tourism products within the Sterkspruit area could be considered to be new products entering an existing market, thus a **Product Development** strategy will need to be followed.

## 8.6.2 Key Outcomes of the Strategic Pillar

Several key outcomes/targets have been identified for the *Marketing the Destination* pillar, the implementation of which will be outlined in the following section. These outcomes include:

- Market the Senqu Local Municipality under the Eastern Cape Highlands Brand
- Ensure the Senqu area is marketed at a provincial level under established brands
- Create marketing linkages with product owners
- Establishment of a Visitor Information Centre

## 8.6.3 Interventions and Projects for the Strategic Pillar

The purpose of this strategic pillar is to ensure that all marketing of the Senqu Local Municipality occurs under the Senqu sub-brand of the Eastern Cape Highlands. It also aims to ensure that existing marketing is targeted and unified.

**Intervention/Project 1: Development of destination marketing material**

It is important for the marketing of the area that tourists can obtain information about the key attractions and products of the destination. This intervention seeks to produce current printed marketing and promotional material for the Senqu Local Municipality, identifying key attractions, activities and products. Part of this printed material should include a tourist map that can provide visitors with a spatial perspective on what tourism options are available to them as well as travelling distances and times between destinations.

It is critical that these brochures are developed with the cooperation and input of the private sector. Once developed these brochures should be made available to individual tourism product owners and to tourists through the VIC. This intervention should also seek to distribute these brochures through established brochures networks (i.e. Brochure Management) to ensure that tourists in other provinces can access information about the area.

Key activities in the implementation of this intervention include:

- Collection of information about the area from product owners to populate brochures
- Printing of brochure with tourist map
- Disseminating brochures to tourists (through VIC and brochure management networks) and individual product owners
- Updating brochures as required to ensure that information remains current

**Intervention/Project 2: Updating and maintaining the Senqu Tourism website and social media**

The internet is a one of the most frequently utilised and effective marketing tools that offers higher rates of return than most other forms of marketing. A well designed website offers international exposure and can be highly effective at reaching a wide range of audiences. The use of social media is also a cost effective and highly visible means of promoting tourism.

As part of the Eastern Cape Highlands brand a website has been developed that focuses on marketing the Joe Gqabi District Municipality as a destination. From this website tourists can access a separate website that provides information about the Senqu Local Municipality (www.senqutourism.co.za). The current website however lacks certain information relevant to a visiting tourist.

The intervention therefore seeks to update this website thereby providing general information on the Senqu destination as well as creating a platform for accommodation and activity owners to advertise. Product owners should also be encouraged to link-up with this new website as well as the Eastern Cape Highlands website. Table 8.3 indicates some of the additional information that should be included as part of the website.

**Table 8.3: Additional information for tourism website**

| Information | Description |
|---|---|
| Senqu Brand | • Slogan: "*Earth meets sky*"<br>• Eastern Cape Highlands Logo and Slogan |
| Description of the Destination | • Photos of attractions, activities, people and the general atmosphere<br>• Special characteristics of trails and routes<br>• News updates on events |
| Details of Activities | • Detailed list of available activities in the area<br>• Itineraries detailing must sees for 3 and 5 day visits to the area<br>• Links to these activities websites if available |
| Promotion of Routes | • Route descriptions<br>• Main attractions along routes |
| Tour Guides Operating in the Area | • Name of tour guides<br>• Contact details |
| Local Events and Functions | • Information about the event<br>• Date, venue and time<br>• Contact information |
| Tourism Maps | • Accurate town maps<br>• Tourist map showing locality, routes and key attractions and activated<br>• GPS coordinates |
| Practical Information | • Directions to attractions<br>• Opening and closing times<br>• Safety information<br>• "What to bring"<br>• Latest road conditions |
| Linkages to Other Websites | • Eastern Cape Highlands<br>• Individual town websites<br>• Maloti Drakensberg Route |

A Facebook page should also be developed and targeted at the promotion of upcoming events as well as the various tourism products available within the area. The Facebook page should also contain links to industry associations (LTO and CTO's), suppliers, promotion agencies and niche sporting magazines.

The various components of this intervention are outline below:

- Allocate budget and appoint service provides to maintain and update website
- Develop linkages between the Senqu Local Municipality's tourism website and other websites (Eastern Cape Highlands, Maloti Drakensberg Route, product owners etc.)
- Update information of website periodically to various details current
- Develop a social networking component (Facebook, Twitter)

**Intervention/Project 3: Develop an events calendar to be included as part of the destination marketing material**

An up-to-date events calendar that provides tourists with information about all the events happening in the Senqu Local Municipality within a given year is a useful marketing tool. Such a calendar indicates to tourists who are currently in the municipality how to find an event to attend or it can assist tourists to plan their visit so that it coincides with a certain event. The main actions which are required in order to develop an events calendar are:

- Conduct an audit of all events in the municipality
- Develop the calendar and place it in tourism brochures, maps, websites and local newspapers

- Update calendar with dates and venues for events

**Intervention/Project 4: Conduct a marketing drive that targets key tourist segments**

There is very limited marketing currently being undertaken to attract specific target markets to the areas thus a focused effort is required to ensure that the Senqu destination re-establishes brand awareness amongst tourist markets and tour operators. This marketing drive should initially focus on the promotion of the municipality's key events but expand to include all tourist product offerings. Techniques that could be used to increase brand awareness of the area include:

- Hosting journalists of travel/lifestyle magazines to the Senqu Local Municipality
- Inviting the media to cover events e.g. SABC, Supersport
- Promote upcoming sporting events at similar races or events i.e. Cape Epic
- Partnering with local societies and associations around publicity, marshalling and support
- Partnering with Backpacker South Africa to provide advice on attracting cost conscious tourists to events
- Advertise the Senqu Flower and Bird routes as part of the various events
- Attend indabas and trade shows with representatives from both the public and private sector

Through increased promotion of events, other key tourist attractions and activities within the area can be promoted.

Key activities that should form part of this intervention include:

- Establishing a relationship between Senqu Local Municipality and representatives from other Eastern Cape destinations to investigate success factors to attracting niche tourist markets
- Developing relationships with industry associations
- Advertising products to niche markets through specialised tours, routes and events
- Investigating the holding of new events

# 8.7 Collaborative Institutional Functioning

## 8.7.1 Purpose and Rationale of Strategic Pillar

Collaborative institutional functioning seeks to strengthen the institutional capacity of the Senqu Local Municipality to implement tourism intervention while also capacitating individuals so that they can assist in the successful functioning of the local tourism industry. The overall intention of this strategic pillar is to ensure that all individuals within the local tourism industry have the capacity to perform their functions efficiently and effectively.

The main aspects of collaborative institutional functioning are:

- Creating awareness of the impacts, benefits and responsibilities associated with growing the local tourism industry
- Skills training amongst all role-players in the tourism industry
- Development of a culture of service excellence amongst all tourism product owners
- Tourism destination management capacity

These aspects will act as a guide to the various interventions and projects proposed as part of the Collaborative Institutional Functioning pillar.

## 8.7.2 Key Outcomes of the Strategic Pillar

Several key outcomes/targets have been identified for the *Collaborative Institutional Functioning* pillar, the implementation of which will be outlined in the following section. These outcomes include:

- A well functioning LTO
- A constructive environment with regular communication between all tourism role-players
- A community that is well informed about the tourism industry
- Fostering tourism skills management amongst product owners and staff

## 8.7.3 Interventions and Projects for the Strategic Pillar

The overall purpose of this strategic pillar is to rationalise responsibilities and promote targeted and effective institutions thereby providing individuals working in the tourism industry with the capacity to perform their tasks more efficiently and effectively.

**Intervention/Project 1: Build municipal tourism capacity through site visits**

The Senqu Local Municipality, particularly its political office bearers, require a greater level of understanding and market knowledge about the importance of the tourism industry. There is also little understanding of the tourism products available within the municipality as well as the important role that the tourism industry plays in the local economy amongst political office bearers.

This intervention aims to strengthen the capacity of municipal officials through both formal tourism training as well as through visits to key tourist attractions and activities throughout the municipality. Key components of this intervention include:

- An assessment of tourism skills base amongst municipal and political office bearers
- Training of officials in various aspects of the tourism industry
- Private sector guided site visits to key attractions within the municipality

**Intervention/Project 2: Strengthening and capacitation of LTO and CTO's**

The Senqu Local Municipality benefits from having five operational CTO's as well as a LTO. These organisations serve a critical role in the local tourism industry as they act as a platform through which key issues that affect the tourism industry can be addressed. Greater communication between all stakeholders will also allow for greater credibility, accountability and transparency in the tourism development process. Both the LTO and the CTO's also play an important role in the marketing of the municipality as a destination.

This intervention seeks to improve the capacity of the LTO and CTO's to implement tourism activities and interventions through the regular allocation of funding. Funding allocations should however be based on a budget that has been approved by the members of the LTO or CTO. Ongoing needs assessment should be conducted by the Senqu Local Municipality to establish the specific requirements (financial and non-financial) of the LTO and CTO's.

In addition, the success of both the LTO and the CTO's is dependent on municipal representation at each of the meetings. This allows tourism product owners to bring specific issues that need to be addressed to the attention of municipal officials for rectification.

**Intervention/Project 3: Mentorship programme for emerging product owners**

An effective method of developing entrepreneurs in the tourism industry is through the provision of on the job training by means of a mentoring programme. The mentoring of new entrepreneurs is seen as a key opportunity

for experimental learning and skills development. The Senqu Local Municipality should facilitate a communication platform between emerging and established product owners which will assist in encouraging the development of a mentoring programme.

As part of this intervention regular meetings should be held between emerging tourism product owners and mentors where the two parties can exchange ideas, lessons learnt and advice. Study tours where emerging products owners in the Senqu Local Municipality visit established products should also be explored.

Key activities that should form part of this intervention include:

- Developing a list of mentoring needs
- Indentifying and encouraging emerging and established product owners to participate
- Develop a programme of mentorship including talks, site visits, study tours etc.

**Intervention/Project 4: Training and customer service programme for tourism employees**

A tourist's experience of an area is heavily dependent on the nature and quality of service that they receive. It is therefore important that tourism employees have the necessary skills and expertise to make the tourist's experience memorable and positive. The presence of such skills amongst employees also has a direct bearing on the level of professionalism within the industry.

Although most training is conducted "in-house" by individual product owners, a clear need has been identified to equip employees with certain skills such as hospitality, food management, first aid etc. In many cases the costs associated with providing these skills to employees is considered to be an expense by product owners. This intervention seeks to partner with individual product owners and training institutions to provide co-funding and other support to equip employees with the necessary tourism related skills. This could be achieved through bringing trainers to the area.

**Intervention/Project 5: Community tourism awareness programme**

Community tourism awareness programmes are required in the Senqu Local Municipality to educate local communities about basic tourist needs and encourage their involvement in tourism projects.

This intervention aims to create and promote a friendly, welcoming environment for tourists who travel to the area as well as create an understanding amongst the local community about the tourism industry, its impacts and the role they play in a tourist visit. Components that should form part of this awareness programme include:

- The importance of being friendly and welcoming to visiting tourists
- Knowledge of local tourist activities and attractions
- Key role-players in the local industry
- How the tourism industry fits into the broader economy
- Environmental management principles including town beautification and cleanliness

The main actions required in order to success implement a tourism awareness programme for all people within the Senqu Local Municipality are:

- Hold workshops that raise awareness on the impacts of tourism
- Awareness programme targeting frontline staff in the service industry (e.g. petrol attendants, shop attendants)
- Community awareness workshops

**Intervention/Project 6: Establish a Visitor Information Centre (VIC) and provide training to staff**

Visitor Information Centres are key sources of information for tourists travelling within the municipality as well as tourists who want to travel to the municipality and need some information regarding tourism products in the area. It is essential that the VIC is well maintained and contains the necessary information in order to be informative, and is adequately staffed. The VIC also provides a marketing functioning because tourists visiting the centre or contacting the centre can be provided with information about tourism products within the Senqu Local Municipality.

It is vital that the frontline staff positioned at the VIC are properly trained. This will enable them to perform their function efficiently and effectively, act as a source of information to tourists and be a marketing tool for the municipality.
Key outcomes of this intervention are to:

- Establish a VIC in the Senqu Local Municipality
- Provide the VIC with the necessary resources e.g. brochures, maps etc.
- Train a staff member to operate the VIC

## 8.8 Monitoring and Understanding the Tourism Economy

### 8.7.1 Purpose and Rationale of Strategic Pillar

Providing role-players in the tourism industry, such as product owners and tourism officials, with reliable up-to-date data and research on the dynamics of the tourism industry, greatly assists these individuals in making informed business and governance decisions. The availability of such tourism information is imperative to the overall planning process due to its ability to inform the extent and nature of a particular intervention.

This strategic pillar therefore seeks to generate regular tourism statistics so as to inform both the planning of the public and private sectors.

### 8.7.2 Key Outcomes of the Strategic Pillar

Several key outcomes/targets have been identified for the *Monitoring and Understanding the Tourism Economy* pillar, the implementation of which will be outlined in the following section. These outcomes include:

- A standardised tourist and tourism product owners statistical collection tool
- Regularly conducted tourism surveys
- Understanding the tourist activities available in the Senqu Local Municipality

### 8.7.3 Interventions and Projects for the Strategic Pillar

The overall purpose of this strategic pillar is to undertake market research to ensure that planning decisions are undertaken based on accurate, reliable and current market information.

**Intervention/Project 1: Undertake regular tourism data collection via surveys**

As part of the Eastern Cape Highlands brand development process a statistical collection tool has been developed for product owners whereby they would be required to submit information about tourist's visiting their establishments on a monthly basis. This information relates to:

- Average occupancy rates
- Percentage of domestic and international tourists

- Tourist source market
- Average length of stay

This intervention seeks to allocate funding to facilitate the implementation of this survey on a monthly basis as well as to develop a system to capture and store the information. Critical to this process is ensuring transparency and allowing individual product owners to access the aggregated results of the surveys. Furthermore the surveys should be updated periodically to ensure that they incorporate the relevant information required by the Senqu Local Municipality for its planning activities.

Key components that should be incorporated into the survey that are not currently reflected include:

- **Average spend by tourists within the municipality.** This will make it possible to establish the full economic impact of the tourism industry on the greater economy.
- **Activities undertaken by tourists when visiting the municipality.** This will aid the municipality in guiding investment spend as well as assist in identifying tourism products that should receive further development.

**Intervention/Project 2: Impact assessment for tourism projects**

Understanding the full impact of tourism interventions on employment creation and economic output (GDP) is important as it allows tourism officials to establish how successful certain types of interventions are and what the overall impact of these interventions are on the greater economy. It also allows the Senqu Local Municipality to establish the extent to which they are meeting their job creation targets.

The aim of this intervention is therefore to:

- Identify key tourism related project that have been implemented in the last 10 years
- Establish the economic impact of these projects thereby establishing baseline data
- Conduct economic impact assessments of projects implemented as part of the Senqu Responsible Tourism Plan

**Intervention/Project 3: Creation of an activities database**

One of the key aspects relating to the development of the Senqu tourism industry is the creation of an up-to-date tourism activities database. It is important that the database is maintained and updated on a regular basis. This can be achieved as part of the tourism data collection tool where tourism product owners are required to submit details of the activities they conduct on a regular basis.

By being able to access this information, the municipality will be able to identify the location and type of activities available in the municipality. Individual product owners will also be able to utilise the database and thereby be able to recommend activities in other areas of the municipality to tourists.

The main components which are needed in order to maintain the activities database are:

- Periodically collect information from product owners in order to update the database
- Provide tourism product owners with access to the database

## 8.9 Conclusion

The Tourism Marketing and Development Plan chapter has outlined the various key interventions and projects proposed as part of the Responsible Senqu Tourism Plan. These interventions and projects were identified under five strategic pillars namely:

- Infrastructure support base
- Product development and transformation
- Marketing the destination
- Collaborative institutional functioning
- Monitoring and understanding the tourism economy

The following chapter will provide implementation guidelines for the interventions and projects outlined in this chapter.

# Chapter 9: Implementation Plan

The implementation plan has been aligned to the structure of the previous chapters and to the systems approach that has been adopted throughout the report. The implementation plan considers each component of the tourism system based on the focus areas identified. These implementation areas are both specific to particular strategic pillars as well as general, such as improvements to the environment, infrastructure, security etc.

The key stakeholders expected to take this Responsible Tourism Plan forward are the Senqu Local Municipality, particularly the tourism office, the LTO and CTO's as well as other implementation partners such as the Joe Gqabi District Municipality, ECPTA and DEDEAT. It is also recommended that the tourism plan be incorporated into the district and regional planning for the region.

## 9.1 Institutional Structure

Institutional arrangements are fundamentally important to ensuring the successful coordination, implementation, management and monitoring of interventions that support investment in the tourism industry. Certain structures, networks and organisational arrangements therefore need to be established. Figure 9.1 describes the existing relationships between major role-players in the Senqu tourism industry. It should be noted that solid lines indicate an established, formal relationship while broken lines indicate an informal relationship.

**Figure 9.1: Institutional relationship structure in the Senqu Local Municipality**



## 9.1.1 Provincial Level

At a provincial level the institutional framework comprises the MEC for Economic Development and Environmental Affairs, the Eastern Cape Parks and Tourism Agency (ECPTA) and the Eastern Cape Department of Economic Development, Environmental Affairs and Tourism. Their roles and responsibilities with respect to the development of the tourism industry are outlined in Table 9.1 below.

**Table 9.1: Provincial roles and responsibilities**

| Provincial Structure | Roles and Responsibilities |
|---|---|
| MEC | • Provide strategic political direction for tourism development in the province<br>• Engage regularly with representatives of the provincial tourism industry |
| DEDEAT | • Establish a safe and stable political environment for tourism to flourish<br>• Facilitate and provide appropriate incentives for private sector investment<br>• Allocate appropriate financial resources for tourism development<br>• Coordinate and liaise with the private sector<br>• Regulate and monitor development proposals to facilitate sustainable utilisation of natural and cultural resources<br>• Facilitate the sustainable and responsible development of the tourism industry<br>• Establish and maintain standards of facilities and services<br>• Promote the equitable development of all destinations with tourism potential, regardless of the extent of such potential<br>• Promote the involvement of communities at appropriate levels of tourism activity<br>• Promote the spread of responsible tourism |
| ECPTA | • Facilitate strategic leadership in tourism through the development of the necessary strategic perspectives<br>• Promote innovation and best practice in relation to tourism<br>• Undertake infrastructure management in the protected areas<br>• Market, promote and develop tourism in the Eastern Cape<br>• Promote socio-economic growth and transformation within the biodiversity management sector and tourism industry, thereby creating economic and employment opportunities for previously disadvantaged individuals and local communities in the Eastern Cape<br>• Facilitate the promotion of investment in the tourism industry |

In addition to the roles and responsibilities highlighted in Table 9.1, the provincial government, through the ECPTA, has the responsibility to market and promote the Eastern Cape as a destination. In practice, as in many other countries, the provincial government should have the responsibility of marketing the province to the domestic market. The provincial government should also play a more prominent role in tourism development activities. This includes greater involvement of local communities, environmental management, safety and security of visitors, tourism product development, infrastructure provision etc.

## 9.1.2 District Level

The district level tourism industry comprises the Joe Gqabi District Municipality's tourism unit, the district tourism forum and the district's Destination Marketing Organisation (Eastern Cape Highlands) that will be responsible for marketing the district area. Another important stakeholder of the district's tourism industry is the Joe Gqabi District Municipality's Economic Development Agency (JoGEDA), and specifically the section which focuses on tourism. The responsibilities in respect to tourism growth and development of the above mentioned institutions and organisations are described in the following sections.

### a) JGDM Tourism Unit

The Joe Gqabi District Municipality's tourism unit is responsible for the development of an enabling environment for tourism development as specified in the Constitution and other key documents relating to the role of local government in tourism development. Specific responsibilities of the district tourism unit include;

- Managing all tourism stakeholders within the district
- Investment attraction for tourism development
- Facilitation of, and lobbying for, infrastructure development
- Facilitation of, and sourcing of, funding for human resource development

- Facilitation of, and lobbying for, safety and security of tourists within the district
- Creation of an enabling environment for tourism development
- Marketing of the area in conjunction with the District Tourism Organisation (Eastern Cape Highlands)
- Provision of tourism in conjunction with the District Tourism Organisation

The primary roles of the district tourism unit are therefore to manage, market and grow the tourism industry within the Joe Gqabi District Municipality, thereby contributing to the economic development of the district's economy.

The Joe Gqabi District Municipality tourism unit plays an important role in the development of the Senqu Local Municipality's tourism industry through:

- Assisting in the coordination of large scale tourism interventions in the Senqu Local Municipality
- The provisions and facilitation of tourism infrastructure development
- Providing funding and/or assisting with the provision of funds for tourism development projects
- Improving the capacity of Senqu municipal offices as well as other stakeholders involved in the tourism industry
- Helping develop unique products in the Senqu Local Municipality
- Providing strategic planning and support

### b) Destination Marketing Organisation (Eastern Cape Highlands)

The Joe Gqabi Destination Marketing Organisation (Eastern Cape Highlands) is the vehicle through which the development and marketing of the district tourism industry occurs. The primary role of the Destination Marketing Organisation is therefore to market and publicise the Joe Gqabi District Municipality as a tourism destination under the Eastern Cape Highlands brand. The Destination Marketing Organisation is also responsible for providing guidance on specific interventions required to encourage tourism growth in the district.

The Joe Gqabi Destination Marketing Organisation plays an integral role in the development of the Senqu Local Municipality's tourism industry particularly in terms of marketing. As the implementer of the Eastern Cape Highlands brand, the Joe Gqabi Destination Marketing Organisation will be responsible for assisting in developing marketing material for the municipality as well as advertising key attractions within the Senqu Local Municipality. The organisation will also be responsible for facilitating collection of tourism statistics through the VIC.

### c) District Tourism Forum

The District Tourism Forum acts as a platform for private sector stakeholders in the tourism industry to engage with one another as well as with the district municipality. The responsibility of the District Tourism Forum is to market the tourism products within the district in conjunction with the Joe Gabi Destination Marketing Organisation.

As in the case of the Joe Gqabi Destination Marketing Organisation, the District Tourism Forum, will assist the Senqu Local Municipality in marketing the area while also acting as a platform between private sector tourism role-players and the district municipality.

## 9.1.3 Local Level

The local level tourism industry comprises those organisations operating within the Senqu Local Municipality and includes the municipality itself, the proposed Visitor Information Centre (VIC), the Senqu LTO as well as the five Community Tourism Organisations (CTO's). As part of this section **key recommendations are proposed** to the existing institutional structure of the Senqu Local Municipality. These recommendations relate to:

- Proposed budgets for the Senqu Tourism Unit, LTO and CTO's
- Formalisation of the Senqu LTO structure

**Figure 9.2: Proposed roles and responsibilities for Senqu Local Municipality**

| SENQU LOCAL MUNICIPALITY | SENQU LTO | CTO's |
|---|---|---|
| Tourism Officer | Board of Directors | Voluntary Members |
| VIC Information Officer | Voluntary Members | |
| **Roles and Responsibilities** | **Roles and Responsibilities** | **Roles and Responsibilities** |
| ➢ Destination Marketing of Senqu Brand<br>➢ Partnership Development<br>➢ SMME Development | ➢ Events Marketing<br>➢ Networking<br>➢ Market Intelligence and Research | ➢ Local Coordination<br>➢ Local Product Owner Marketing<br>➢ Local Tourism Websites |

## a) Senqu Tourism Unit and VIC

*Human Resources*

At present the Senqu tourism unit is situated in the Planning, Monitoring and Evaluation Directorate and is staffed by one staff member. Although the unit comprises one person, the tourism officer is supported by a LED Coordinator as well as a SMME Development Fieldworker and Poverty Alleviation Fieldworker. Given the financial capacity of the municipality it is recommended that this **human resources structure be retained** over the medium term, with provision being made for the training/appointment of a tourism information officer to staff the VIC over the medium term.

*Roles and Responsibilities*

The responsibilities of the Senqu Local Municipality with respect to tourism development are identified as follows:

- Provision and maintenance of tourist services, sites, attractions, recreational facilities (parks, historical buildings, sports facilities, theatres, museums, etc.) and public services
- Marketing and promotion of specific local attractions
- Creation of an enabling environment for local tourism related businesses through efficient and effective service and infrastructure delivery
- Conduct spatial planning in support of tourism and allocate land and infrastructure for tourism development
- Facilitate the participation of local communities in the tourism industry
- Upgrading and maintenance of the road infrastructure within towns
- Ensuring adequate service provision to tourism product owners (water, sewerage, waste management)
- Network with key sectors and role players to create partnerships and projects
- Ensuring integrated development planning for the local area
- Establish an LTO and provide financial support to the LTO for tourism development
- Assist the LTO in implementing the provincial registration and minimum standards
- Allocate funding to the promotion of the Senqu sub-brand of the Eastern Cape Highlands
- Apply the principles of NEMA for the lifespan of the tourism projects, as all municipalities have a 'duty of care'.

*Budget*

The Senqu Tourism Unit has been allocated a budget of approximately R 600 000 for the 2012/2013 financial year of which approximately 17 percent has been allocated towards tourism heritage projects within the municipality. This budget is currently sufficient to meet existing tourism requirements within the Senqu Local Municipality however with the implementation of the Responsible Tourism Plan additional financial resources will be required to ensure the successful implementation of the proposed interventions and projects.

Table 9.2 illustrates a proposed budget for the implementation of the Senqu Responsible Tourism Plan over the next three years. The table highlights the aggregated costs of each of the identified strategic pillars. It should be noted that these expected costs are an estimation of what the proposed interventions will cost to implement and are purely indicative.

It is also important to note that for some actions it is not possible to estimate a cost and thus the budget amount for the action is marked as "To Be Determined (TBD)". For the most part, a significant portion of the intervention's costs will be carried by other stakeholders.

**Table 9.2: Proposed Senqu Tourism Unit budget[1]**

| Budget Items | 2012/13 | 2013/14 | 2014/15 |
|---|---|---|---|
| *Income* | | | |
| Municipal Allocation | R 600 000 | R 690 000 | R 795 000 |
| **Total Income** | **R 600 000** | **R 690 000** | **R 795 000** |
| *Expenditure* | | | |
| LTO Allocation | R 300 000 | R 345 000 | R 396 800 |
| CTO Allocation | R 125 000 | R 143 750 | R 165 400 |
| Signage | R 50 000 | R 57 500 | R 66 200 |
| Other infrastructure (i.e. picnic sites, viewing points)[2] | R 20 000 | R 23 000 | R 26 800 |
| Database development | R 20 000 | R 23 000 | R 26 800 |
| Website design, development & maintenance | R 40 000 | R 46 000 | R 53 100 |
| Training and workshops | R 30 000 | R 34 500 | R 39 900 |
| Survey data collection | R 15 000 | R 17 250 | R 20 000 |
| **Total Expenditure** | **R 600 000** | **R 747 500** | **R 795 000** |

As part of the budgetary cycle the various interventions proposed in the Senqu Responsible Tourism Plan should be prioritised based on an annual needs assessment conducted by the Senqu Local Municipality and various stakeholders in the local tourism industry. Special consideration should however be given to the interventions proposed under the *Marketing the Destination* strategic pillar.

In addition, an **ad-hoc allocations of R 70 000** should be made available each year as part of the overall municipal budget to assist in the funding and marketing of key local events. Event organisers should be required to submit a business plan to the Senqu Local Municipality to motivate for accessing this funding. Beyond the 2014/15 financial year an allocation of **R 200 000** should be set aside to fund ad-hoc feasibility studies.

As part of the proposed budget illustrated in Table 9.2 no allocation has been made to the VIC. It is assumed that the VIC setup cost will be borne by the Senqu Local Municipality from funds obtained for the Eastern Cape Highlands budget and accordingly will not come out of the tourism budget. Likewise staffing costs should be borne by the municipality and not the tourism unit. Marketing and advertising material that will be made available through the VIC however will be developed out of the tourism unit's budget.

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[1] Staffing costs for the Tourism Officer and the Tourism Information Officer that will be staffing the VIC are not considered as part of this budget.
[2] Major infrastructure upgrading (i.e. upgrading of roads, grading gravel roads etc.) should be funded by the JGDM and Senqu Technical Services Directorate with the support of the Provincial Department of Roads and Public Works.

## b) Senqu LTO

Although the Senqu LTO is currently in operation it is proposed that its structure be formalised through the creation of a municipal entity. The Municipal Systems Act enables the Senqu Local Municipality to create a municipal entity to promote and market the area as a tourism destination within certain parameters as illustrated if Figure 9.3

A municipal entity is a potential mechanism to be used by the Senqu Local Municipality to deliver services to the community. As such, it is effectively an organ of state and needs to follow all legislative frameworks applicable to municipalities. The entity is therefore accountable to the municipality which established it and a service delivery agreement must be established to set out performance objectives.

In terms of legislation, the two key acts which determine the establishment and operation of a municipal entity are:

- Municipal Systems Act [No. 32 of 2000]
- Municipal Finance Management Act [No. 56 of 2003]

**Figure 9.3: Section 82 of the Municipal Systems Act No. 32 of 2000**

Municipal entities

82. (1) If a municipality intends to provide a municipal service in the municipality through a service delivery agreement with a municipal entity, it may—

   (a) alone or together with another municipality, establish in terms of applicable national or provincial legislation a company. co-operative, trust, fund or other corporate entity to provide that municipal service as a municipal entity under the ownership control of that municipality or those municipalities;   5

   (b) alone or together with another municipality, acquire ownership control in any existing company, co-operative, trust, fund or other corporate entity which as its main business intends to provide that municipal service in terms of a service delivery agreement with the municipality: or   10

   (c) establish in terms of subsection (2) a service utility to provide that municipal service.

(2)(a) A municipality establishes a service utility in terms of subsection ( I )(c) by passing a by-law establishing and regulating the functioning and control of the service utility.   15

(b) A service utility is a separate juristic person.

(c) The municipality which established the service utility must exercise ownership control over it in terms of its by-laws.

There are a number of steps that need to be followed when establishing a municipal entity as laid out in the Municipal Systems and Municipal Finance Management Acts. A summary of the relevant sections of the acts as well as their implications is listed below.

**Summary of Section 93B: Municipal Systems Act**

**Parent Municipalities having sole control**

This section states that the parent municipality must: "ensure that annual performance objectives and indicators for the municipal entity are established by agreement with the municipal entity and included in the municipal entity's multi-year business plan in accordance with section 87(5)(d) of the Municipal Finance Management Act"

**Summary of Section 84: Municipal Financial Management Act**

**Establishment of a Municipal Entity: Financial Implications**

When considering the establishment of an entity, the municipality has to:

1. Determine the exact function that the entity would perform on behalf of the municipality
2. Assess the impact that the shifting of the function to the entity would have on the municipality (a number of factors to assess)
3. The municipal manager has to, at least 90 days before the council meeting to approve the establishment of the entity:
   - Make a public information statement about the establishment of the entity with the assessment of the impact that this will have
   - Invite the local community, organised labour and other stakeholders to submit comments in this regard
   - Solicit recommendations of national treasury and the MEC for Local Government in the province

All such recommendations need to be considered by the council before agreeing to the establishment of the entity.

The municipality needs to **demonstrate** that these specific functions can be better performed by the municipal entity than internally. In the case of a local tourism development and marketing entity, this is demonstrated by best practice in that most municipalities outsource this function. Furthermore, the relevant tourism acts state that it is a role of local government to establish and financially support the establishment of local publicity associations.

It is therefore recommended that the Senqu LTO be established as a municipal entity by the Senqu Local Municipality in the format of a service utility. This entity would be responsible for performing the marketing and publicity functions of the municipality. The Senqu Local Municipality should be a majority shareholder in the entity, with the private sector contributing through membership fees. A board of directors will be required and should exclusively comprise members of the local tourism industry – ideally a single director from each of the five areas in the municipality. Non-participating observers from the Senqu Local Municipality should however attend each meeting.

*Roles and Responsibilities*

The responsibilities of the Senqu LTO with respect to tourism development are identified as follows:

- Market the Senqu area as a destination for tourists through the production of marketing material and attendance at trade shows
- Conduct regular research about the local tourism industry to inform municipal tourism interventions
- Provide support and strategic guidance to the Senqu Local Municipality in the implementation of the Senqu Responsible Tourism Plan
- Create a platform of networking and collaboration between tourism products owners and between the Senqu Local Municipality and tourism product owner

*Budget*

As a municipal entity it is recommended that the Senqu Local Municipality fund most of the operational costs associated with the running of the Senqu LTO, through a Service Level Agreement, based on the fact that the entity will be carrying out a municipal responsibility namely to:

"Promote and financially support the establishment of local publicity associations/community tourism and marketing organisations to facilitate, market, coordinate and administer tourism initiatives."

Due to the fact that such marketing will assist with the marketing and growth of private sector tourism products, it is recommended that some of the operational and marketing budget be covered through funding from the private sector. Three mechanisms by which funds can be raised from the private sector for the Senqu LTO are:

- **Membership subscriptions:** All tourism product owners would be required to pay a monthly subscription fee towards the Senqu LTO.

- **Event fees:** A portion of the entrance fees/ticket prices of key events within the Senqu Local Municipality should be allocated to the Senqu LTO.

- **Grant funding:** The LTO will be able to able to approach the Joe Gqabi District Tourism Office as well as the Eastern Cape Highlands to access funding for high impact interventions.

A proposed budget for the first three years of the Senqu LTO is illustrated in Table 9.3.

**Table 9.3: Proposed Senqu LTO budget**

| Budget Items | 2012/13 | | 2013/14 | 2014/15 |
|---|---|---|---|---|
| *Income* | | | | |
| Municipal Allocation | R 300 000 | 81% | R 345 000 | R 400 000 |
| Membership subscription | R 60 000 | 16% | R 69 000 | R 79 350 |
| Event fees | R 10 000 | 3% | R 11500 | R 13 250 |
| **Total Income** | **R 370 000** | **100%** | **R 425 500** | **R 492 600** |
| *Expenditure* | | | | |
| Administrative costs | R 15 000 | 4% | R 17 250 | R 20 400 |
| Brochure development and distribution | R 150 000 | 41% | R 172 500 | R 198 900 |
| Signage | R 25 000 | 7% | R 28 750 | R 33 600 |
| Travel | R 60 000 | 16% | R 69 000 | R 79 900 |
| Internet (Direct Marketing) | R 100 000 | 27% | R 115 000 | R 132 800 |
| Trade and consumer shows | R 20 000 | 5% | R 23 000 | R 27 000 |
| **Total Expenditure** | **R 370 000** | **100%** | **R 425 500** | **R 492 600** |

Although the Senqu LTO will primarily be responsible for the marketing of the Senqu Local Municipality it is recommended that a experienced marketing company be appointed (from funds made available by the municipality) to assist the LTO in driving the Senqu sub-brand developed as part of the Eastern Cape Highlands brand.

> **It is strongly recommended that a full business plan be developed for the operation of the Senqu LTO. This will enable outside funding and encourage the LTO to operate on business principles.**

## c) Senqu CTO's

The Senqu Local Municipality currently has five functional CTO's in operation, one in each of the five towns/areas in the municipality. These structures are well functioning however lack sufficient funding to successfully implement their objectives. Although these structures are well functioning they lack a formal relationship with either the Senqu LTO or the Senqu Local Municipality. It is therefore recommended that a formal Memorandum of Understanding (MOU) be developed between the Senqu Local Municipality, LTO and the CTO's. This MOU should outline each organisations responsibility in terms of tourism development thereby preventing the overlap of responsibilities. Furthermore, the MOU will help to mange expectations from the private sector as it will clearly set out the responsibilities of the Senqu Local Municipality.

*Roles and Responsibilities*

The responsibilities of each of the CTO's with respect to tourism development are:

- Market the CTO's area through the production of marketing material
- Support the activities of the Senqu Local Municipality's tourism unit and the Senqu LTO

*Budget*

Community Tourism Organisations in the Senqu area currently receive no funding from the Senqu Local Municipality and are reliant on their own funds to operate. This places considerable pressure on the operations of these organisations and significantly limits their ability to conduct adequate tourism development and/or marketing in their respective areas. It is therefore recommended that the Senqu Local Municipality allocate funding to these organisations on an annual basis. A proposed budget for the CTO's is illustrated in Table 9.4

**Table 9.4: Proposed Senqu CTO budget**

| Budget Items | 2012/13 | 2013/14 | 2014/15 |
|---|---|---|---|
| *Income* | | | |
| Municipal Allocation | R 25 000 | R 28 750 | R 33 063 |
| Own funding | R 2 500 | R 2 875 | R 3 306 |
| **Total Income** | **R 27 500** | **R 31 625** | **R 36 369** |
| | | | |
| **Budget Items** | **2012/13** | **2013/14** | **2014/15** |
| *Expenditure* | | | |
| Administrative costs | R 3 200 | R 3 680 | R 4 232 |
| Brochure development and distribution | R 13 000 | R 14 950 | R 17 193 |
| Signage | R 5 000 | R 5 750 | R 6 613 |
| Travel | R 3 000 | R 3 450 | R 3 970 |
| Internet (Direct Marketing) | R 3 000 | R 3 450 | R 3 968 |
| **Total Expenditure** | **R 27 200** | **R 31 280** | **R 35 976** |

It is important to note that the CTO will operate in conjunction with the LTO and the Senqu Local Municipality and accordingly will be able to access additional funding through these organisations. Additional funding for marketing – one of the principal roles of the CTO – will also be available as part of the *Marketing the Destination* Strategic Pillar, a line item in the Senqu Local Municipality's proposed tourism unit's budget.

## 9.2 Implementation Framework

As part of the implementation framework it is important to consider the potential impact of an intervention or project, especially on the natural environment. In addition to an intervention's environmental impact there are a number of other principles that need to be considered when an interventions/project is implemented. Some of these are highlighted below:

- **Feasibility**
  Feasibility studies should be undertaken for a specific intervention as required. These feasibility studies should include an economic, financial, technical and environmental feasibility component which assesses the impact the proposed tourism intervention will have on the entire tourism environment. The environmental feasibility assessment will have a direct bearing on the overall sustainability of the intervention.

- **Legal Compliance**
  As part of the implementation process it will also be necessary to ensure that the required permitting process is undertaken prior to the implementation of the intervention. This is particularly important with

regard to interventions that comprise a construction component. This permitting process may be required in terms of several pieces of legislation including: NEMA, DWA, NHRA and NEMWA.

- **Community Involvement**
  Involving and engaging with the community that will be affected by the tourism intervention is essential to ensure their buy-in and to establish formal working relationships.
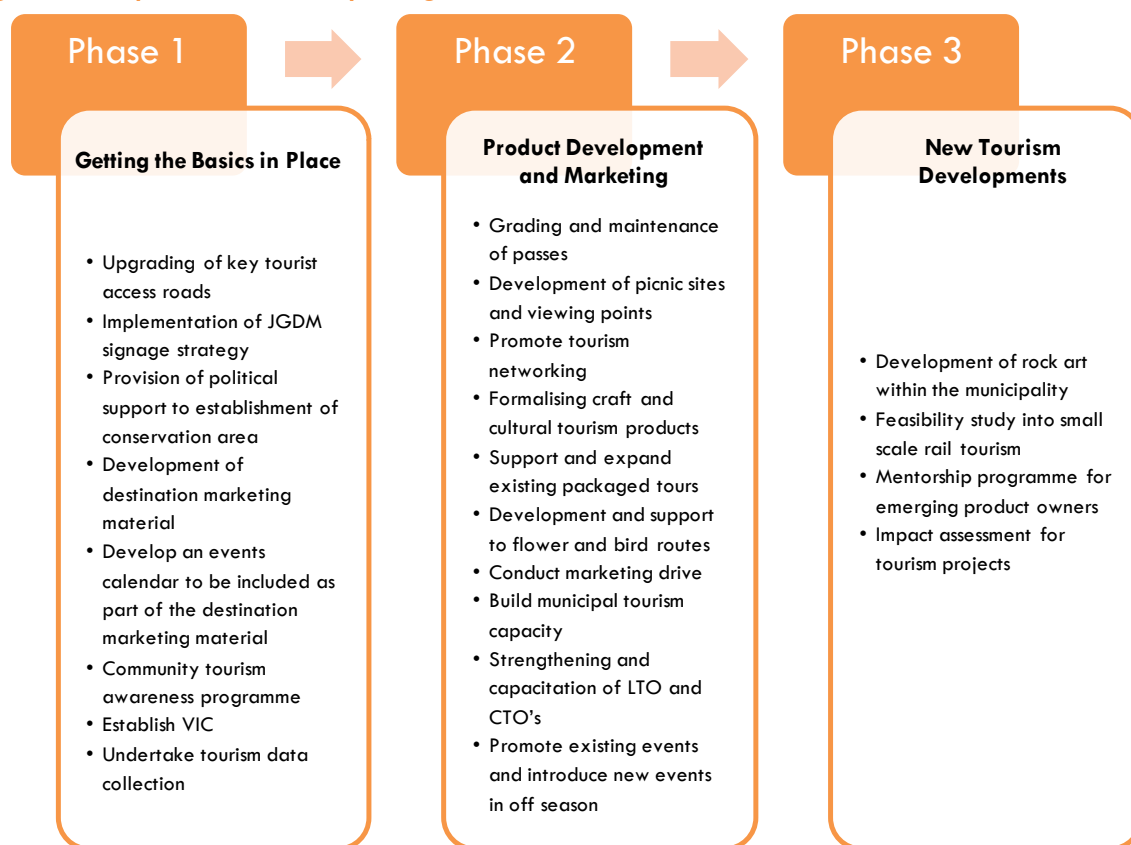
- **Sustainability**
  All tourism interventions and projects need to be properly operated in order to ensure that the use of the natural environment is properly managed and degradation is controlled. Failure to adequately mange, monitor and control the intervention/project can affect the long term viability of the intervention and potentially lead to legal action.

## 9.3 Implementation Programme

The following section outlines the various interventions/projects as per their expected time frames as well as their proposed budgets. Implementing agents and other responsible parties are also identified. Critical to the implementation process is ensuring the interventions are correctly prioritised. This ensures that quick win and foundational interventions/projects occur first (see Figure 9.4).

**Figure 9.4: Proposed intervention phasing**



| Phase 1 | Phase 2 | Phase 3 |
|---|---|---|
| **Getting the Basics in Place** | **Product Development and Marketing** | **New Tourism Developments** |
| • Upgrading of key tourist access roads<br>• Implementation of JGDM signage strategy<br>• Provision of political support to establishment of conservation area<br>• Development of destination marketing material<br>• Develop an events calendar to be included as part of the destination marketing material<br>• Community tourism awareness programme<br>• Establish VIC<br>• Undertake tourism data collection | • Grading and maintenance of passes<br>• Development of picnic sites and viewing points<br>• Promote tourism networking<br>• Formalising craft and cultural tourism products<br>• Support and expand existing packaged tours<br>• Development and support to flower and bird routes<br>• Conduct marketing drive<br>• Build municipal tourism capacity<br>• Strengthening and capacitation of LTO and CTO's<br>• Promote existing events and introduce new events in off season | • Development of rock art within the municipality<br>• Feasibility study into small scale rail tourism<br>• Mentorship programme for emerging product owners<br>• Impact assessment for tourism projects |

## 9.3.1 Phase 1: Short Term Interventions

There are a number of interventions which can be considered quick wins and should be implemented by the Senqu Local Municipality as a matter of urgency. These interventions are primarily based on the provision of tourism support services (roads, telecommunications etc.) and the development and marketing of the area to tourists. These interventions include:

- Upgrading of key tourist access roads (R58, R726)
- Implementation of JGDM signage strategy
- Develop a database of tourism related businesses
- Provision of political support to the establishment of a conservation area
- Development of destination marketing material
- Updating and maintaining the Senqu Tourism website and social media
- Develop an events calendar to be included as part of the destination marketing material
- Training and customer service programme for tourism employees
- Community tourism awareness programme
- Establish a Visitor Information Centre (VIC) and provide training to staff
- Undertake regular tourism data collection via surveys
- Creation of an activities database

## 9.3.2 Phase 2: Short to Medium Term Interventions

The interventions identified in this section are those that can be undertaken over the short to medium term but are based on a foundation created by the implementation of Phase 1 interventions. These interventions focus on developing tourism products for visitors and the marketing of the area. As the Senqu Local Municipality has limited brand recognition amongst tourists, ongoing *marketing will be vital to promote the area and increase demand for attractions.*

There however first needs to be an adequate supply of good quality tourism products within the municipality to attract tourists, hence the need for further product development. As existing products are developed and new products introduced (based on visitor information obtained in Phase 1) the volume of foot traffic will increase leading to the further development of the tourism industry.

Specific interventions identified for Phase 2 include:

- Grading and maintenance of eight passes
- Develop new and upgrade existing picnic sites and viewing points
- Support and expand existing packaged tours
- Promote tourism networking through LTO and CTO's
- Exploration of formalising craft and cultural tourism products
- Expanded development and support to flower and bird routes
- Conduct marketing drive that targets key tourist segments
- Build municipal tourism capacity through site visits
- Strengthening and capacitation of LTO and CTO's
- Promote existing events and introduce new events in *off season*

## 9.3.3 Phase 3: Medium to Long Term Interventions

The interventions identified in Phase 3 are those that require a considerable level of market information before implementation or that require significant financial commitments. The nature of these interventions therefore requires that they be implemented over a longer period than other interventions. These interventions include:

- Development of rock art within the municipality
- Feasibility study into small scale rail tourism
- Mentorship programme for emerging product owners
- Impact assessment for tourism projects

## 9.3.4 Infrastructure Support Base

| Intervention | Implementation Agents | | Budget (R'000) and phasing | | | | |
|---|---|---|---|---|---|---|---|
| | | | Phase 1 | | Phase 2 | | Phase 3 |
| | Responsible Agent | Partners | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Upgrading of key tourist access roads | JGDM, Senqu LM | Department of Roads and Public Works | TBD | 60 000 | 80 000 | 100 000 | 130 000 |
| Grading and maintenance of eight passes | JGDM, Senqu LM | Department of Roads and Public Works | | 40 000 | 50 000 | 25 000 | 25 000 |
| Implementation of JGDM signage strategy | JGDM | Senqu LM, LTO | 50 | 55 | TBD | TBD | TBD |
| Develop new and upgrade existing picnic sites and viewing points | Senqu LM | LTO, CTO's | | | 20 | 20 | 20 |

## 9.3.5 Product Development and Transformation

| Intervention | Implementation Agents | | Budget (R'000) and phasing | | | | |
|---|---|---|---|---|---|---|---|
| | | | Phase 1 | | Phase 2 | | Phase 3 |
| | Responsible Agent | Partners | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Develop a database of tourism related business | Senqu LM | LTO, CTO's | 20 | 10 | 10 | TBD | TBD |
| Promote tourism networking through LTO and CTO's | LTO | CTO's, Senqu LM | | | 20 | 20 | 20 |
| Development of rock art within the municipality | Senqu LM | JoGEDA, JGDM, ECPTA, DSRAC, DEDEAT | | | | 500 | 15 000 |
| Feasibility study into small scale rail tourism | JoGEDA | Senqu LM | | | | | 600 |
| Exploration of formalising craft and cultural tourism products | Senqu LM, CTO | LTO, ECPTA, DEDEAT, DSRAC | | | 300 | 400 | 600 |
| Provision of political support to establishment of conservation area | Senqu LM | JoGEDA, SANParks, ECPTA, JGDM, DEDEAT, MDTP, LTO, Farmers Unions | 50 | 300 | 300 | 300 | 300 |
| Expanded development and support to flower and bird routes | Senqu LM | LTO, CTO's | | | 5 | 30 | 30 |

| Support and expand existing packaged tours | Senqu LM | LTO, CTO's | | | 30 | 15 | 15 |
| Promote existing events and introduce new events in off season | Senqu LM | LTO, CTO's | | | 70 | 70 | 400 |

## 9.3.6 Marketing the Destination

| Intervention | Implementation Agents | | Budget (R'000) and phasing | | | | |
| | | | Phase 1 | | Phase 2 | | Phase 3 |
| | Responsible Agent | Partners | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Development of destination marketing material | Senqu LM | LTO, CTO's, Eastern Cape Highlands, ECPTA | 80 | 50 | 30 | 30 | 30 |
| Updating and maintaining the Senqu Tourism website and social media | Senqu LM | LTO, CTO's, Eastern Cape Highlands, JGDM | 90 | 15 | 15 | 15 | 15 |
| Develop an events calendar to be included as part of the destination marketing material | LTO | CTO's, Senqu LM, Eastern Cape Highlands | 5 | | 5 | | 5 |
| Conduct marketing drive that targets key tourist segments | Senqu LM | LTO | | | 150 | 175 | 200 |

## 9.3.7 Collaborative Institutional Functioning

| Intervention | Implementation Agents | | Budget (R'000) and phasing | | | | |
| | | | Phase 1 | | Phase 2 | | Phase 3 |
| | Responsible Agent | Partners | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Build municipal tourism capacity through site visits | Senqu LM | LTO | | | 20 | 20 | 20 |
| Strengthening and capacitation of LTO and CTO's | Senqu LM | LTO, CTO's | 425 | 488 | 562 | TBD | TBD |
| Mentorship programme for emerging product owners | LTO | CTO's, Emerging tourism product owners | | | | | 30 |
| Training and customer service programme for tourism employees | Senqu LM, LTO | FET, SETA, Tourism product owners | 30 | 30 | 60 | 60 | 100 |

| Community tourism awareness programme | Senqu LM | LTO, Senqu community | 10 | 10 | 10 | 15 | 15 |
| Establish Visitor Information Centre (VIC) and provide training to staff | Senqu LM | JGDM, Eastern Cape Highlands | 30 | 10 | 10 | TBD | TBD |

## 9.3.8 Monitoring and Understanding the Tourism Economy

| Intervention | Implementation Agents | | Budget (R'000) and phasing | | | | |
| | | | Phase 1 | | Phase 2 | | Phase 3 |
| | Responsible Agent | Partners | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|---|---|---|---|---|---|---|---|
| Undertake regular tourism data collection via surveys | Senqu LM | LTO, CTO's | 10 | 10 | 10 | 15 | 15 |
| Impact assessment for tourism projects | Senqu LM | LTO | | | 120 | | 120 |
| Creation of an activities database | LTO | CTO's, Senqu LM | 15 | 5 | 5 | 5 | 5 |

Senqu Local Municipality **Annexure 1**

| Tourism Product Name | Graded | Contact Person | Phone Number | Fax Number | Cellphone Number | Email Address | Website | Physical/Postal Address |
|---|---|---|---|---|---|---|---|---|
| Abecord Lodge | Yes, 3 Stars | Willie Mdwaba | (083) 947 4677 | (086) 655 5436 | 083 947 4677 | abecord@webmail.co.za | N/A | Ola Abecord Street, New Rest Village, Sterkspruit |
| Aligeo Guest House | Yes, 3 Stars | Anam Vundisa | (051) 611 2600 | (051) 611 1411 | 082 948 7107 | info@aligeo.co.za | www.aligeo.co.za | 132 Meriting Street, Ext. 1 Sterkspruit, 9762 |
| At Home B&B | No | Elma Odendaal | (045) 603 0176 | N/A | 084 520 8489 | elmjo2@gmail.com | N/A | 24 David Ross Street, Lady Grey, |
| Avoca | No | Geoff Orpen | (045) 971 9082 | N/A | 082 490 9647 | avoca@eci.co.za | N/A | Avoca Farm, PO Box 248, Barkly East, 9786 |
| Baggers and Packers | No | Bradish John | (051) 603 0346 | N/A | N/A | N/A | N/A | 53 Huet Street, Lady Grey, 9755 |
| Balloch cottages | No | Margie Frost | (045) 974 9228 | (045) 974 9228 | 082 854 9929 | frost@ballochcottages.co.za | www.ballochcottages.co.za | |
| Belle Gardens B&B | Yes, 3 Stars | Vuyiswa Kanisa | (051) 611 1124 | N/A | 082 499 3839 | bellegardens@rocket.com | N/A | 117 Belle Drive, Esilindini, Sterkspruit, 9762 |
| Ben Hagen Guest Farm | No | Judy Brown | (045) 974 9264 | (045) 974 9264 | 082 451 3258 | info@rhodesretreats.co.za | www.rhodesretreats.co.za | Benhagen Farm, Rhodes |
| Bidstone B&B | No | Katherine Isted | (045) 974 9900 | (045) 974 9900 | N/A | isted@snowvalley.co.za | www.snowvalley.co.za | Bidstone Farm, Wartrail, Barkly East, 9786 |
| Burnbrae | No | Kathy Sephton | (045) 971 9076 | (045) 971 9076 | 074 942 6703 | dgsepton@gmail.com | N/A | Burnbrae Farm, Wartrail, Barkly East, 9786 |
| Caerlaverock Farm House | No | Philip Gush | (045) 974 9232 | (086) 693 7915 | 082 375 4681 | philip@barkly.co.za | N/A | Caerlaverock Farm, Barkly East, 9786 |
| Charlie's Place | Yes, 3 Stars | Irmgard Tauber | (045) 971 3082 | (086) 571 2275 | 082 922 7544 | locksley@telkomsa.net | www.charliesplace.co.za | 7 Copeland Street, Barkly East, 9786 |
| Comfrey Cottage | Yes, 4 Stars | George Vreeme | (051) 603 0407 | (086) 212 4694 | 082 381 7401 | info@comfreycottage.co.za | www.confreycottage.co.za | 55 Stevenson Street, Lady Grey, 9755 |
| Die Kontrei B&B | No | Dienie Seenekamp | (051) 603 7076 | N/A | 082 441 6279 | dienie@barkly.co.za | www.diekontreipadstal.co.za | Lower Orpendale Barkly East, 9786 |
| Ekhaya Luxury B&B | N/A | Sifundo Languza | (051) 611 1422 | (051) 611 1422 | 082 565 4082 | ekhayabedandbreakfast@yahoo.com | N/A | 4A Main Road, Sterkspruit, 9762 |
| Fanshoek Country Lodge | Yes, 3 Stars | Gerrie Du Toit | (045) 971 9043 | (045) 971 9043 | 074 684 0031 | gerrie.dutoit@yahoo.com | N/A | Clovelly Farm, Barkly East, 9786 |
| Faskally Farm Accomodation | No | Ray Sephton | (045) 971 9087 | (045) 971 9087 | 072 530 8065 | faskally@barkly.co.za | N/A | Faskally Farm, Barkly East, 9786 |
| FK's Sport Pub & Guest House | Yes, 4 Stars | Geraldine Jordaan | (045) 971 0299 | (045) 971 0867 | 074 208 1147 | N/A | N/A | Cnr. Of Greyvenstein, Barkly East, 9786 |
| Forthoek Guest House | Yes, 4 Stars | Maureen Mehlomakulu | (051) 611 0264 | (051) 611 1134 | 083 265 7288 | info@mehlomakulu.co.za | N/A | Blikana, Sterkspruit, 9762 |
| Gates Head Lodge | No | Coreen Vosloo | (045) 974 9303 | (045) 974 9303 | 082 493 3132 | coreen.birkhall@gmail.com | www.gateshead.co.za | Gateshead farm, Barkly East, 9786 |
| Hazeldel | Yes, 3 Stars | Lynette van der Berg | (045) 971 9041 | (045) 971 9041 | 082 778 9956 | N/A | N/A | Hazeldelle Farm, PO Box 262, Barkly East, 9786 |
| Hobbit Guest House | No | Judy Brown | (045) 974 9264 | (045) 974 9264 | 082 451 3258 | info@rhodesretreats.co.za | www.rhodesretreats.co.za | Mooler Streetm, Rhodes, 9787 |
| Jewel in the Mountain B&B | No | Nontobeko | N/A | N/A | 083 356 3257 | N/A | N/A | Thuntubele Village, Sterkspruit, 9762 |
| Judy's Guest House | N/A | N/A | (045) 971 0302 | N/A | N/A | N/A | N/A | |
| Karnmelkspruit River Resort | No | Ian Cloete | (051) 603 7036 | (051) 603 7036 | 076 107 4381 | iancloete5@gmail.com | N/A | Karnmelkspruit, Lady Grey, 9755 |
| Kenmure Cottage | No | Neville Cretchley | (045) 971 9072 | N/A | 082 335 7203 | N/A | N/A | Kenmure Farm, Barkly East 9786 |
| Kenmyre Guest House | No | Hayden Green | (082) 410 8167 | (086) 559 1639 | 072 858 5836 | kenmure@vodamail.com | N/A | Kenmure Farm, Barkly East 9786 |
| Kinmel Guest Farm | No | Willem Jansen | (045) 971 9144 | (086) 647 0730 | 082 789 5519 | willem@kinmel.co.za | www.kinmel.co.za | Farm Kinnel, Rhodes, 9787 |
| Lady Grey Country Club and Caravan Park | Yes, 2 Stars | Soon Cloete | (051) 603 0066 | (051) 603 0044 | 082 056 3531 | mwsoon@mweb.co.za | | 1 New Street, Lady Grey 9755 |
| Lala-By Guest House | No | Gailene Wentzel | (045) 971 0657 | (045) 971 0949 | 071 222 3136 | lizamyb@vodamail.co.za | N/A | 25 Cole Street, Barkly East, 9786 |
| Lalani Nathi | Yes, 3 Stars | Ansa de Bruin | (045) 971 9018 | (086) 218 3341 | 082 579 6721 | lalani-nathi@gmail.com | N/A | 27 Cole Street, Barkly East, 9786 |
| Lammerger Guest House | No | Kevin Isted | (051) 603 1114 | (051) 603 1114 | 082 929 9729 | info@adventuretrails.co.za | www.adventuretrails.co.za | Tempevale Farms, Lady Grey, 9755 |
| Lavender Barn | Yes, 3 Stars | Mary Phelps | (051) 603 0182 | N/A | 082 797 4192 | rodmary@mylink.co.za | N/A | 20 Murray Street, Lady Grey, 9755 |
| Lovedale Guest House | No | Caroline Rheeder | (045) 974 9087 | N/A | 079 291 5128 | info@lovedaleguestfarm.co.za | www.lovedaleguestfarm.co.za | Lovedale Farm Rhodes |
| Lupela Lodge | No | AC Ross | (051) 603 7034 | (051) 603 7034 | 082 922 1334 | info@lupelalodge.co.za | www.lupelalodge.co.za | The Lamp Farm, Lady Grey 9755 |
| Mascot Luxury Guesthouse | Yes, 4 Stars | Annette van Wyk | (045) 974 9305 | (045) 974 9308 | 082 944 7120 | Rhodeshotel@cnx.co.za | www.thodeshotel.co.za | Muller Street, Rhodes, 9787 |
| Millard Mountain Lodge | No | Dawn Green | (045) 971 9078 | (086) 509 0066 | 083 588 7776 | mlodge@eci.co.za | www.wartrail.co.za | Millard Farm, Barkly East, 9786 |
| Mount Morne | N/A | Sue Botha | (045) 974 9221 | N/A | N/A | N/A | N/A | |
| Mountain Shadows Hotel | Yes, 3 Stars | Ria Reabow | (045) 931 2233 | (045) 931 1139 | 082 221 3402 | ria1@isat.co.za | www.mountainviewhotel.com | Mountain View, Barkly Past, Elliot / B East |
| Mountain View Country Inn | Yes, 2 Stars | Mzwanele Namba | (051) 603 0421 | (051) 603 0114 | N/A | mountainview@ladygrey.co.za | www.ladygrey.co.za | 36 Botha Street, Lady Grey 9755 |
| Orlando's Lair Farm Cottage | No | Melonie Giddy | (045) 974 9259 | (045) 974 9259 | 072 500 1350 | denmel@snowvalley.co.za | N/A | Upper Kelvin Grove, Barkly East, 9786 |
| Pama Sti Jins | No | Nonsuso Pama | (051) 603 0490 | (086) 585 2732 | 083 684 3477 | pamanr@mweb.co.za | N/A | 7 Fauri Street, Lady Grey, 9755 |
| Pitlochrie Cottage | No | Joe Sephton | (045) 972 9088 | N/A | 083 469 9919 | BCF@sephton.co.za | www.wartrail.co.za | Pitlochrie Farm, Barkly East, 9786 |
| Reedsdell | No | Katherine Isted | (045) 974 9900 | (045) 974 9900 | NA | isted@snowvalley.co.za | www.snowvalley.co.za | Reedsdell Farm, Barkly East, 9786 |
| Rhodes Caravan Park | Yes, 3 Stars | Joey Jordaan | (045) 971 0276 | (045) 971 0146 | N/A | JJBarkly@gmail.com | N/A | The Farm tintern, Rhodes |
| Rhodes Cottages | N/A | Fred Steynberg | (045) 974 9298 | (045) 974 9308 | 082 640 2930 | fred@linecasters.co.za | www.linecasters.co.za | P.O Box 21, Rhodes, 9787 |
| Rhodes Hotel | No | Annette van Wyk | (045) 974 9305 | (045) 974 9308 | 082 944 7120 | Rhodeshotel@cnx.co.za | www.thodeshotel.co.za | Muller Street, Rhodes, 9787 |
| Rinmel Guest House | No | Willen | (045) 971 9144 | (086) 647 0730 | 082 789 5519 | willem@kinmelmail.co.za | www.kinmel.co.za | Farm Kinnel, Rhodes, 9786 |
| Rubicon Flats | No | Mrs Reeders | (045) 974 9287 | N/A | 082 375 2906 | rubicon@telkomsa.net | www.rubiconflats.co.za | P.O. Box 5, Rhodes 9787 |
| Sir Henry Barkly Guest House | Yes, 3 Stars | Mrs. Nel | (045) 971 0302 | (074) 604 4560 | 074 604 4500 | sirhenryBarkly@vodamail.co.za | N/A | 14 Cols Street, Barkly East, 97836 |
| Siskins B&B | No | Katherine Isted | (045) 974 9900 | (045) 974 9900 | N/A | isted@snowvalley.co.za | www.snowvalley.co.za | 43 Graham Street, Barkly East, 9786 |
| Tenahead Lodge | Yes, 5 Stars | Nolan | (045) 971 8901 | (045) 971 8902 | N/A | Tenahead@riverhotels.co.za | www.riverhotels.co.za | Tenahead Mountain Lodge, Barkly East, 9786 |
| The Cave | No | Piet Steyn | (045) 974 9255 | (045) 974 9755 | 073 035 1630 | pietstyn@webmail.co.za | N/A | The Cave Farm, Barkly East 9786 |
| The Hayloft | No | Natasha Greyvenstein | (045) 971 9100 | (045) 971 9100 | 082 928 6527 | natasha@xxinet.co.za | N/A | 14 Montagu Street, Barkly East, 9786 |
| Walkerbouts Inn - Rhodes | Yes, 3 Stars | Dave Walker | (045) 974 9290 | (04)5 974 9306 | N/A | dave@walkerbouts.co.za | www.walkerbouts.co.za | 1 Vorster Street, Rhodes |
| Wildside | No | Kate Nelson | (087) 943 5428 | N/A | 079 536 3996 | wildmountain@polka.co.za | www.wildmountainadventures.co.za | |
| Ye Olde Praktijkt | No | Johan van den Berg | (051) 603 0067 | N/A | 083 739 7440 | N/A | N/A | 16 Marden Street, Lady Grey, 9755 |

Senqu Local Municipality **Annexure 2**

| Attraction Name | Major Category | Sub Category |
|---|---|---|
| BARKLEY EAST DUTCH REFORMED CHURCH | Cultural and Heritage asset | Place of worship |
| BARKLY EAST DUATHLON | MICE | Sports meeting/race |
| BARKLY EAST GOLF CLUB | Sports | Golf |
| BARKLY EAST MUSEUM | Cultural and Heritage asset | Museum |
| BARKLY PASS | Landform feature | Pass |
| BASTERVOETPAD PASS | Landform feature | Pass |
| BEN MCDHUI PLATEAU | Landform feature | Mountain |
| BENTIC ART AND CRAFT | Recreation & Entertainment | Craft Project |
| CAPE VULTURE COLONY | Conservation & Wilderness | Bird sanctuary |
| CARLISLESHOEK PASS | Landform feature | Pass |
| ERIK ENGELBRECHT SAFARIS | Recreation & Entertainment | Safaris |
| HISTORICAL RAILWAY | Built Features | Railway line |
| HOLO HLATSI DAM | Built Features | Dam |
| JOUBERTS PASS | Built Features | Pass |
| JOZANA DAM | Built Features | Dam |
| KRAAI RIVER | Landform feature | River |
| LADY GREY ANGLO BOER WAR CEMETERY | Cultural and Heritage asset | Cemetery/Tomb/Remains |
| LADY GREY ARTS ACADEMY | MICE | Arts Academy |
| LADY GREY DAM | Built Features | Dam |
| LADY GREY DUTCH REFORMED CHURCH & MUSEUM | Cultural and Heritage asset | Place of worship, religious site |
| LAMMERGEIER HALF MARATHON | MICE | Sports meeting/race |
| LAMMERGEIER NATURE RESERVE | Conservation & Wilderness | Nature Reserve |
| LOCH BRIDGE | Built Features | Bridge |
| LUDEAN'S NEK PASS | Landform feature | Pass |
| NAUDES NEK MONUMENT | Cultural and Heritage asset | Historical Monument |
| NAUDES NEK PASS | Built Features | Pass |
| NZUZO BEAD WORK PROJECT | Recreation & Entertainment | Craft Project |
| OTTO DU PLESSIS PASS | Landform feature | Pass |
| PASSION PLAY | MICE | Events |
| RHODES BRIDGE | Built Features | Bridge |
| RHODES EXTREME | MICE | Sports meeting/race |
| RHODES MOTORBIKE RACE/RALLY | MICE | Sports meeting/race |
| RHODES SPORTS FIELD | Recreation & Entertainment | Sports Grounds |
| RHODES ULTRA MARATHON | MICE | Sports meeting/race |
| RHODES VILLAGE & BIRD WATCHING | Recreation & Entertainment | Bird watching |
| RHODES WHISKY WILD TROUT FESTIVAL | MICE | Events |
| ROCK ART | Cultural and Heritage asset | Rock Art |
| ROYAL MACNAB HUNTING COMPETITION | MICE | Events |
| SALMON SKYRUN | MICE | Sports meeting/race |
| SINENJONGO ARTS AND CRAFTS CULTURAL CENTRE | Recreation & Entertainment | Craft Project |
| SOLOMZI ARTS & CRAFT | Recreation & Entertainment | Craft Making |
| STERKSPRUIT MUSICAL ARTS TEAM | Cultural and Heritage asset | Arts & Crafts |
| TIFFINDELL SKI RESORT | Recreation & Entertainment | Ski Resort |
| VOLUNTEERSHOEK PASS | Landform feature | Pass |
| WARTRAIL TRI-CHALLENGE | MICE | Sports meeting/race |