



Development of a Tourism Strategy

for

Mogale City Local Municipality and District Managed Area

by

**Divine Inspiration Trading 500 (Pty) Ltd
("DIT500")**

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Acronym	
B-BBEE	Broad-Based Black Economic Empowerment
B&B	Bed-&-Breakfast
BEE	Black Economic Empowerment
CASA	Chefs Association of South Africa
CDB	Central Business District
District	West Rand District Municipality
DMA	District Managed Area of Mogale City
DoE	Department of Education
DoL	Department of Labour
DTS	Domestic Tourist Survey
Gauteng Province	Gauteng Provincial Government
GDP	Gross Domestic Product
GTA	Gauteng Tourism Authority
HITB	Hospitality Industries Training Board
IDP	Integrated Development Planning

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Acronym	
JIPSA	Joint Initiative on Priority Skills Acquisition
LED	Local Economic Development
MCLM	Mogale City Local Municipality
NBI	National Business Initiative
NDT	National Department of Tourism
NTAC	Nature-Based Tourism and Conservation
NQF	National Qualifications Framework
NSDS	National Skills Development Strategy
NTSSA	National Tourism and Sport Skills Audit
NTTT	National Tourism Task Team
SAT	South African Tourism
SANBI	South African National Biodiversity Institute
SANP	South African National Parks
SAQA	South African Qualifications Authority
SATI	South African Tourism Institute

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Acronym	
SATSA	Southern African Tourism Services Association
SME	Small, Micro Enterprise
SMME	Small, Medium and Micro Enterprise
SSP	Sector Skills Plan
Stats SA	Statistics South Africa
T&T Economy	Travel and Tourism Economy
T&T Industry	Travel and Tourism Industry
TGCSA	Tourism Grading Council of South Africa
The District	West Rand District Municipality
The DTI	The Department of Trade and Industry
White Paper (DEAT, 1996	The White Paper on Development and Promotion of Tourism (DEAT, 1996)
WSP	Workplace Skills Plan
WTO	World Tourism Organisation
WTTC	World Travel and Tourism Council

1 EXECUTIVE SUMMARY

1.1 INTRODUCTION

This section of the Final Close Out Report- Mogale City Tourism Strategy, basically gives an overview of the salient features of the report. It is strongly advised that the reader should not rely solely on this section of the report, but effort be made to read the entire report. This section of the report focuses on the key project objectives and outlines the summary of the deliverables achieved from the project. It then zooms in on the Tourism Strategy for Mogale City and closes with an abridged Implementation Road Map.

1.2 PROJECT OBJECTIVES AND DELIVERABLES

In terms of the Terms of Reference ("TOR"), the primary objectives of the project included:

- A review of tourism's as a vehicle for economic growth and job creation;
- Identification of the constraints that need to be addressed to enhance the tourism sector in Mogale City;
- Identification of factors that will improve profitability and attract investment;
- Review of Government and Commercial sector; and
- Identification of funding options for various programmes and funding organisations.

1.3 PROJECT DELIVERABLES

- Report on the Tourism economic impacts and findings, analyses and conclusions;
- Proposal for creating jobs through the utilization of the key potential tourism growth projects in Mogale City;
- Development of a comprehensive Mogale City Tourism Strategy;
- A municipality comprehensive tourism situational analysis which includes economic profile, employment trends, basic tourism skills audit, and provision of a data base of all tourism stakeholders / community-based organizations operating in Mogale City;
- Identification of tourism projects and prioritization of projects with catalyst potential;
- Provision of an implementation plan and the estimated costs thereof; and
- Determination of funding options and funding organizations.

1.4 KEY FINDINGS ARISING FROM SITUATION ANALYSIS

1.4.1 TOURISM REVIEW

Travel & Tourism is a global economic activity - one which takes place in destinations across the world, from leading capital cities and smaller towns and villages in rural and coastal areas, to some of the remotest points on the planet. It is one of the world's largest industries, or economic sectors, contributing trillions of dollars annually to the global economy, creating jobs and wealth, generating exports, boosting taxes and stimulating capital investment.

Nearly 260 million jobs worldwide are supported by Travel & Tourism - either directly in the industry or in related sectors, and these jobs are vital not only for the livelihoods of those employed, but also for their families and the wider communities in host destinations. Today there aren't few people who have neither contributed to the growth of Travel & Tourism through their own spending, nor felt the impacts of others' expenditure.

Despite a whole host of challenges over the past decade, from terrorist attacks and health scares to natural disasters international Travel & Tourism demand have shown phenomenal growth. Whilst it will no doubt continue to face numerous, and unexpected, challenges in the future, WTTC forecasts as well as those of economic and industry experts generally point to a further surge in demand over the coming decade, with competition intensifying to capture a share of the fast-growing emerging markets.

1.4.2 SA TOURISM HIGHLIGHTS

The SA Tourism industry contributed significantly to the GDP, despite the decline in 2009. The 2010 World Cup effect saw a reduction in contribution to GDP in 2011, however this has been remedied with an impressive 8.4% contribution to GDP. The expected growth rate is slightly above the overall economy by a meagre 0.1% at a rate of 4.3% for the next decade.

Tourism contributed towards the employment of at least 1.2 million people, directly and indirectly in an accounted for at least nine (9) percent of labour, far more than the mining, communications, automotive sectors. This is boosted by the fact that for every one direct job created in the tourism sector, one additional job is created.

Domestic tourism is a R124 billion industry and this only the tip of the iceberg. There is very huge potential to be explored and this strategy document outlines some of the key interventions that will unlock some value in the West Rand. Leisure tourism is twice the size of business tourism. This is a weakness that we picked up in the West Rand tourism sector. Most of the businesses are geared towards business with the biggest client being provincial and national governments. This could be premised on the fact that there is not any key tourist attractions that will attract sufficient traffic.

Capital investment in the sector is very low. This however provides for an opportunity for all the three spheres of Government to consider the significant capital projects in the West Rand. Some potential projects are outlined in the implementation road map.

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The table below provides real growth contribution figures:

Table 1 South Africa growth contribution figures

South Africa	2008	2009	2010	2011	2012
Travel & Tourism Direct Contribution to GDP					
ZAR bn	68.165	70.25	80.348	86.796	100.018
Real growth (%)	0	-4.2	6.7	1.8	8.4
Travel & Tourism Total Contribution to GDP					
ZAR bn	219.683	231.843	253.654	271.485	309.434
Real growth (%)	-0.7	-1.9	2	0.9	7.3
Travel & Tourism Direct Contribution to Employment					
Real growth (%)	2.9	-9.4	1.5	0.3	8.7
Travel & Tourism Total Contribution to Employment					
Real growth (%)	1.1	-5.5	-2.2	-1.2	7.7
Visitor Exports					
ZAR bn	74.442	71.675	73.925	76.195	91.948
Real growth (%)	-2.9	-10.5	-3.7	-2.8	13.6
Domestic Travel & Tourism Spending					
ZAR bn	76.258	81.526	98.704	111.629	124.614
Real growth (%)	4.5	-0.6	12.9	6.6	5
Government Individual Travel & Tourism Spending					
ZAR bn	0.287	0.347	0.4	0.439	0.496
Real growth (%)	2.3	12.4	7.2	3.4	6.4
Internal Travel & Tourism Consumption					
ZAR bn	150.987	153.548	173.029	188.262	217.058
Real growth (%)	0.6	-5.5	5.1	2.5	8.5
Leisure Travel & Tourism Spending					
ZAR bn	101.06	100.045	118.609	126.529	145.925
Real growth (%)	-5.2	-8	10.6	0.5	8.5
Business Travel & Tourism Spending					
ZAR bn	49.927	53.503	54.42	61.734	71.133
Real growth (%)	15.2	-0.4	-5.1	6.9	8.4
Capital Investment					
ZAR bn	48.562	46.497	42.023	45.796	51.089
Real growth (%)	11.6	-11	-15.6	2.7	5

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1.5 MOGALE CITY TOURISM

Mogale City's tourism overview is best depicted in the SWOT analysis below. There is currently no integrated programme/plan/strategy with the industry to grow and sustain the industry in the Mogale City.

Table 2 MCLM Tourism SWOT Analysis

<p><u>Strengths</u></p> <ul style="list-style-type: none"> • Mogale City is located in Gauteng, which accounts for the highest population in South Africa, and the highest proportion of foreign tourists arrivals. It is also within a 50km radius of Johannesburg, Tshwane and Sedibeng, which all account for 65% of foreign tourist arrivals in Gauteng; • Accessibility to Johannesburg's regional tourists, who are in dire need of new tourism product offerings and thus have a niche market for repeat tourist traffic; • Strong tourism product base in heritage sites and adventure venues, which are unique in Gauteng and South Africa; • There is adequate accommodation facilities to cater for increased tourist volumes in the medium term, though the accommodation is geared for the top-end of the market • High concentration of tourist attractions in Mogale City within the District • Best wedding venues in Gauteng 	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> • Lack of regional tourism data and statistics; • No tourism authority within MCLM and the District, with a clear mandate to market Mogale City and the District; • Relatively low household income, thus impacting adversely on the growth and development of regional tourism market; • Inadequate marketing of Mogale City as a tourist destination on such websites such as SAT, GTA, etc; • Tourism associations fragmented and appears to operate in silos; • Inadequate accommodation for the critical tourist volumes who are likely to be in the middle-income class bracket; • No visible tourism education programmes to meet the requirements of Mogale City tourism
<p><u>Opportunities</u></p> <ul style="list-style-type: none"> • Tourism Investment developments which would include: <ul style="list-style-type: none"> • Krugersdorp Game Reserve; • Cultural village and crafts market centre; • Suite hotels to cater for the middle class tourists; • Unique Theme Park, with a water feature, similar to Valley of Waves and origin of human kind theme; • Mogale City Sports Academy, at the Bob Van Rensen stadium-targeting sports tourists; 	<p><u>Threats</u></p> <ul style="list-style-type: none"> • Inertia with regard to the making the necessary tourism investments in Mogale City; • Adjacent and competing tourist attractions around the District and Mogale City may steal the show and take a lead with development of theme parks, thus completely eliminate the possible development of such parks in Mogale City; • Reluctance of the regional tourism industry to transformation; • The envisaged UniCity restructuring process may stall the implementation of large scale projects; • Failure to enhance the service standards within the

<ul style="list-style-type: none"> • Tourism Academy-this can be aligned with Gauteng's initiatives around development of such facilities; • Development of tourist packages within and around Mogale City-using subsidized Open Top buses, operated by private sector; • Development of a regeneration regional tourism strategy, which should be informed by regional tourist survey – tap into this potential R1.7 billion market; • Extensive marketing of Mogale City and its tourist attractions facilities, especially the COHWS to the provincial departments of education and to travel & tourism agents; and • Align the regional service standards to the national industry standards currently being finalised by SANAS. • Development and upgrading of open space parks such as the Coronation Park 	<p>travel & tourism industry in the region;</p> <ul style="list-style-type: none"> • Failure of LMs within the District to embrace a congruent integrated tourism strategy;
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1.6 TOURISM STRATEGY

1.6.1 VISION STATEMENT

The vision statement proposed is **“Leading in style of heritage”**

1.6.2 STRATEGIC GOAL AND TARGETS

A strategic goal for Mogale City will be to recognise the area as a leading tourism destination in the Gauteng Province through a style in heritage, making it a most desirable place to visit.

Strategic targets to be achieved include the following:

- Making Mogale City a place of visitor attraction through tourism infrastructure investment by classifying products such as expositions, attractions; activities and events using a clustered approach including heritage, culture and nature;
- Develop niche products to complement existing visitor experiences;
- Growing tourist volumes and revenues;

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- Growing tourism related jobs;
- Creating and increasing tourism supply capacity;
- Develop a marketing strategy to effective target markets and provide a sustainable competitive branding positioning;
- Develop a partnership programme with various stakeholders, including national, provincial, district and industry players at large.

Using the Situation Analysis, we present goals with measurable targets to be achieved. The table below provides some of the set targets:

Table 3 Strategic Targets

Strategic Goal	Proposed programme
Increase the number of tourist to 700,00 per annum	Develop a tourism statistic database
Increase the number of tourism jobs by 76,200 per annum	Develop a Monitoring and Evaluation database programme for measuring the economic impact resulting from tourism infrastructure development
Set aside at least ten (10) percent of Precinct Plan capital investments towards specific tourism projects	Develop a funding model for raising additional capital per project identified
Build institutional capacity	<p>Establish a Mogale City Tourism Forum, properly constituted by all the associations, tour operator association and any other relevant stakeholder with the aim to provide business linkages.</p> <p>Influence the District to establish a Regional Tourism Organisation constituted properly by all stakeholders, including the GTA</p> <p>Formulate a database of the training and development service provides, evaluating provision of training programmes and capacity to handle envisaged demand for training due to increased visitors</p>

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1.6.3 STRATEGIC THEMES

To achieve the vision for Mogale City tourism, four strategic themes to represent the main pillars under which tourism projects will arise. The strategic themes hereunder are the following:

- Image for advertising slogan – Leading in style of heritage;
- Product development on human and animal origin;
- Fun and enjoyment; and
- Human capacity building and service excellence.

1.6.4 STRATEGIC CLUSTERS

The tourism strategy is dissected into five (5) strategic clusters, with heritage as a core cluster. The clusters are briefly discussed below:

Table 4 Strategic Cluster Analysis

Strategic Cluster	Experience category	Strategic analysis
Heritage	<ul style="list-style-type: none"> • Archeological and historical sites; • Human history museum; • Architectural tours; and • Libraries. 	<p>This is the core cluster. However, in terms of the overall theme, there is the following tourist attractions:</p> <ul style="list-style-type: none"> • Cradle of Human-kind; • Sterkfontein Caves; and • Maropeng. <p>Supporting products would be tours to the theme parks to be developed, and those may include visits to architectural buildings of significance, Krugersdorp Museum, churches, statues, the Bygone Heritage Route and Wonder Caves.</p> <p>A dinosaur theme park of this nature would not compete nor dilute the Golf Reef theme park; hence the Blaauwbank Historical Goldmine cannot also compete with the Gold Reef City as it offers a different visitor experience. It is our view that Mogale City despite it being one of the original mining areas does not prioritise mining tourism in its infrastructure investment for tourism.</p>
History	<ul style="list-style-type: none"> • Mining history; • Township history • Cultural activities 	<p>There is no museum in the so-called township to capture the history of all townships in the country. Mogale City is optimally positioned to develop this significant heritage and construct a museum in Kagiso.</p> <p>The spin off it will derive will be from tourist tours from the Hector Pieterse Museum en-route to the dinosaur and water</p>

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Strategic Cluster	Experience category	Strategic analysis
		<p>theme parks.</p> <p>Once again, a township museum will host the history of the townships in a township environment and in place of human origin. It will certainly not compete with the Apartheid Museum at the Golf Reef City, but will capture the events that took place in all the townships, including those that did not begin with the apartheid regime.</p> <p>It is envisage that a township museum will also capture the township culture, languages, craft galleries and artist studios which are greatly overlooked. Our view is that a cultural mall will enhance the related arts themes.</p> <p>This cluster thus requires concerted efforts from all spheres of government to make it a reality that will preserve our heritage.</p>
Arts	<ul style="list-style-type: none"> • Performing arts; • Literary arts; • Festivals. 	<p>Kagiso township has now become popular place in performing jazz events. Cultural music such as kwela, marabi and mbaqanga is what would drive not only domestic tourist, but also international tourists.</p> <p>A cultural mall should be able to host these and similar events such as live theater. A mall will have a beer hub whereby popular music in kwaito, hip-hop and afro-pop will be performed.</p> <p>Literary arts are slowly losing their impact; hence a culture of reading is slowly disappearing as a result of media arts. The literary arts will encourage reading and supported by workshops, lectures and book stories.</p> <p>Mogale Arts Festival had gained incredible market acceptance. It is envisaged that the Go West concept will also gain momentum as it unfolds. Mogale City however requires to strategically expose visitors to other available tourism products which can be packaged with together arts musical festival. This target marketing must further be elaborated in the marketing strategy project.</p>
Amusement	<ul style="list-style-type: none"> • Theme park rides • Shopping • Dining in local cuisines • Partying 	<p>Research indicates that tourist spend most of their times shopping when on holidays. In inland areas, amusement rides provide fun and leisure.</p> <p>Dining in style of local cuisines will certainly support the heritage theme.</p> <p>Night life cannot certainly be left out. A licensed beer hub will accommodate the various music genres</p>

1.6.5 STRATEGIC IMPLEMENTATION

In developing the strategic implementation plan, the following aspects were considered:

- Communication messages, logo and branding for a newly adopted vision statement and this Tourism Strategy in general;
- Alignment and prioritisation of resources for tourism, increasing tourism budget from 1% to 5% of total capital budget in order to have meaningful impact to create tourism products and related jobs thereto;
- Management structure of the Cradle of Humankind must be address for effective marketing campaigns of Mogale City; and
- Capacity building of the tourism unit must be enhanced by the establishment of a Tourism Programme Office (“TPO”) to manage all identified projects based on sound project management principles.

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1.6.6 IMPLEMENTATION PROGRAMME

The table below outlines an overview of the key projects that Mogale City must undertake to effect the strategy. It is vital to note that the core focus is on the key tourist attractions that will drive the necessary tourist traffic to Mogale City. It is inevitable that with such capital investments, there will be direct and indirect spin offs, such as the development of township tourism, mining tourism etc. The existing tourist's attractions will most certainly get a big part of the pie.

Table 5 Strategy Implementation Projects

IMPLEMENTATION PROGRAMME OF MOGALE CITY TOURISM STRATEGY		
Recommendation	Project	TOTAL
Implementation of tourism strategy		
	Bedding Audit & Grading Survey	
	Branding awareness campaign	R 250,000
	Tourist signage	R 500,000
	Development of Tourist demand database	R 450,000
	Development of tourism website portal	R 2,500,000
	Tourism Volunteering Programme	
	SUB TOTAL	R 3,700,000
Product development		
	Water Theme Park	R 573,000,000
	Animal theme park	R 776,000,000
	Township museum	R 60,000,000
	Cultural Mall	R 489,000,000
	Beer Hub	R 11,200,000
	SUB TOTAL	R 1,916,600,000
Tourism infrastructure		
	Tourism Institute	R 135,000,000
	Open top bus rides	R 4,600,000
	Public heritage designs	R 1,075,000
	Information centres	R 8,550,000
	Convention centre	R 186,000,000
	SUB TOTAL	R 335,225,000
Capacity building		
	Skills training co-ordination	R 750,000
	Community Capacity Building	R 1,150,000
	SUB TOTAL	R 1,900,000
TOTAL PROPOSED TOURISM BUDGET OVER 3 YEARS		R 2,257,425,000

1.7 MARKETING STRATEGY

1.7.1 BRAND POSITIONING OF MOGALE CITY

The brand of Mogale City is projected on a heritage theme, hence the municipality is known as “The City of Human Origin”. A new positioning seeks to embed the slogan in the logo, linking all heritage themes, hence the slogan, “leading in style of heritage” becomes a vision and the basis for branding Mogale City.

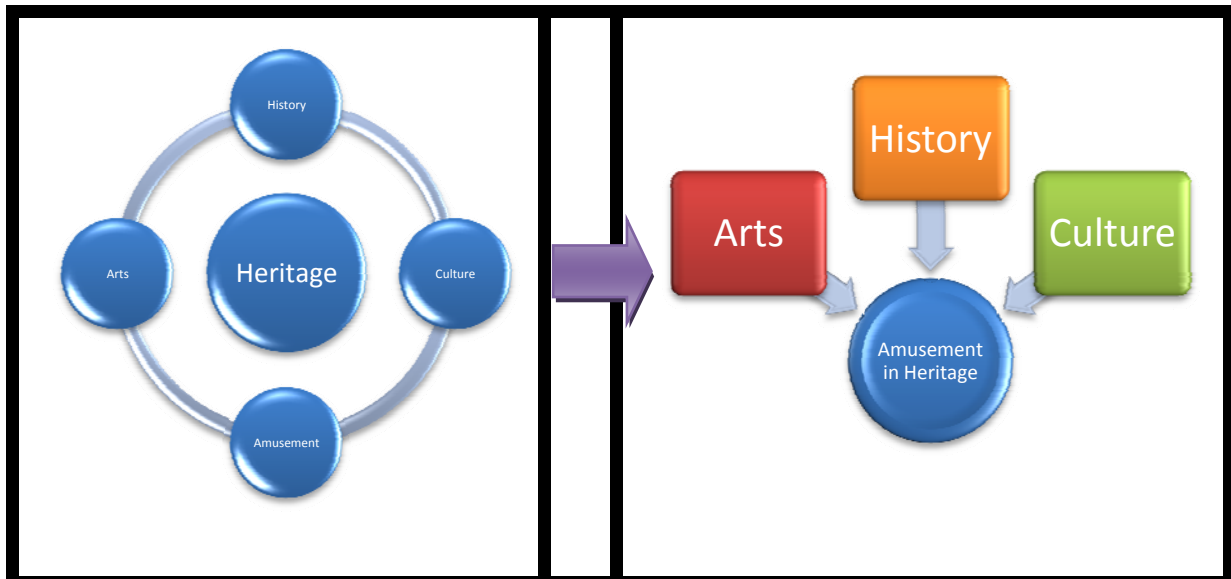
1.7.2 TARGET MARKET

We strongly assume that the domestic market will account for a large target market. Due to close proximity to Soweto, it is envisaged that a large percentage of visitors will pass through Mogale City en route or from the Cradle of Humankind or other tourist destinations.

1.7.3 PRODUCT PACKAGING

It is critical for Mogale City to innovatively repackage existing products. Mogale City must consolidate the heritage theme with leisure at the heart of its product offerings. The diagram below illustrates a shift in product repackaging for the positioning theme:

Diagram 1 Product repackaging



The diagram above shows that amusement theme park will be a centre of attraction, portraying a consistent theme in heritage – giving it a peculiar old style reflecting our ancestors, dinosaurs, etc.

1.8 STRATEGY IMPLEMENTATION ROADMAP PLAN

The overall strategic programme for the developed Tourism Strategy will be implemented over the next ten (10) years. The diagram below illustrates indicative periods of the implementation programme:

Diagram 2 Strategy Implementation Roadmap Plan

STRATEGY ROADMAP IMPLEMENTATION PLAN			
ACTIVITIES	Short-term	Medium-term	Long-term
	0 – 3 Years	4- 7 years	> 7 years
Strategic Initiatives			
TPO Programmes			
TEM			

1.8.1 SUMMARY OF THE TOURISM STRATEGY PROGRAMME

The table below provides a list of the proposed programmes:

Table 6 Summary of Tourism Strategy programme

Short-term: Strategic Initiatives	Medium-term: Tourism Project Office	Long-term: Tourism Enterprise Management
<ul style="list-style-type: none"> Improvement to transport infrastructure – execution of Precinct and Nodes plans with tourism as a core focus Marketing Programs and Branding – vision logo, website portal, VIC, brochures, etc Tourism Product Development – events calendar for festivals and 	<ul style="list-style-type: none"> Branding Signage Databases – visitor statistics, tourism supply Product Development – dinosaur and water theme parks, township museum, cultural mall and beer hub Tourism Infrastructure: training facilities, open-top bus rides, convention centre, 	<ul style="list-style-type: none"> Capacity Building – skills training coordination, community capacity building Institutional Capacity Building – Establish the Tourism Project Office, establish Mogale City Tourism Forum, establish the Regional Tourism Organisation Marketing and Promotion

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Short-term: Strategic Initiatives	Medium-term: Tourism Project Office	Long-term: Tourism Enterprise Management
events (cycling, biking, car racing, etc) <ul style="list-style-type: none"> • Training and Development – evaluation of tourism training service providers • Youth waste collection – initiate Section 78 Assessment of the MSA 	VIC and Wi-Fi deployment <ul style="list-style-type: none"> • Sports academy 	<ul style="list-style-type: none"> • Funding – Source tourism funding from the IDP budget

1.8.2 PROJECT PRIORITISATION

In terms of ranking projects, it is without doubt that the following medium-term projects have the highest ranking as they would have the greatest economic impacts:

- Dinosaur and water theme parks;
- Wi-fi deployment

1.8.3 FUNDING MECHANISMS

With regards funding mechanisms, projects with the highest ranking namely the **theme parks and Wi-Fi deployment** must be funded first. We propose that a capital budget of **R50 million** from the Mogale City IDP budget must support this Tourism Strategy implementation programme, initially for bankable feasibility studies for the theme parks and Wi-Fi programmes.

With that contribution of 2.5% of the project value, a total capital with project value of R2 billion can be raised. Financial models would propose optimal deal structuring – equity and debt.

1.9 CONCLUSION AND RECOMMENDATION

The key fundamentals to the tourism strategy would be:

- **Tourism infrastructure investment and product development** – this will include strategic capital injection in key tourist attractions facilities that are owned by the MCLM, such as the Krugersdorp Game reserve, the Krugersdorp golf course, development of new attractions such as the theme park(s), leveraging on existing infrastructure, where possible;
- **Tourism economic development and growth of the sector** – this will be driven largely by increasing the tourist volumes to Mogale City.
- **Mogale City Tourism marketing** – Whilst this is inherently linked to increasing tourists volume, it is so critical that it must be looked at as a separate component. There are existing great facilities within Mogale City and the District, however, these are known to a limited tourist market. The advertisement of Mogale City tourist attractions on tourism sites such as SAT/GTA goes without saying that this must be one of the quick wins for the strategy
- **Monitoring and evaluation** – it is essential to have a good sense of the regional travel and tourism sector performance

It is recommended as follows:

- Mogale City approves the Tourism Strategy Development and set aside **R50 million** in the next year's financial budget (2013/2014)
- Consider to establish a Tourism Project Office as a standalone unit, specifically focusing on the development of the tourism infrastructure and products, and also conclude the related bankable feasibility studies
- Mogale City execute first the priority projects – theme parks and Wi-Fi deployment
- Mogale City obtains the necessary political and stakeholder support

2 PROJECT OVERVIEW

2.1 PROJECT BACKGROUND

The Mogale City Local Municipality (hereafter referred to as “**Mogale City**” or “**MCLM**”), incorporating the District Managed Area (“**DMA**”), is one of the four (4) municipalities of the West Rand District Municipality (the “**District**”). The District is situated at the western side of the Gauteng Province, and consists of the following three (3) other municipalities:

- Merafong City Local Municipality;
- Randfontein Local Municipality; and
- Westonaria Local Municipality

In terms of the Municipal Systems Act (“the “**MSA**”), the law that constitutes the primary legislation governing day-to-day operations and functions of South African municipalities, the tourism functions fall within the sphere of local government and are its functional areas of executive and administrative municipal competence, through the local economic development (“the **LED**”) desk. Section 25 of the MSA deals with the Integrated Development Planning (the “**IDP**”), which is a strategic planning document that informs the decision with regard to management and development of the municipality. The IDP programmes are centralized and coordinated in such a manner that the developed tourism strategy of Mogale City would be integrated and aligned with other initiatives in the District and the Gauteng Provincial Government (the “**Gauteng Province**”). The legislation further requires that the tourism sector plan must be linked with the IDP, hence Mogale City appointed DTI500 to develop the tourism strategy for Mogale City.

2.2 OBJECTIVES OF THE PROJECT

Mogale City has defined the following objectives of the project:

- To review tourism’s role as a vehicle for economic growth;
- To develop a strategy for the future, particularly identifying the constraints which need to be addressed; to set the priorities for the sector, including targets, product development and marketing strategies;
- To identify factors which would improve profitability of the sector and attract investment;
- To review the role of government and the commercial sector, to quantify the resources necessary, and support the case for public sector funding where appropriate; and
- It is also envisaged that the Tourism Strategy will assist in unlocking the tourism potential of the city through the identifying of plans and projects to enhance the tourism offerings of Mogale City.

2.3 PROJECT DELIVERABLES

The following scope of work formed part of the Terms of Reference:

- Report on the Tourism economic impacts and findings, analyses and conclusions;
- Proposal for creating jobs through the utilization of the key potential tourism growth projects in Mogale City;
- Development of a comprehensive Mogale City Tourism Strategy;
- A municipality comprehensive tourism situational analysis which includes economic profile, employment trends, basic tourism skills audit, and provision of a data base of all tourism stakeholders / community-based organizations operating in Mogale City;
- Provision of specific area spatial opportunity map for tourism sector;
- Identification of tourism projects and prioritization of projects with catalyst potential;
- Provision of an implementation plan and the estimated costs thereof;
- Determination of funding options and funding organizations;
- Compilation of a milestone plan and progress reports; and
- Development of risk assessment.

2.4 PROJECT APPROACH

The project adopted the approach outlined in the table hereunder:

Table 7 Project Approach

Deliverables	Stages
Situation Analysis	<ul style="list-style-type: none"> • Stage I – Primary Research included sites visits, interviews with product suppliers (SME assessment on training and capacity building), and a compilation of a tourist site audit (products and supplier database). • Stage II – Secondary Research (desktop) was basically a review of relevant policies, strategies, reports and any other relevant documents with regards tourism. • Stage III – Market and industry analysis was extension of Stage II, but focused mainly on the review of the tourism sector and its industries in general. This stage of the situation analysis includes the SWOT analysis.
Strategy Development	Strategic options, thrusts and actions were developed to drive programs that can promote mining tourism, .agri-tourism, township tourism and rural tourism
Marketing and Promotion	Branding strategy was developed as a tool for sustainable tourism competitive advantage

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Deliverables	Stages
Implementation Roadmap	The Implementation Roadmap details projects and related project time plan for intervention mechanisms to increase visitors and tourists. It further provides various funding models for raising capital. A job creation and socio-economic impact assessment for investment in proposed projects is provided herein..

2.5 AN UNDERSTANDING OF TOURISM IN CONTEXT

According to the White Paper (DEAT, 1996), tourism is all travel , for whatever purpose that results in one or more nights spent away from home. The table hereunder however provides other perspectives on the definition of tourism:

Table 8 Tourism defined

<p>The WTO definition:</p> <p><i>"Tourism comprises the activities of persons travelling to and staying [overnight] in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes."</i>¹</p>	<p>The WTTC definition:</p> <p><i>"The travel and tourism industry is defined by the economic activities (personal, investment, government, business and net exports) associated with travel as measured by the wide variety of current and capital expenditures made by or for the benefit of a traveller, before, during and after a trip."</i>¹</p>
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The WTTC's definition is broader than WTO's as it includes day trips with emphasis on tourist spend, for both Overnight and Day trips. Consequently, this definition would imply that the tourism and hospitality sector cuts across various economic sectors, including retail, petroleum, entertainment and recreation, etc.

The tourism sector is therefore multifaceted and is not limited to the frontline service workers such as chefs, hostesses, waitresses, etc, but includes other "backline" service workers such as cashiers at a theatre, petrol attendant, etc. The tourism industry is impacted by various factors, including but not limited to:

- Global, regional and local economic developments;
- Security of the destination;
- Diseases and wars;
- World events, such as sport events- Olympics, Soccer world Cup; conferences, etc.

All these aspects may positively and adversely impact on inbound tourist traffic, which will impact on the tourism spend and contribution to GDP and economic growth of the target destinations.

As it can be seen that there are various definitions of what really constitute tourism. For the purpose of this Close-out Report, the definition of the WTO is adopted as the point of departure for further discussion towards the development of the Tourism Strategy for Mogale City. In this light, **it becomes critical that stakeholders do not get bogged down in various aspects in the definitions of tourism, including what constitutes rural, township and mining tourism.** Our focus in developing this Report was drawing attention to the reader on

visitor experience activities that may lead to persons staying away from home and visiting various destinations within Mogale City for a period over a night, including those areas in the townships and rural places. In other words, there must be some form of activities in a particular area or a particular area regarded as a tourist destination in order to attract visitors to it, with an option that visitors may decide to stay overnight in it. Mogale City will have to consider to investment tourism infrastructure in those areas.

In context of strategy development, we also seek an understanding of the policy and regulatory framework. In addition we provide a review of relevant strategies, including and not limited to the National Tourism Sector Strategy, the Gauteng Tourism Sector Strategy and the West Rand District Tourism Sector Strategy. These strategy documents have, to some extent, provided information on the issues, challenges and opportunities in tourism within the District and inevitably within Mogale City.

2.6 THE TOURISM POLICY AND REGULATORY FRAMEWORK IN CONTEXT

The tourism sector is extremely diverse, fragmented and multilayered. It is governed by a plethora of policies, laws and regulations spanning environmental protection, coastal management, health and consumer protection, trade development, employment, education and training, competition, rural development, transport, liquor licensing and sales, foreign currency, building and planning permissions, visa requirements, and much more. Given the breadth and complexity of the sector, it is therefore not surprising to find that it is a subject to the authority of a wide range of government departments besides the National Department of Tourism (NDT). In the sub-sections that follow, we review some of the most prominent policies and strategies.

2.6.1 TOURISM POLICY

The White Paper on Development and Promotion of Tourism (DEAT, 1996) is considered the overarching tourism policy. This policy emphasizes that local government authorities assume the role for promoting and supporting activities for their communities, whereas the national and provincial agents are responsible for design and implementation of tourism strategies and international marketing campaigns. It further elaborates the role of tourism planning at a local government level.

2.6.2 TOURISM REGULATORY FRAMEWORK

The NDT has a primary responsibility for tourism development, and is responsible for developing policy and regulations specific to the sector. Its core mandate is to facilitate conditions conducive for sustainable tourism growth and development in South Africa. In fact, it is acknowledged that tourism is government led and private sector driven. Mogale City is thus expected to create enabling environment for tourism to thrive.

The NDT is regulated by the Tourism Act (Act 72 of 1993) as amended and the White Paper on the Development and Promotion of Tourism in South Africa. The Act promotes the development of tourism to and within South Africa, whilst the White Paper provides framework and guidelines to achieve this. We further acknowledge that there is various other legislation that guides tourism development and promotion, and may impact the strategy developed. For example, the National Environmental Management Act, 1998 (NEMA) provides principles for decision making when dealing with development issues directly affecting the

environment should any of the thrusts actions and programmes call for the Environment Impact Assessment (EIA) studies to be conducted.

2.7 A REVIEW OF RELATED TOURISM STRATEGIES

In this subsection of the Report, we outline some of critical strategies within the tourism sector, with salient features relevant to training, skills development and job creation.

2.7.1 NEW GROWTH PATH (NGP)

The NGP sets out a development policy for growth, decent work and equity. The NGP identified the tourism industry as one of the six pillars for sustainable job creation. It targets to create **250, 000 jobs** in the tourism sector. The initial targets have been however downgraded by the global slump that occurred in 2009, whilst the GDP growth has improved significantly since then, whilst the recovery has been rather slow. The WTTC indicates about 200,000 new jobs to be created in the next three years. The implications for Mogale City are that high impact projects must be developed through this strategy document.

2.7.2 NATIONAL TOURISM SECTOR STRATEGY (NTSS)

The NTSS provides insight into constraints that make it difficult for promoting regional tourism. It suggests *inter alia* the development of tourism products as a means to grow tourism. The NTSS elaborates on the following themes with the aim to enhance tourism growth:

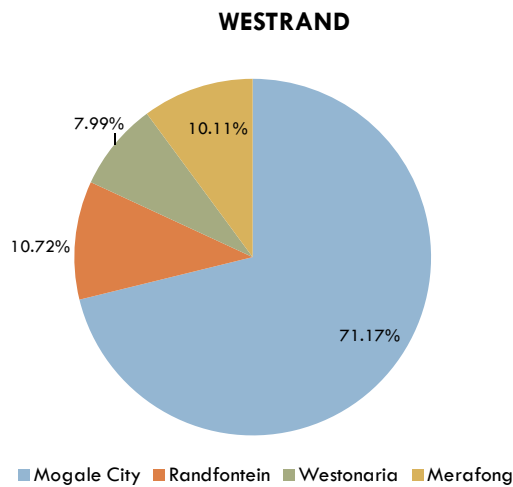
- Tourism growth and the economy;
- Visitor Experience and brand; and
- Sustainability and good governance.

In terms of NTSS, the NDT is targeting to attract 15 million foreign tourists by 2020. On similarly basis, it aims to increase domestic tourism from **14.6 million in 2009 to 18 million by 2020**. The NDT further estimates that the tourism contribution to the GDP will increase from R189.4 billion in 2009 to R499 billion by 2020.

There is no statistical monitoring tool deployed in Mogale City to measure the number of tourist visiting the area. The Gauteng Tourism Authority (GTA), *Highlights of South African Tourism Demand, July 2012*, illustrates as presented in the diagram below that the District enjoys 6.7% of 3.8 million foreign visitors arriving in the Gauteng Province.

Using the same diagram below, we can safely conclude that in 2011 there were just over 181,000 foreign visitors that came to Mogale City. Considering that Mogale City has the Cradle of Humankind World Heritage Site as a recognized international tourist attraction, these figures are insignificant; hence serious strategic tourism intervention mechanisms are necessary to implement projects that can increase visitor volumes.

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Diagram 3 2011 Foreign Visitors in West Rand

It would be prudent to target foreign tourists by three (3) fold within the next five (5) years provided budgets are approved towards the bankable feasibility studies of the envisaged projects to drive the strategy developed. With the envisaged domestic traffic flow due to Mogale City becoming a tourist destination of choice in the Gauteng Province, the total target for tourists and visitors can be set at 700,000.

2.7.3 GAUTENG TOURISM SECTOR STRATEGY (GTSS)

The GTSS aims to capture 55% of the foreign tourist and respectively 57% of the domestic tourist by 2020. In summary, the GTSS basically states that 18.54 million will have come through Gauteng by 2020 which implies on average of about 2.32 million tourists per annum from now on should visit the Gauteng Province in order to achieve the predicted figures. The GTSS however does not stipulate the jobs that the envisaged tourism expenditure would bring. With regards the multiplier effect of the jobs created as a result of additional unit of tourist expenditure or rather jobs created by tourism as per unit of tourist expenditure, we assume that Gauteng would create 258, 552 jobs, that is about 32,319 jobs per annum, extrapolating the figures from the NTSS. For every job created, there must there be learners graduating at some acceptable rate. It is within the WRDM strategy to develop a tourism training institute in the area, thus Mogale City can leverage on the upcoming training facility.

At 4.77% based on the 2011 foreign visitors in Mogale, a proportion of jobs to be created in Mogale City by 2020 will be estimated at 12,300 translating to about 1760 jobs per annum. Our view is that tourism investment in infrastructure development can create a large number of decent jobs, the jobs of which are detailed in the Implementation Plan. A target of 76,200 jobs is a target set Mogale City based on envisaged 700,000 tourists per annum.

2.7.4 WEST RAND TOURISM SECTOR STRATEGY (WTSS)

The vision of the WRTSS states that the District will be Gauteng's most preferred nature and heritage visitor experience by 2016. The WRTSS is aligned to the other strategies, namely, the NTSS, GTSS and New Growth Path. As per the themes of NTSS and GTSS, the objectives of the WRTSS are categorised in similar themes. The WRTSS strategy proposed the following projects:

- Events programme;
- Visitor information programme multi- user complex;
- Scenic outdoor recreation facilities;
- Water/river based multi-use visitor recreation complex;
- Mobile activity packaging programme;
- Greening/Beautification & Scenic Enhancement Project;
- Mining Tourism Project;
- Agri- Tourism Project; and
- Avi- Tourism Project.

The above mentioned projects were reviewed for their relevancy and implementation for Mogale City and to the extent possible leverage on these initiatives to enhance the tourism development of Mogale City, in the spirit of Vision-2016. The WRTSS is however not specific on the approach to implement these proposed projects. It is also not clear the type of projects that will be implemented, say in agri-tourism.

Our approach towards strategy development for tourism in Mogale City was to identify suitable projects which can be implemented within any areas of Mogale City, should the land be made available or be sufficient for those projects. For example, should a project require land, say about 100 hectares, it may be unlikely that an urban township would have such land readily available. It would stand to reason that the rural portion of Mogale City may have such land. The project to be implemented may however not be classified as an agri-tourism, but a tourist destination in a rural community.

3 SITUATION ANALYSIS

In this section of the Report, we deal specifically with the *status quo* of Mogale City in relation to tourism. We determine the location of Mogale City and thereafter provide a review of the socio-economic profile and related demographics, economic contribution of tourism and employment statistics.

In addition, we provide our survey conducted during the tourism audit exercises of Mogale City. We managed to identify industry gaps and challenges following extensive consultation with various stakeholders.

The domestic tourism research reports identify key tourists-Day and OVERNIGHT tourists' demands and behaviour, and we accordingly outlined the possible implications for this strategy. In light of the above data/information/analyses, we then concluded a SWOT Analysis of Mogale City.

3.1 SOCIO-ECONOMIC PROFILE OF MOGALE CITY LOCAL MUNICIPALITY

3.1.1 LOCALITY OF MOGALE CITY

Mogale City is situated about 60 km South West of Pretoria, about 40 km North West of Johannesburg, 35km from Sandton City and it is 20 minutes' drive from Lanseria Airport and 50 minutes' drive from O.R. Tambo Airport. The geographical location of Mogale City allows easy access to the major cities like Pretoria, Johannesburg and Rustenburg in the North West Province.

Mogale City lies at an altitude of 1,700 meters above sea level. It has a pleasant sunny climate with summer day temperatures ranging from 20 degrees Celsius. It experiences moderate showers, usually of short duration. Its Winter season is dry with cold night and temperatures between 2 degrees to 5 degrees Celsius, crisp mornings and glorious sunny days.

Mogale City is known as the City of Human Origin, the Cradle of Humankind World Heritage Site ("COHWH") popular known for the Sterkfontein Caves (IDP:2011- 2016). The IDP further confirms that Mogale City has thirty four (34) wards made up of the following areas:

- Kagiso&Rietvallei 1,2 & 3;
- Azaadville;
- Krugersdorp and surrounding areas;
- Munsieville;
- Muldersdrift;
- Tarlton;
- Magaliesburg; and
- Hekpoort.

MOGALE CITY LOCAL MUNICIPALITY

Map showing the boundaries of Mogale City Local Municipality and surrounding areas. The map includes labels for neighboring municipalities and towns:

- Surrounding Municipalities:** Rustenburg, Hekpoort, Hartbeespoortdam, Randburg, Roodepoort, and West Rand District Municipality.
- Towns within Mogale City:** Koster, Magaliesburg, Sterkfontein, Tarryton, Venterdsorp, Randfontein, Kagsa, Krugersdorp, Munsieville, Muldersdorp, and Omaheeritage Estate.
- Other Landmarks:** Lanseria Airport and Kraton Hospital.

Legend:

- Red line: Roads
- Black outline: Municipality Boundary

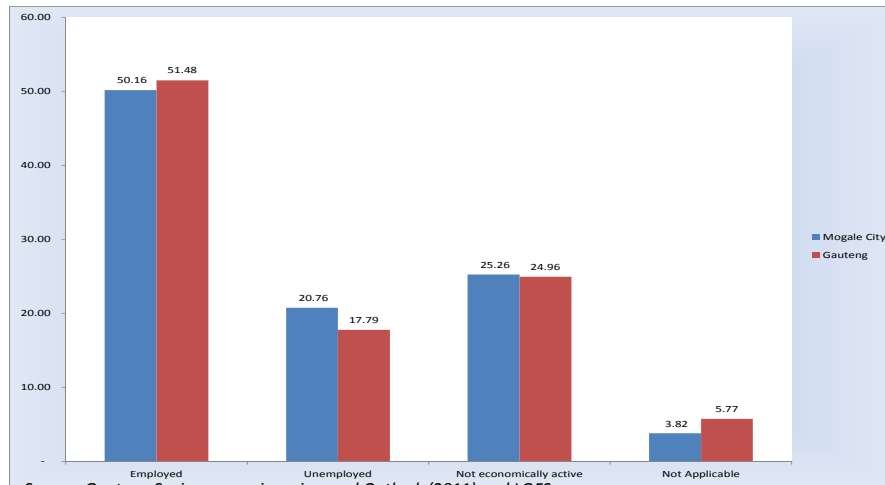
3.1.2 DEMOGRAPHICS OF MOGALE CITY

Applying national population growth rates to the 2007 population survey, it is estimated that the Mogale City population to be 311,792 (2011) and accounts for about 47.6% of the District population, including Merafong-which was previously excluded in the District. The estimated number of households Mogale City is 94,482 implying an average of 3.3 people per household. This is in line with 2011 national statistics which concludes the population of Mogale City to be 362,422 with 117,373 households

3.1.3 ECONOMIC PROFILE OF MOGALE CITY

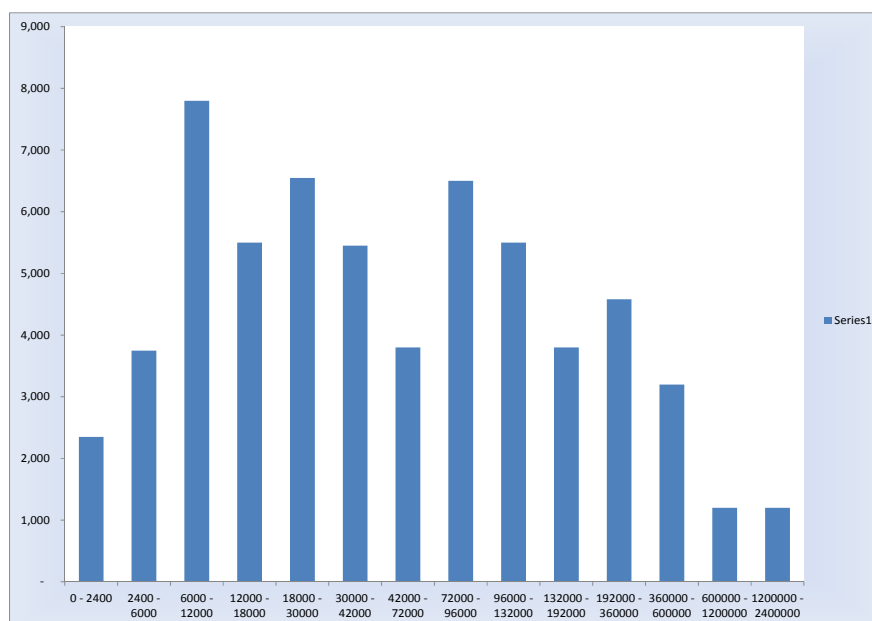
Half of the Labour Force in Mogale City is employed, with employment rate of 50.16%, unemployment rate of 20.76% whereas almost 25% of its population is not economically active. Similar to national statistics, nearly 58% of the unemployed are Youth (15-34) age category. Mogale City does not vary significantly from Gauteng's employment statistics.

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Diagram 5 Employment profile in Mogale City

Source: Gauteng Socio-economic review and Outlook (2011) and LQFS

The household income for Mogale City is depicted in the diagram below. Just under a third, 31.71% of the households in Mogale City earn an annual household income of R1, 500 per month. These households are likely to qualify be classified as Indigent Households. Thirty-six (36) percent of the households in Mogale fall in the low-income category, whereas only twenty-two (22) percent is in the middle-income category. The remaining ten (10) percent is in the high-income category. These income statistics have a significant impact on the strategy with regard to domestic tourist product offer for the regional market. This may imply that the domestic local market for Mogale City must be extended over a 30-50km radius, so that it can capture the adjacent greater Johannesburg, Tshwane, Sedibeng and the Ekurhuleni regional markets with relatively higher income level brackets than Mogale City and its associate municipalities in the District.

Diagram 6 Household Income Levels

Source: SA Economic Review & Outlook (2011)

3.2 MOGALE CITY STRATEGY DOCUMENT REVIEW IN CONTEXT

3.2.1 SPATIAL DEVELOPMENT FRAME

This review is extracted from the Spatial Development Framework of Mogale City, 2009.

Mogale City is largely rural with urban concentration in the south-eastern part which interfaces with Gauteng urban complex. The major development zones include the following:

- Rural environment with potential agricultural land in Tarlton, Magaliesburg and Hekpoort. Its conservation areas namely are the Krugersdorp Game Reserve, Magaliesrivier Conservancy, Hartebeesfontein and Lammermoor Conservancy
- The urban area which is densely concentrated in the south-eastern part of Mogale City with linkages with Johannesburg, and consisting mainly of the Krugersdorp CBD, Kagiso, Azaadville and Rietvallei
- Muldersdrift transition zone comprises of two (2) nodes, namely the Pinehaven Node and Drift Node
- The Cradle of Humankind World Heritage Site Buffer Zone with its future plans in progress

3.2.1.1.1 Development Initiatives

There are currently two (2) major initiatives that will have impact on spatial tourism development:

- The Cradle of Humankind World Heritage Site Buffer Zone is an initiative led by the Gauteng Department of Agriculture, Conservation and Environment (GDACE); and
- Gauteng Agricultural Hub with the aim to create a niche market for agricultural products such as flowers, indigenous vegetables, spices and herbs. It envisages that these initiatives will create destinations for visitors.

Major planning and development initiatives include the following:

- Leratong Node which is located on the intersection of Randfontein Road and Adcock Road;
- N14/R28 Development Corridor
- The West Rand District Municipality's Strategic Public Transport Network which runs along N14, R28, R24 Voortrekker Road and Randfontein Road.

There are currently major developments along the N14/R28, including the upgrade of the Key West Mall and construction of the Cradlestone Mall. These initiatives will help create additional jobs within the hospitality industry resulting from restaurants, etc.

3.2.2 MOGALE CITY PRECINCT PLANS

Mogale City has developed the following precinct plans:

- **Hekpoort Precinct Plan 2020** with capital investment proposed for bulk water, sewer infrastructure, and electricity infrastructure, township development, affordable housing, social infrastructure, active open space and agriculture. The total capital investment estimated at R238 million is set for development in infrastructure which is not directly related to tourism, but will certainly improve accessibility to any tourism initiatives. The plan however has no specific projects on rural/agricultural tourism despite Hekpoort being characterised as largely rural.
- **Tarlton Precinct Plan, 2011** refers to the increasing of economic demand as one of its economic ambition. Similarly to the Hekpoort Precinct Plan, it focuses on the support for farming activities and not necessarily on the tourism development infrastructure. The Tarlton Precinct Plan however extensively refers to the development and environment conflict area within the vicinity of the Cradle of Humankind World Heritage Site which may inhibit further tourism plans around that area.
- **Magaliesburg Precinct Plan, 2011** refers to the identification of tourism entry points and a tourism routes development strategy of tourism routes, including tourism training and awareness. However, the land use implementation budget has no provision for tourism development infrastructure despite the Magaliesburg Development Strategy having a theme to reposition and consolidate tourism.

Similarly, the Rural Development Strategy support the precinct plans without mentioning any specific projects in tourism, except for the Mogaliesburg brand museum and tourism in general in Hekpoort. It is our view that capital budgets in these precinct plans must be set aside towards tourism infrastructure development projects.

3.2.3 LOCAL ECONOMIC DEVELOPMENT STRATEGY

The LED strategic thrust for tourism in Mogale City identified the following related programmes presented in the table below:

Table 9 LED Integrated Tourism Programmes

Programme	Projects	Our review
Township Tourism	<ul style="list-style-type: none"> • Tour operators • Entertainment venues • Educational tours 	A database for registered tour operators is not available. Mogale City, like many other municipalities, has taverns and shishanyamas, as some of the entertainment venues. However, the venues do not draw patrons in large numbers for day visits nor make visitors stay overnight. Educational tours are designed for the Maropeng

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Programme	Projects	Our review
		trips, and not necessarily for touring the township
Tourism Marketing Programme	<ul style="list-style-type: none"> Integrated Tourism Association with representatives from public and private tourism facilities Marketing Strategy Tourism Nodes and routes 	Existing tourism associations still operate independently without an integrated forum being in place. This assignment entails the development of the Marketing Strategy. Township planning nodes and precinct plans do not reflect tourism nodes and routes
Tourism infrastructure and support services	<ul style="list-style-type: none"> Tourism database for Mogale City (updated), incl. attractions, accommodation facilities, tour operators, transport operators Urban renewal projects Improvement of transport infrastructure, including road and rail links Improvement of signage in Mogale City 	<p>There is no consolidated tourism database for Mogale City being made available, and this extensive exercise must still be developed.</p> <p>The urban renewal projects will greatly assist with the improvement of accessibility to tourism destinations to be developed.</p> <p>A signage project must still be executed.</p>
Adventure Tourism	<ul style="list-style-type: none"> Tour Operators Quad-bikes, Sky-diving, Hiking Trails Backpacking Holidays Volunteer Tourism 	Mogale City currently does not sponsor these projects as part of its tourism promotion programme. A marketing budget must set aside for approved by Council.

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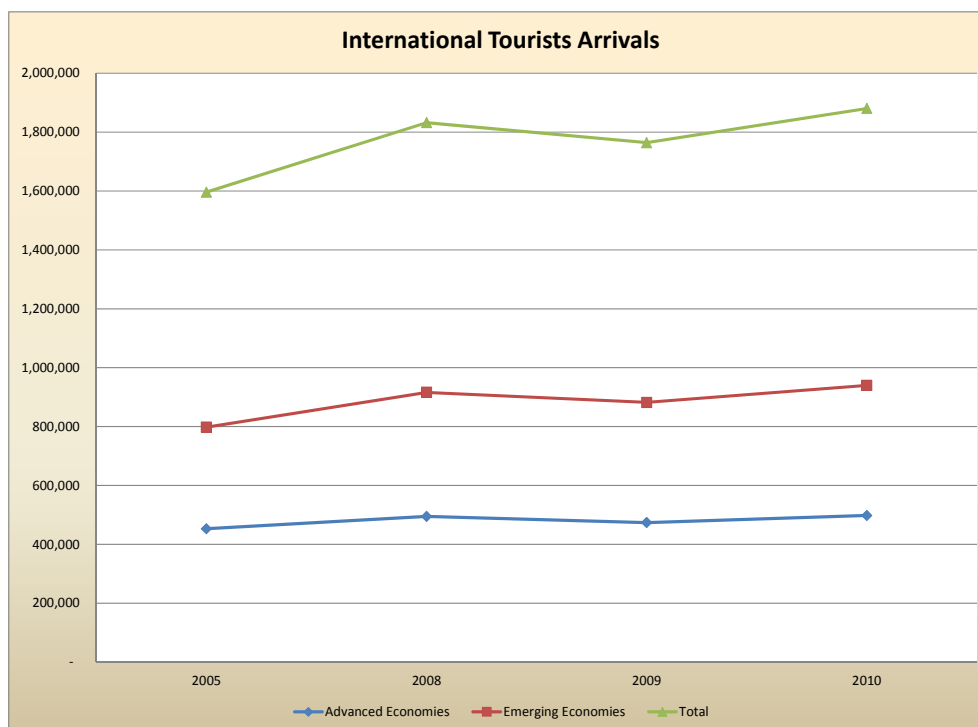
Programme	Projects	Our review
Stakeholder relations	<ul style="list-style-type: none"> Establishment of a tourism forum, on which different government departments, the private sector and SMME's are represented. 	A Regional Tourism Council for the District is still non-existent. Mogale City must influence the District to drive such initiative
Skills Development and Training	<ul style="list-style-type: none"> Establishment of on-site training facilities Tertiary training facilities in tourism and hospitality 	It is unknown whether the Council approved this initiative.

It is our view that although these proposed projects are important, they will not necessarily increase visitor volumes to Mogale City. It is therefore unlikely that without world class destinations being developed in Mogale City, the situation of tourism will continue as is. This Strategy Development proposes projects that require aggressive intervention mechanisms in order to take tourism in Mogale City to a higher level.

3.3 GLOBAL TOURISM SECTOR OVERVIEW

Tourism as an internationally traded services sector has become one of the world's major trade categories. Globally the overall tourism income generated, exceeded US\$2 trillion, that is about R15 trillion, [(2010: US\$1 trillion), R7.5 trillion], which implies over US\$5 billion (R37.5 billion) per day. Tourism trade accounts for more than 30% of the global exports of commercial services. It is ranked **fourth**, after fuel, chemicals and automotive in the export trade category. For many developing countries, tourism export is a critical foreign earner which creates the much needed employment and developmental opportunities. The graphs below outline the international tourist trends over the past few years and the related receipts.

Diagram 7 International Tourists Arrivals

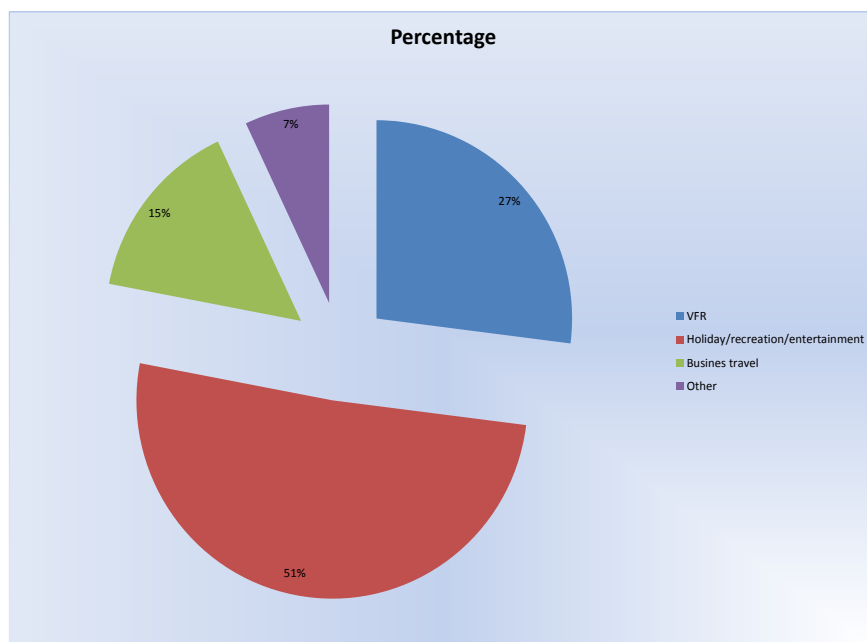


Source: WTO

There were 980 million (2010:940 million) international tourists in 2011 and it is estimated that 2012 will reach the 1 billion mark and estimated to grow to 1.6 billion (UNWTO) by 2020. The marginal increase in direct/indirect and induced jobs created due to tourism would be an average of about 2 million jobs created in 2012. This is based on an estimated average of 10 jobs created by each international tourist.

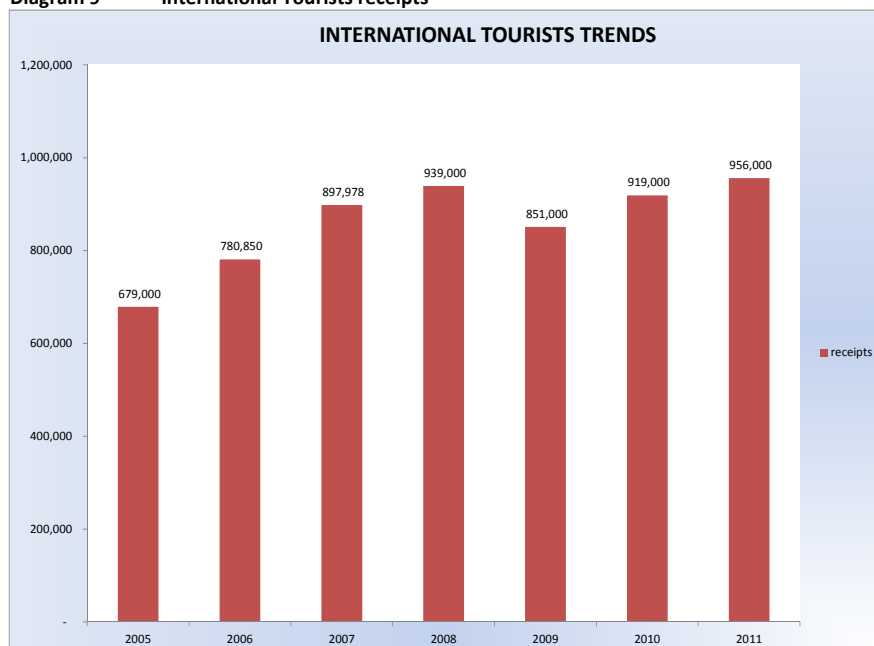
Over **51%** of international tourists travel for **leisure, recreation and holidays** and just over **15%** travel for professional and business purposes. A significant portion, about **27%**, of travellers travels to **visit family and friends** for religious purposes. The tourists needs will influence how the tourism industry responds to tourist's needs and demands and eventually influences the Government's strategic interventions in facilitating that the industry meets the tourist's needs and demands. SAT has gone to great lengths in promoting South Africa in the West and Eurozone, with little, if any, significant effort on the African continent. This is essential for the tourism sector, as there is huge market in the SADC region waiting to be tapped by all South African holiday/recreation destinations, including Mogale City. The diagram below illustrates

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Diagram 8 International Tourist-Purpose of Trip

Source: WTO (2011)

The international tourists have generated significant foreign earnings for a lot of destination countries, especially those in the developing countries. The average annual growth over the period under review was six (6) percent, despite the massive decline in 2009, which was due to the global economic crisis. According to the WTTC, the expected tourism growth is estimated at four (4) percent for the first world markets and a marginally higher growth rate for the developing countries at a growth rate of five (5) percent. The estimated increase in receipts will arise largely from the increase in international travellers, which is expected to reach the 1 billion in 2012. The diagram below illustrates these receipts:

Diagram 9 International Tourists receipts

Source: WTTC Economic Impact Research 2012

3.4 SOUTH AFRICAN TOURISM SECTOR REVIEW

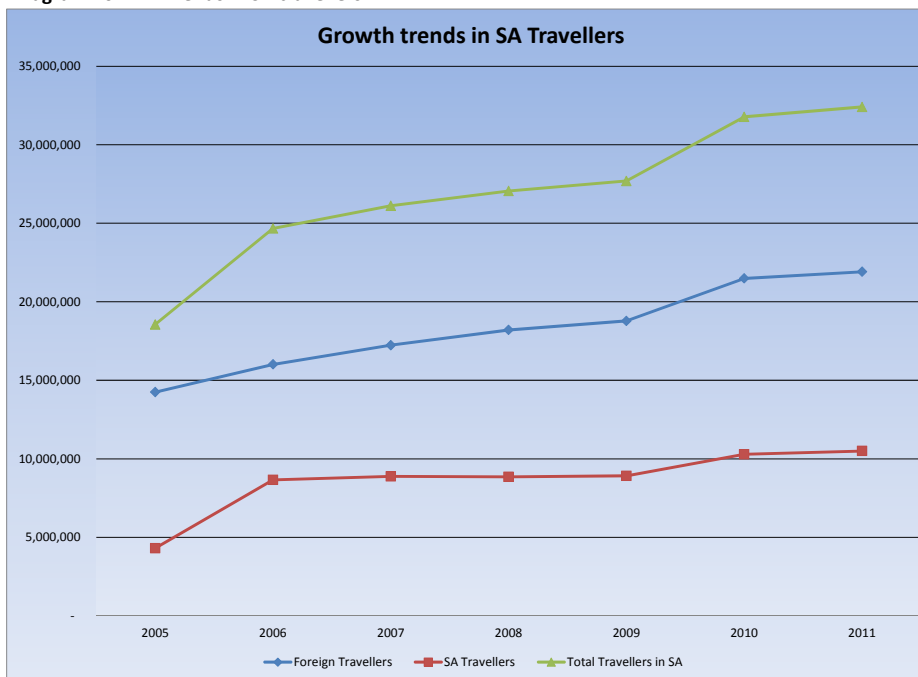
3.4.1 TOURISM AND TRAVEL CONTRIBUTION TO ECONOMY AND EMPLOYMENT

The Direct Contribution of Travel and Tourism to GDP in 2011 was **R79.5bn** (2.7% of GDP). This forecast is set to rise by 5.7% to **R84.1bn** in 2012. This primarily reflects the economic activity generated by industries such as travel agents, airlines and other passenger transportation services (excluding commuter services). But it also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists.

3.4.2 SOUTH AFRICAN TRAVELLERS

The graph below illustrates the trends in South African travellers, for both international and local travellers.

Diagram 10 Trends in SA travellers



The South African Tourists travellers, have shown increase trend over the past six years. Despite the occasional global shocks, the trends have been positive, further cushioned by the 2010 FIFA World Cup. Global developments, such as the Eurozone financial crises, the developments in North Africa, and Middle East, have had a slump on the international travelling, which has also affected South Africa. Despite these elements, the overall view is that there will still be growth in international tourists.

Most of the international travellers come from Europe-with UK being the lead. The SADC region accounts for most of the African travellers. Most of the international travellers travel by air, and on the contrary the African travellers to South Africa, mostly travel by road. The top eight countries of origin for international travellers to South Africa are: UK, USA, Germany, Australia, Netherlands, India, China and France. In Africa, most travellers come from Zimbabwe, Lesotho, Mozambique and Botswana.

3.4.3 TOURISM CONTRIBUTION TO GDP AND EMPLOYMENT

In this section we define the direct and total contribution to GDP and employment and then give a summary overview of the latest performance and forecasts for 2012 and review the trends of these two variables over the past ten years.

3.4.3.1 DEFINING THE ECONOMIC CONTRIBUTION OF TRAVEL AND TOURISM

Travel and Tourism is an important economic activity in most countries around the world. As well as its direct economic impact, the industry has significant indirect and induced impacts. The UN Statistics Division-approved Tourism Satellite Accounting methodology (TSA:RMF, 2008) which quantifies only the direct contribution of Travel and Tourism. But WTTC recognizes that Travel and Tourism's total contribution is much greater, and aims to capture its indirect and induced impacts through its annual research.

- **DIRECT CONTRIBUTION**

The direct contribution of Travel and Tourism to GDP reflects the 'internal' spending on Travel & Tourism (total spending within a particular country on Travel & Tourism by residents and non-residents for business and leisure purposes) as well as government 'individual' spending - spending by government on Travel & Tourism services directly linked to visitors, such as cultural (e.g. museums) or recreational (e.g. national parks).

The direct contribution of Travel and Tourism to GDP is calculated to be consistent with the output of tourism-characteristic sectors such as hotels, airlines, airports, travel agents and leisure and recreation services that deal directly with tourists. The direct contribution of Travel and Tourism to GDP is calculated from total internal spending by 'netting out' the purchases made by the different tourism sectors. This measure is consistent with the definition of Tourism GDP, specified in the 2008 Tourism Satellite Account: Recommended Methodological Framework (TSA: RMF 2008).

- **TOTAL CONTRIBUTION**

The total contribution of Travel and Tourism includes its 'wider impacts' (i.e. the indirect and induced impacts) on the economy. The 'indirect' contribution includes the GDP and jobs supported by:

- Travel and Tourism investment spending – an important aspect of both current and future activity that includes investment activity such as the purchase of new aircraft and construction of new hotels;
- Government 'collective' spending, which helps Travel and Tourism activity in many different ways as it is made on behalf of the 'community at large' – e.g. tourism marketing and promotion, aviation, administration, security services, resort area security services, resort area sanitation services, etc;
- Domestic purchases of goods and services by the sectors dealing directly with tourists - including, for example, purchases of food and cleaning services by hotels, of fuel and catering services by airlines, and IT services by travel agents;
- The 'induced' contribution measures the GDP and jobs supported by the spending of those who are directly or indirectly employed by the Travel and Tourism industry.

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The direct contribution of Travel and Tourism to GDP is expected to grow by 4.3% per annum to R128.2bn (2.8% of GDP) by 2022. The table below gives Travel and Tourism contribution to GDP and employment.

Table 10 Summarized Tourism Contribution to GDP and Employment

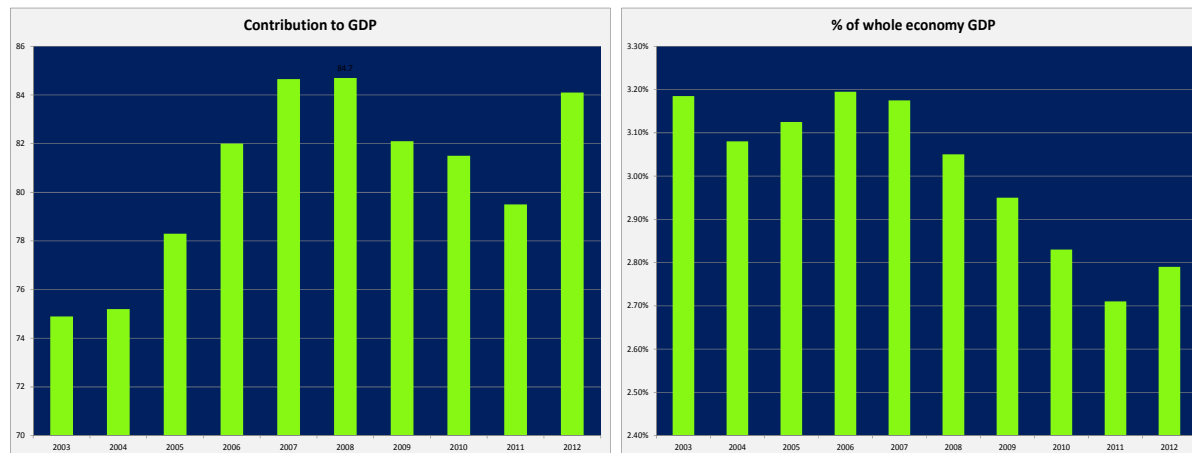
	2011		2012	
	<u>ZARbn</u>	<u>% of Total</u>	<u>ZARbn</u>	<u>Growth rate</u>
Direct Contribution to GDP	79.5	2.70%	84.0	5.70%
Total Contribution to GDP	251.8	8.60%	261.9	4.00%
Direct Contribution to Employment	513	3.90%	537.1	4.70%
Total Contribution to Employment	1188	9.00%	1,226	3.20%
International spending	75.5	9.30%	82.1	8.70%
Domestic spending	95.5	3.20%	104.4	3.30%
Leisure spending	110.7	3.80%	117.7	3.30%
Business spending	60.2	2.00%	63.3	6.30%

Source: WTTC-Economic Impact Research Regional Reports (South Africa))

- Leisure travel spending (inbound and domestic) generated 64.8% of direct tourism GDP in 2011 (R110.7bn) compared with 35.2% for business travel spending (R60.2bn);
- Leisure travel spending is expected to grow by 6.3% in 2012 to R117.7bn, and rise by 4.5% per annum to R181.9bn in 2022;
- Business travel spending is expected to grow by 5.2% in 2012 to R63.3bn and rise by 4.2% per annum to R95.6bn in 2022;
- Domestic travel spending generated 56.0% of direct Tourism GDP in 2011 compared with 44.0% for visitor exports (i.e. foreign visitor spending or international tourism receipts);
- Domestic travel spending is expected to grow by 3.3% in 2012 to R104.4bn, and rise by 4.3% per annum to R150.5bn in 2022; and
- International tourists are expected to grow by 9.3% in 2012 to R81.9bn, and rise by 4.4% per annum to R126.3bn in 2022.

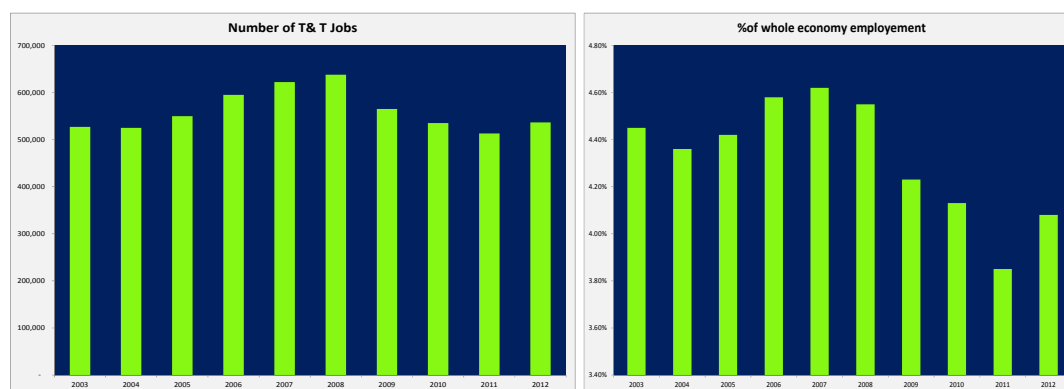
The statistics indicate that the domestic tourist market is by far contributing more towards the GDP. This implies that the MCLM strategy must be geared towards capturing the domestic market to ensure sustainability, with the international tourist market being viewed as a “cherry-on-top” for the industry. It is well known phenomenon, globally, that the domestic market is a pillar of any tourism and travel industry. It is essential that the industry players and government through MCLM and various national (SAT), provincial agencies (GTA), synchronize efforts and strategies towards enhancing the domestic tourism market.

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Diagram 11 Tourism and Travel Contribution to GDP

Source: WTTC South Africa Tourism and Travel Economic Impact (2012)

Based on WTTC's Economic Impact Report (2012), South African Tourism industry generated 513,000 jobs directly in 2011 (3.9% of total employment) and this is forecast to grow by 4.7% in 2012 to 536,500 (4.0% of total employment). This includes employment by hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). It also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists. By 2022, the Tourism industry will account for 681,000 jobs directly, an increase of 2.4% pa over the next ten years. The diagram below, gives trends of T&T contribution to employment over the past ten years.

Diagram 12 Direct Contribution of Travel and Tourism to Employment

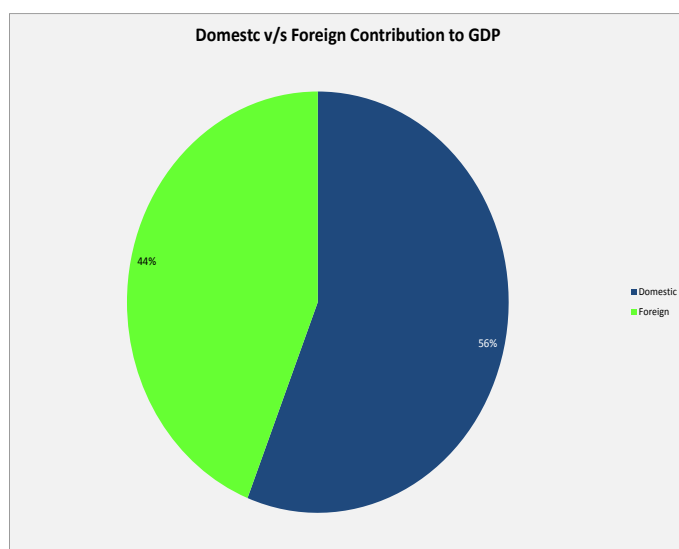
Source: WTTC South Africa Travel and Tourism Economic Impact(2012)

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3.4.3.2 COMPONENTS OF TRAVEL AND TOURISM

The MCLM's tourism strategy must take into consideration the greatest impact and value add with regard to the components of Tourism and Travel illustrated below. The domestic markets **contributes a lot more to GDP than foreign tourists**, thus there needs to be more impetus in terms of tourism economic development focused on the domestic market and in the case of Mogale City, the broader regional markets, tapping into the potential tourists volumes in the Johannesburg and broader Gauteng regions. In addition, the tourists travel predominantly for leisure and comparatively less for business, thus strategic interventions and initiatives should be aligned with these demand factors.

Diagram 13 Domestic v/s Foreign contribution to GDP



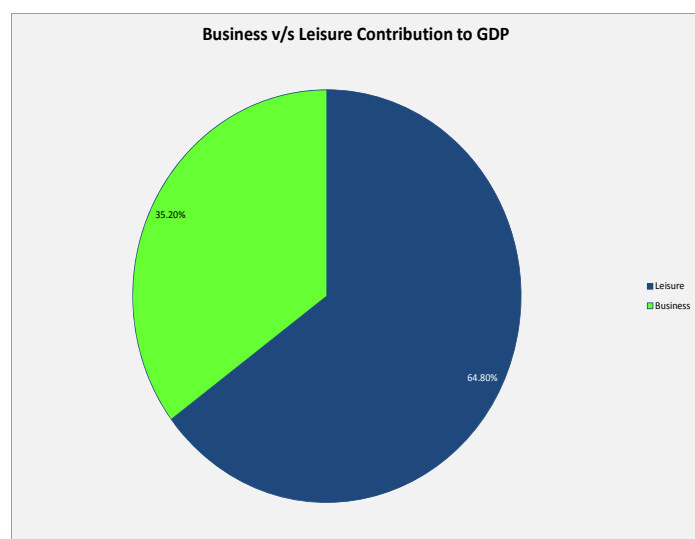
Domestic travel spending generated 56.0% of direct Travel and Tourism GDP in 2011 compared with 44.0% for visitor exports (i.e. domestic vs. foreign visitor/ international tourism receipts).

Domestic travel spending is expected to grow by 3.3% in 2012 to R98.6bn, and rise by 4.3% per annum to R150.5bn in 2022.

International tourists' receipts are expected to grow by 9.3% in 2012 to R81.9bn, and rise by 4.4% per annum to R126.3bn in 2022.

Source: WTTC South Africa T&T Economic Impact (2012)

Diagram 14 Business v/s Leisure contribution to GDP



Leisure travel spending, (inbound and domestic) generated 64.8% of total Travel & Tourism GDP in 2011 (R110.7bn) compared with 35.2% for business travel spending (R60.2bn).

Leisure travel spending is expected to grow by 6.3% in 2012 to R117.7bn, and rise by 4.5% per annum to R181.9bn in 2022.

Business travel spending is expected to grow by 5.2% in 2012 to R63.3bn, and rise by 4.2% per annum to R95.6bn in 2022.

Source: WTTC South Africa T&T Economic Impact (2012)

3.4.3.3 SOUTH AFRICA RELATIVE RANKING

South Africa is lacking below world average, with respect to contribution to GDP and employment. Table 11 below illustrates South African Tourism and Travel industry's relative contribution to GDP and ranking amongst **181** countries:

Table 11 Relative contribution rankings

	T&T Direct Contribution to GDP (% share)	T&T Total Contribution to GDP (% share)	T&T Direct Contribution to Employment (% share)	T&T Total Contribution to Employment (% share)	T&T Investment Contribution to Total Capital Investment	Foreign receipts Contribution to total receipts
World Average	5.2%	14%	5.3%	13.6%	8.3%	15.9%
South Africa	2.7%	8.6%	3.9%	9%	7.6%	8.7%
South African Relative ranking	108	96	78	88	67	88

Source: WTTC-Economic Impact Research Regional Reports (South Africa)

The implications are that there is an ample amount of opportunity that has to be exploited by the industry and the South African government needs to make the necessary strategic interventions to improve the country's rankings in terms of increase in domestic and foreign tourists markets and enhance the variety of products and services at world class service standards to ensure sustainability of the industry.

3.4.4 KEY LESSONS FROM THE DOMESTIC TOURIST SURVEY (2010)

In 2010, STATSSA undertook a Domestic Tourist Survey (DTS) in order to collect detailed information on the domestic tourism industry, with the primary aim of understanding and measuring the contribution of the tourism industry to the national economy. The DTS covered key areas such as:

- Destination of DAY and OVERNIGHT domestic tourists;
- Purpose of Trip of DAY and OVERNIGHT domestic tourists;
- Related tourists expenditure; and
- Activities undertaken by the domestic tourists, etc.

The summarized findings of the DTS are as follows:

The Age-Group that travels the most is between 30-34 years, with males (52.4%) travelling most than females (47.6%);

- The main purpose for travelling is to visit family and friends ("VFR") and second most main reason for tourists was for leisure;
- DAY tourists third main reason for travelling was for shopping for personal use;
- The main destinations for DAY tourists was Gauteng and for OVERNIGHT tourists was Kwazulu-Natal;

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- Nearly half of OVERNIGHT trips lasted 2-4 nights, whilst forty (40) percent trips lasted at least five nights;
- Eating out was a popular activity for all tourists; and
- The principal accommodation type was to stay with family and friends.

It is critical that the government strategic interventions and programmes are at the very least aligned to the above tourists' behavioral patterns to ensure a sustainable tourism growth and development, national, provincially and regionally.

3.4.4.1 DETAILED EXTRACTS OF THE DTS

The detailed extracts from the DTS are outlined hereunder and the respective implications to the MCLM's tourism are summarized following each component that is analyzed:

3.4.4.1.1 DEMOGRAPHICS OF DOMESTIC MARKET

The table below outlines the South Africa Domestic Tourists' demographics. This data provides an overview of the target market, which allows for easier segmentation and alignment of services and products.

Table 12 Demographics of Domestic Tourists

DEMOGRAPHIC CHARACTERISTICS OF DOMESTIC TOURISTS	Number of DAY Trips	Percentage	Number of OVERNIGHT Trips	Percentage
POPULATION				
Black	2,947	79%	4,463	80%
Coloured	224	6%	312	6%
Indian/Asian	99	3%	111	2%
White	453	12%	704	13%
TOTAL	3,723	100%	5,590	100%
GENDER				
Male	1,949	52%	2,979	53%
Female	1,774	48%	2,611	47%
TOTAL	3,723	100%	5,590	100%
BROAD AGE CATEGORIES				
0-11	136	4%	150	3%
12-17	154	4%	247	4%
18-24	443	12%	706	13%
25-34	918	25%	1,433	26%
35-44	833	22%	1,212	22%
45-54	593	16%	888	16%
55-64	393	11%	558	10%
65+	253	7%	396	7%
TOTAL	3,723	100%	5,590	100%

Source: Statssa-Domestic Survey 2011

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Nearly eighty (80) percent of domestic day and overnight travellers are black-African group, followed by the white, coloured and Asian/Indian population groups. The proportions of day trips taken were black African (79,2%), white (12,2%), coloured (6,0%) and Indian/Asian (2,7%). Proportions of domestic overnight trips taken were black African (79,8%), white (12,6%), coloured (5,6%) and Indian/Asian (2,0%).

The age group 25–34 years had the highest estimated number of trips for both domestic day trips (918 000) as well as domestic overnight trips (1,4 million). The proportions of trips taken by the age group 18–24 accounted 11,9% of day trips and 12,6 of overnight trips. Individuals in the age groups 25 to 34 years and 35 to 44 years, who made up about half of the total number of day travellers, travelled the most over the reference period compared to other age groups.

Implications for Tourism Strategy

The domestic tourists market is dominated by blacks, most of who fall in the age group, 25-34, thus predominantly youth. This market has specific needs, such as going to malls, mainly for entertainment. The strategic interventions should be geared towards this market, taking into account that at the malls, if there are a variety of entertainment packages such as games, cinema, food courts etc, these can prove to be attractive to the youth. However, it would be prudent to conduct a separate study to understand what their demands and needs are, so that the strategic interventions are aligned to this huge market.

3.4.4.1.2 MAIN DESTINATIONS OF TOURISTS

The table below gives an overview of the domestic tourists by province. The destination of the tourists will influence the strategy with respect to MCLM's target market and which tourists to target.

Table 13 Main destinations of domestic tourists.

Destination	Number of DAY tourists	Percentage	Number of OVERNIGHT tourists	Percentage
Western Cape	205,000	6%	393,000	8%
Eastern Cape	386,000	12%	768,000	15%
Northern Cape	106,000	3%	135,000	3%
Free State	199,000	6%	335,000	7%
Kwa-Zulu Natal	587,000	18%	1,086,000	21%
North West	246,000	8%	358,000	7%
Gauteng	771,000	24%	734,000	14%
Mpumalanga	242,000	8%	421,000	8%
Limpopo	482,000	15%	858,000	17%
TOTAL	3,224,000	100%	5,088,000	100%

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The Gauteng Province has a relatively higher percentage of DAY tourists, accounting for twenty-four (24) percent of all DAY tourists, but is comparatively lower on OVERNIGHT tourists, despite its world class hospitality venues. It is likely that Gauteng attracts a relatively impressive percentage for foreign tourists.

Implications for Tourism Strategy

The MCLM's strategy must be aligned to GTA's initiatives, if any, to increase domestic OVERNIGHT tourists to Gauteng and invariably to Mogale City. In addition, MCLM's strategy must outline key unique features that MCLM can leverage on to attract the domestic OVERNIGHT tourists to Mogale City.

3.4.4.1.3 ACCOMMODATION TYPE BY PROVINCE

The table below outlines the usage of accommodation types by overnight tourists. In Gauteng, eighty-one (81) percent of OVERNIGHT tourists stayed with friends and family. Only 7.1% of OVERNIGHT tourist stayed in conventional hotels/bed & breakfast/lodges etc.

Table 14 Accommodation type per province

	Hotel	Guest house/farm	Bed & Breakfast	Lodge	Hostel/backpackers	Selfcatering establishment	Stayed with family/friends	Holiday home	Capnsite	Caravan park	Other	TOTAL
Western Cape	9.10%	4%	1.20%	1.10%	1.10%	11.20%	58.50%	7.00%	4.00%	1.10%	1.90%	100.00%
Eastern Cape	1.80%	0.90%	1.00%	0.60%	0.40%	1.80%	84.60%	1.80%	1.00%	0.30%	5.80%	100.00%
Northern Cape	2.00%	3.70%	0.30%	1.20%	1.50%	0.90%	82.90%	1.90%	1.90%	0.00%	3.70%	100.00%
Free State	1.50%	2.20%	0.60%	1.00%	1.20%	2.90%	84.40%	0.60%	1.50%	0.60%	3.50%	100.00%
Kwa-Zulu Natal	5.10%	1.80%	1.20%	1.80%	0.40%	3.50%	76.00%	2.50%	1.90%	0.50%	5.30%	100.00%
North West	2.00%	2.30%	0.40%	1.40%	0.60%	2.20%	82.00%	0.60%	2.20%	0.10%	6.20%	100.00%
Gauteng	3.50%	3.00%	0.60%	1.20%	0.70%	3.10%	81.30%	1.30%	0.30%	0.40%	4.60%	100.00%
Mpumalanga	1.50%	3.80%	0.40%	2.90%	0.30%	4.50%	79.00%	1.60%	2.00%	0.40%	3.60%	100.00%
Limpopo	0.60%	0.60%	0.20%	1.10%	0.50%	3.10%	77.00%	1.60%	2.90%	0.40%	12.00%	100.00%
TOTAL OVERNIGHT TRIP	691,000	34,000	27,000	10,000	26,000	2,813,000	543,000	109,000	26,000	48,000	59,000	4,386,000

Source: Statssa- Domestic Survey 2011

Staying with friends and family was the overall principal type of accommodation for overnight domestic trips, regardless of the province of destination ranging from 58,6% to 84,6% in the different provinces. When comparing all provinces with regards to staying with family and friends/relatives, people travelling to Western Cape, with 58,6% of tourists, were least likely to stay with friends and relatives. Again, when overnight trips were taken to Western Cape, staying in a self-catering establishment accounted for 11,2%, followed by hotels (9,1%) and holiday homes/second homes (7,0%), 3,8% stayed at guest houses. The use of guest houses was also more prevalent in Mpumalanga (3,8%). About three quarters of tourists to KwaZulu-Natal stayed with family and friends, 5,1% in hotels and 2,5% in holiday/second home.

Implications for Tourism Strategy

Accommodation should not be a serious concern for the MCLM at least in the short to medium term.

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3.4.4.1.4 DESTINATION BY MAIN PURPOSE

The table below illustrates the OVERNIGHT TRIP reason given by the local tourist for visiting provinces. The purpose of the visit, will influence the number of nights spend.

Table 15 Overnight trip reasons per province

	Leisure vacation	Shopping-Business	Shopping-Personal	Sporting-Spectator	Sporting-Participant	VFR	Funeral	Business-Professional	Business-Conference	Study/Education	Medical	Wellness	Religious	Other	TOTAL
Western Cape	37.90%	1%	0.70%	0.50%	1.10%	38.40%	2.60%	5.10%	2.80%	1.20%	1.20%	0.10%	3.50%	3.90%	100.00%
Eastern Cape	13.40%	0.60%	0.20%	0.00%	0.50%	51.60%	15.80%	1.80%	0.40%	0.20%	1.90%	0.00%	7.50%	6.10%	100.00%
Northern Cape	9.80%	0.10%	1.70%	0.00%	0.00%	54.60%	15.40%	3.10%	0.10%	0.50%	1.80%	0.00%	4.30%	8.60%	100.00%
Free State	9.20%	0.50%	0.60%	0.20%	0.40%	54.60%	14.80%	2.80%	0.40%	1.30%	1.20%	0.00%	7.50%	6.50%	100.00%
Kwa-Zulu Natal	17.00%	0.70%	0.60%	0.40%	0.30%	59.30%	7.00%	1.60%	0.30%	0.90%	0.80%	0.00%	6.50%	4.60%	100.00%
North West	7.60%	0.60%	0.90%	0.00%	0.70%	60.20%	13.90%	2.30%	0.10%	0.50%	1.00%	0.30%	7.10%	4.80%	100.00%
Gauteng	10.50%	1.60%	0.80%	0.20%	0.90%	56.80%	8.50%	3.30%	0.50%	2.20%	1.30%	0.00%	6.90%	6.50%	100.00%
Mpumalanga	14.40%	0.50%	0.10%	0.20%	0.50%	56.80%	12.00%	0.90%	0.40%	0.90%	0.60%	0.00%	5.20%	7.50%	100.00%
Limpopo	5.70%	0.00%	0.30%	0.10%	0.20%	58.80%	12.20%	1.00%	0.20%	0.60%	1.00%	0.00%	15.80%	4.10%	100.00%
TOTAL OVERNIGHT TRIPS	691,000	34,000	27,000	10,000	26,000	2,813,000	543,000	109,000	26,000	48,000	59,000	2,000	405,000	276,000	5,069,000

At least 10% of tourists to Gauteng come here for leisure, whilst the majority (57%) comes to visit friends and family as the main purpose of their trip. Most of the OVERNIGHT tourists coming to Gauteng spend between 1-3 nights. Leisure as a purpose of a trip is highest in the Western Cape, followed by Kwazulu-Natal and Mpumalanga respectively.

Implications for Tourism Strategy

MCLM strategy must be geared towards improving the leisure market for tourists coming to Gauteng. The strategy must be a joined effort with GTA. Unique leisure events and activities for Mogale City must be developed that will differentiate it from other destinations within Gauteng, such as Johannesburg, Soweto, and Sandton, etc.

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3.4.4.1.5 ACTIVITIES UNDERTAKEN PER TRIP CATEGORY

This relates to the activities undertaken over and above the main purpose of the trip. The table below illustrates activities by tourists. This has a significant impact on the strategic interventions and how the local industry would realign their investment and operations to address the tourists' needs and demands.

Table 16 Activities undertaken by tourists

Secondary Activity	Number of DAY tourists	Percentage	Number of OVERNIGHT tourists	Percentage
Recreation & Entertainment	1,542,000	70%	3,516,000	53%
entertainment	61,000	4%	229,000	7%
theme parks	37,000	2%	146,000	4%
cultural/historical/heritage	38,000	2%	119,000	3%
eating out	879,000	57%	1,292,000	37%
night life	65,000	4%	272,000	8%
casino	41,000	3%	134,000	4%
shopping	421,000	27%	1,302,000	37%
other	-	0%	22,000	1%
Business/Professional	93,000	4%	95,000	1%
meeting	34,000	37%	39,000	41%
business conference	17,000	18%	27,000	28%
trading	28,000	30%	16,000	17%
other	14,000	15%	13,000	14%
Sports	54,000	2%	264,000	4%
individual	18,000	33%	121,000	46%
water sports	-	0%	-	0%
adventure activity	-	0%	-	0%
sport event (spectator)	22,000	41%	23,000	9%
sport event (participant)	14,000	26%	120,000	45%
Nature Based	203,000	9%	987,000	15%
visited rural area	12,000	6%	97,000	10%
wildlife	40,000	20%	126,000	13%
hunting	-	0%	23,000	2%
beach-sunbathing,swimming	54,000	27%	317,000	32%
visited parks	30,000	15%	114,000	12%
sightseeing	53,000	26%	207,000	21%
visited xxx area	14,000	7%	103,000	10%
Social Activity	240,000	11%	1,033,000	15%
VFR	211,000	88%	787,000	76%
weddings/funerals	29,000	12%	226,000	22%
other	-	0%	20,000	2%
Religious Activity	61,000	3%	690,000	10%
religious xxx	13,000	21%	85,000	12%
place of worship	48,000	79%	588,000	85%
other religious	-	0%	17,000	2%
Medical/Health	22,000	1%	99,000	1%
medical	22,000	100%	85,000	86%
health	-	0%	14,000	14%
other	-	0%	-	0%
TOTAL	2,215,000		6,684,000	

Source: Statssa-Domestic Tourism Survey (2011)

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At least sixty (60) percent of domestic tourists travel for recreation and entertainment, i.e. leisure, with less than three (3) percent travelling for business. The primary activity for leisure travellers is eating and shopping, which accounts for eighty (80) percent of tourists' activities within the recreation & entertainment cluster. There are opportunities within recreation & entertainment in Mogale City that can be exploited, such as cultural/historical/heritage activities (currently accounts for 2% of activities)-using the COHWHS and furthermore taking initiatives with the development of a theme park- (currently accounts for 2% of tourists activities).

Implications for Tourism Strategy

MCLM strategy must be aligned towards addressing the activities of the tourist, with particular emphasis on the recreation & entertainment cluster. Key opportunities lie in leveraging on COHWHS and another in taking the lead in developing an integrated theme park, which could include a water park element such as the Suncity's Valley of Waves and human origins themes. This should form part of MCLM's Tourism investment plan, which can be funded internally and to a large extent in partnership with the private sector and national department of tourism.

3.4.4.1.6 DESTINATION BY MAIN PURPOSE & EXPENDITURE TYPE

DAY trip expenditure was R1.2 billion and OVERNIGHT trip were five times the DAY trip expenditure at R5.9 billion. Gauteng and Kwazulu-Natal accounted for the largest portion of the expenditure at R267 million and R226 million respectively. The Northern Cape had the least expenditure at R49 million – this being a reflection of the lowest number of visitors to the region.

For the purposes of the analysis of spend by destination in terms of the tables below, the spend categories include: Accommodation, Food & Beverages, Domestic travel, Recreation and Culture, Shopping and Other. Other includes travel insurance, other financial services, checking/servicing alarm system, hiring house-sitter, hiring security, and medical expenditure. The domestic transport category includes airfare, parking, land transport (fuel, taxi, bus/train tickets, car hire and toll fees).

3.4.4.1.1 DAY TRIP TOURISTS SPEND

The table below illustrates the average spend of DAY tourists per destination visited. Tourists spend, directly influences the number of jobs that can be created in the tourism and hospitality industry. This is a critical aspect of the strategy that will be developed.

Ninety-three (93) percent of DAY's tourists spend on food & beverages and shopping. The existence of and variety of facilities such as shopping malls will influence the quantity of tourist spend in Mogale City. Currently there isn't a sizable mall in Mogale City, such as Maponya mall's size. The latest development is the Heritage mall, but it will not be adequate in the medium to long-term for Mogale City. OVERNIGHT's tourist spend is on average three (3) times higher than DAY's spend. The main drivers for OVERNIGHT trips expenditure were Shopping at 35% (R1,7 billion), food and beverages at 17.3% (R864 million) and other expenses at 17% (R849 million).

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Table 17 Average spend for day Tourists

AVERAGE SPEND (R000's) OF DAY TOURISTS						
	Food & Beverages	Domestic transport	Recreation and Culture	Shopping	Other	TOTAL
Western Cape	R19,713.00	R9,463.00	R1,400.00	R40,616.00	R4,134.00	R75,326.00
Eastern Cape	R17,035.00	R4,629.00	R992.00	R119,380.00	R6,522.00	R148,558.00
Northern Cape	R5,472.00	R1,052.00	R157.00	R39,204.00	R3,188.00	R49,073.00
Free State	R13,761.00	R3,503.00	R641.00	R40,513.00	R5,159.00	R63,577.00
Kwa-Zulu Natal	R37,432.00	R16,864.00	R3,804.00	R160,108.00	R8,559.00	R226,767.00
North West	R14,423.00	R2,489.00	R529.00	R86,676.00	R3,671.00	R107,788.00
Gauteng	R43,595.00	R6,049.00	R6,620.00	R205,190.00	R5,547.00	R267,001.00
Mpumalanga	R16,714.00	R806.00	R2,264.00	R51,550.00	R4,631.00	R75,965.00
Limpopo	R24,087.00	R8,376.00	R960.00	R132,503.00	R9,806.00	R175,732.00
TOTAL DAY TRIP SPENDING	R192,232.00	R53,231.00	R17,367.00	R875,740.00	R51,217.00	R1,189,787.00

*Source: Statssa Domestic Survey 2011**Implications for Tourism Strategy*

MCLM strategy must respond to the expenditure patterns of tourists, which implies facilitating the development of shopping malls and restaurant within and without the shopping malls and ensure that it can complement these with other activities which Mogale City can leverage on, such as COHWS tourist packaging, township tourism route developments, mining tourism etc.

3.4.4.1.2 BARRIERS TO TAKING DAY/OVERNIGHT TRIPS

The table below outlines some of the key reasons given by South Africans as to why they are not taking domestic trips. They may provide some insight into a potential market that needs to be tapped into. Hence the development of any strategy documents by various stakeholders and investors, must take into considerations the underlying reasons.

Based on the DTS findings, there is a 75% domestic market that needs to be targeted. This is based on 39% of respondents that said they do not travel as friends and relatives are within 40km radius, 29% of respondents that do not travel because they do not have the financial means and the 12% that is too busy working/at school to travel. Gauteng has a population base of 12.1 million people (Statssa2011 census), and those falling within the age group (20-64), account for 44% of the entire population. Assuming that 50% of this population are within 50km radius to Mogale City, then this implies a potential domestic market of R3.9 billion-arrived at using an average spend of R740 (2011) for domestic tourists. Further assuming a 6.7% -10% share of domestic

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arrivals in Gauteng will go to Mogale City, this translates to an economic contribution to GDP of between R263 million – R394 million. This will mean that the tourism spend will constitute between 22%-33% of Mogale City's current budget of R1.2 billion. This is clear illustration of the significant potential of the tourism sector in Mogale City.

Table 18 Barriers to taking trips

REASONS FOR NOT TAKING TRIPS	Number of DAY Trips	Percentage	Number of OVERNIGHT Trips	Percentage
Trips within 40 km radius/family relatives stay within	3,517	35%	2,185	26%
Financial reasons (not enough money)	2,974	29%	2,848	34%
Recently made a major purchase	12	0%	13	0%
Too expensive /I would rather spend money on something else	162	2%	138	2%
Not enough time to travel	257	3%	184	2%
Too busy at work/school	1,251	12%	945	11%
No transport	34	0%	23	0%
No family/friends to visit somewhere else	233	2%	221	3%
Nobody to travel with	15	0%	12	0%
Too much hassle to travel	37	0%	34	0%
Sick	153	2%	150	2%
Disabled	29	0%	32	0%
Too old to travel	210	2%	213	3%
Worried about health issues at the destination	14	0%	19	0%
Worried about safety/security/crime	70	1%	126	1%
Have young children	139	1%	191	2%
I no longer wish to travel	79	1%	78	1%
No interest/nothing to see or appeals to me	105	1%	105	1%
Taking care of sick/elderly relative	71	1%	91	1%
Do not like sleeping in other places	-	0%	267	3%
No particular reason/other	765	8%	594	7%
	10,127		8,469	

Source: Statssa-Domestic Tourism Survey (2011)

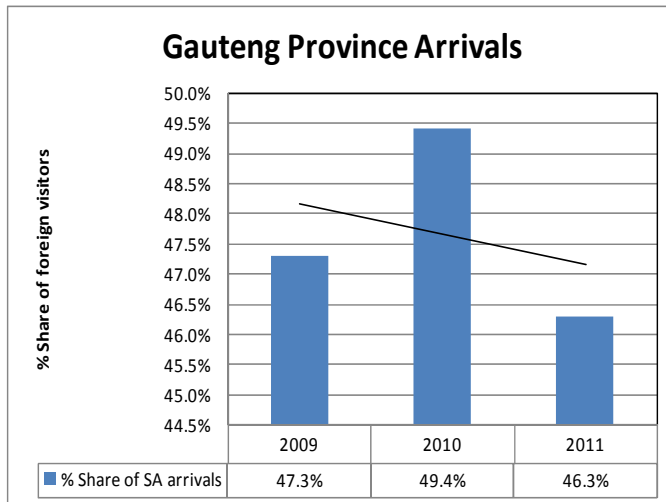
Implications for Tourism Strategy

*The MCLM strategy must be geared towards capturing a significant portion of the domestic market as a strategic thrust of the programmes. The industry in MCLM must entice the local domestic market through innovative events and activities geared towards their needs. This will further assist with indirect marketing of Mogale City and related attractions to the broader Gauteng market which is likely to spill into the adjacent provinces of North West and Mpumalanga. It is also in MCLM's interest to ensure that the district wide **industrial strategies** are aligned towards improving the household income of residents of the district, so that the potential local domestic tourism market spend is significantly increased to sustain the tourism industry in the area.*

3.5 GAUTENG PROVINCE TOURISM SECTOR REVIEW

The Gauteng Province, with the largest share of foreign visitors, experienced a decline of 2.63% in foreign arrivals from 3.9 million to 3.8 million in 2011 possibly mainly due to sovereign debt crisis and recession in Europe. The diagram below illustrates the percentage share of foreign visitors:

Diagram 15 Gauteng Province Foreign Arrivals

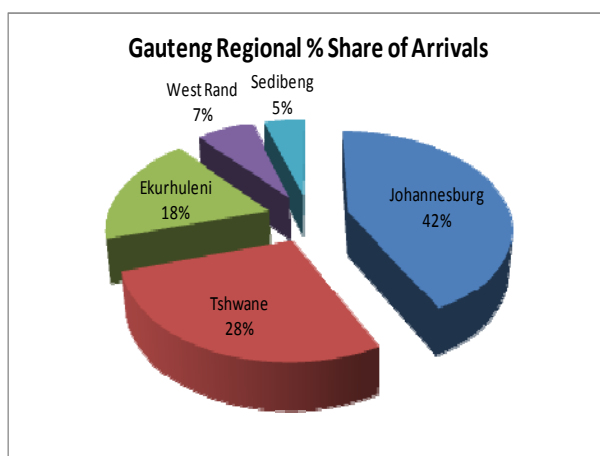


The decline in Gauteng's share of foreign arrivals is directly linked to the general economic downturn and more specifically to the financial crisis in Europe, South Africa's biggest foreign tourism spend. The South Africa domestic market is of such critical relevance to the sustainable development of the tourism sector, that due to its relatively higher contribution to tourism-GDP, that it would negate the severe effects of foreign tourist market decline.

Source: GTA Research and Strategy Team, 2012

In the West Rand, Mogale City however experiences a large percentage of visitors of about 71.17%. The main of purpose of these visitors is disappointingly a visit to friends and relatives (VFR) and not for leisure/holiday. It is imperative to develop attractive tourist product offerings, which must be tested and socialised with the target market and marketing strategies developed around the products. The CHWHS is not enough an attraction for huge volumes of tourist traffic. It has to be complemented with activities that talk to the tourists demand and needs, which readily available from Statssa, and key lessons of which are included in this report. The diagram below illustrates the regional percentage share of foreign arrivals in Gauteng:

Diagram 16 Gauteng Regional % Share of Foreign Arrivals



Considering that the District hosts the Cradle of Humankind World Heritage Site in Mogale City, it would have been envisaged that the District would have the largest number of foreign visitors. The adjacent diagram illustrates that the West Rand has in fact recorded about 6.7% of foreign visitors despite having an internationally renowned site. It is highly probable that the foreign visits were not for leisure, but most likely to be for business, with leisure being a secondary purpose of the visit., Inadequate tourism product offering and marketing thereof has direct impact on tourist arrivals in Mogale City.

Source: GTA Research and Strategy Team, 2012

3.6 MOGALE CITY TOURISM SECTOR REVIEW

Generally, there is no data available on Mogale City tourism statistics. As at the writing of this report, the statistics for Mogale City, with regards tourist spend, number of tourist visitors and job creation opportunities as a result of tourism could not be established. The West Rand regional spend of the foreign tourists is however estimated at 6.62% of the entire Gauteng Province (GTA Research and Strategy Team, 2012). This is one of the critical interventions that the MCLM must make. It needs to align itself with the GTA and the relevant associations in the industry to collect the relevant data. It would be virtually impossible to develop a strategy without such data.

The table below provides a list of tourism related products offered in Mogale City:

Table 19 Mogale City tourism product offerings:

Accommodation Types	Leisure Activities	Heritage
Bed and Breakfast Guest Houses Country Houses Country Lodges Country Hotels Camping Caravanning Game Lodges Chalets Self Catering Resorts	Shisanyama Taverns Casino Luxury Spa Wedding and Conference Venues Tarlton Drag Racing Facility Bungee Jumping Hot Air Ballooning Beer Tasting Flying Sport Festivals Wildlife	Museums and monuments Old significant historical buildings Old Boer War Paul Kruger and Piet Retief Kgosi Mogale wa Ga Mogale

3.6.1 TOURIST ATTRACTIONS

3.6.1.1 HERITAGE

Archaeologists have consensus that the Sterkfontein caves in Mogale City hold significant history of human evolution, including discoveries found there.

The Kromdraai area, which includes the caves, was declared a World Heritage site, known as the Cradle of Humankind, due to its scientific significance. In the Kromdraai conservatory is the spectacular 200 million year-old Wonder Cave, situated amidst famous paleontological sites containing some of the oldest relics known to man. The table below provides a list of tourist heritage site attractions categories:

Table 20 Tourist attractions

Establishment	Description	Website	GPS	Email
Maropeng Visitor Centre	Experience the visitor Centre, Hotel and Tumulus Restaurant in the heart of the Cradle of Humankind	www.maropeng.co.za	S25:58:38 E27:40:25	Info@maropeng.co.za
Ngomo Safari Lodge	Situated inside the Rhino and Lion Reserve in the "Cradle of Humankind"	www.ngomolodge.co.za	S25:58:06 E27:45:21	ngomo@mweb.co.za
Rhino & Lion	Situated in Kromdraai in the	www.rhinolion.co.za	S25:58:52	hippo@global.co.za

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Establishment	Description	Website	GPS	Email
Nature Reserve and Drimolen Fossil site	Cradle of Humankind...visit the Drimolen site.		E27:47:42	
Sterkfontein Caves	Include a hominid exhibition, a cave tour and walkways, a small restaurants and conference centre	www.discoveryyourself.co.za	S27:01:04 E27:43:56	info@discover-yourself.co.za
Wondercave	Boasts an enormous single chamber, accessed via a lift...	www.rhinolion.co.za	S25:58:12 E27:46:27	hipp@global.co.za

3.6.1.2 HISTORICAL BUILDINGS

The Krugersdorp town of the Mogale City has interesting topography and rich cultural and historical background. It was founded in 1887 by MW Pretorius when gold was discovered on his farm, Paardekraal. Since then, the mining industry has been an integral part of this town. The table below provides a list of architectural tourist attractions in the town:

Table 21 Krugersdorp tourist attractions

Establishment	Description	Website	GPS	Email
Blockhouse	The historical building was one of 8000 that were constructed during the Boer War. It was specifically sited to overlook the concentration camp	www.krugersdorp.org	S26:05:46 E27:47:20.33	Mogaletourism@mweb.co.za
Chilima Art & Signs	When you looking for a perfect gift	Not Available	S26:05:58.62 E27:46:33.32	Not Available
Concentration Camp	In 1901, there were 5,488 people in the Concentration Camp; 178 people died there in the same year. Krugersdorp had one of the biggest camps in the Transvaal.	www.krugersdorp.org	S26:06:09.93 E27:45:30.33	mogaletourism@mweb.co.za
Kgosi Mogale Statue and Museum	Placed in front of the Mogale City Civic Centre.	www.krugersdorp.org	S26:06:04.72 E27:46:24	mogaletourism@mweb.co.za
Living on the Edge	50m bunjee jumping in the King's kloof 320m foofy slide	www.livingontheedge.co.za	S26:05:59 E27:47:49	info@adventureslote.co.za
Ngonyama Lion Lodge	Grassy hills, rolling plains, rhino, buffalo,	www.afribush.co.za	S26:05:59 E27:42:41	info@afribush.co.za

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Establishment	Description	Website	GPS	Email
	hippo			
Paardekraal Monument	Krugersdorp was established on Paardekraal Farm which was also the site where 6,000 burgers each placed a stone on a heap vowed to retrieve freedom of the Republic even if it meant their death	www.krugersdorp.org	S26:05:35 E27:46:44	mogaletourism@mweb.co.za
Paul Kruger Statue	The statue of the President of the Zuid-Afrikaansche Republiek, Stephanus Johannes Paulus Kruger, was unveiled by the First President of the Republic of SA, President CR Swart on the 17 October, 1962.	www.krugersdorp.org	S26:05:32 E27:46:41	mogaletourism@mweb.co.za
Segononda TDG Enterprise	Unique, modern style pottery	Not Available	S26:05:58 E27:46:32.33	Not Available
Steam Train Museum	SANRASM: South African National Rail and Steam Museum situated in Millsite	www.krugersdorp.org	S26:09:20 E27:46:39	mogaletourism@web.co.za

3.6.1.3 TOURISM ADVENTURE

Mogale City boosts the adventures listed hereunder:

Table 22 Adventure (Muldersdrift and Magaliesburg)

Establishment	Description	Website	GPS	Email
Air Ventures	Drift peacefully across the skies	www.air-ventures.co.za	S25:58:52 E27:27:42	info@air-ventures.co.za
Aloe Ridge Hotel	Dine with the stars at Observatory	www.aloeridgehotel.com	S25:58:32 E27:50:10	aloereservations@mweb.co.za
Avianto	Play a game of golf, a proudly SA game...focusing on chipping and pitching...	www.avianto.co.za	S26:01:38 E27:50:19	info@avianto.co.za
Heia Safari Ranch	Zebra and Giraffe wander freely around the hotel...	www.heia-safari.co.za	S25:57:42 E27:51:21:05	heia@netactive.co.za
Old Kromdraai Gold Mine	One of the first mines in the Witwatersrand	www.valleyofancestors.co.za	S26:00:01:25 E27:46:31:18	

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Establishment	Description	Website	GPS	Email
Rhino and Lion Nature Reserve	Cuddle the cubs at the crèche and visit the reptile centre, and meet Eddy, the Cheetah.	www.rhinolion.co.za	S25:58:52 E27:47:42	hippo@global.co.za
Wild Cave Adventures	Abseil through the road of a wild cavern	www.wildcaves.co.za	S26:02:30 E27:44:29	info@wildcaves.co.za
Davies Aircraft Corporation	Experience the freedom of flight from the open cockpit of a magnificent thunderbird	www.tde.co.za	S26:03:11 E27:38:33	tde@pixie.co.za
Flying Pictures	A safe, fun-filled over the Magaliesburg	www.flyingpictures.co.za	S25:57:38 E27:32:38	flypixsa@iafrica.com
Govertical Mountaineering Adventures	Abseil down a vertical cliff	www.govertical.co.za	S25:48:30 E27:38:16	info@gotrekking.co.za
In the Gorge Adventures	Quad bike trail...4x4 trails	www.inthegorge.co.za	S25:54:38 E27:37:05	info@thegorge.co.za
Magalies Gliding Club	Glide the skies at Orient Airfield	www.mgc.org.za	S26:02:29 E27:35:34	markw@absa.co.za
Plumari Game Lodge	First Big 5 in Gauteng for the first time in over a century	www.plumariafrica.com	S25:53:46 E27:30:22	info@plumariafrica.com
Rustig Farm House and Hiking	Test your energy levels on the hiking trails...	www.rustig.co.za	S25:48:30 E27:38:16	info@gotrekking.co.za
Tarlton International Raceway	Drag & Jet car events...	www.tarltonrace.com	S26:03:36 E27:37:35	

These facilities are by themselves inadequate to attract the huge traffic volumes to develop a sustainable tourism economy in Mogale City. The product offering is similar, if not better than what Bela Bela can offer. However the clear distinction between Bela Bela and Mogale City is that Bela Bela is a destination for tourists, whereas Mogale City is on a tourist route to the Haartebeestpoort dam and North West- Sun City. There is no attraction in Mogale that tourists with a pulling effect as the Bela Bela's Forever Resorts. MCLM has to seriously consider the development of similar, if not better theme park(s), in order to make Mogale City as a destination tourist area.

3.6.1.4 ACCOMMODATION SUPPLY

The table below gives a profile of the accommodation stock. The number of rooms available is however not known. It is also assumed that the rooms are targeted at the premium end of the market. With the implementation of the developed strategy, Mogale City will have to make concerted effort to focus on growing accommodation for new tourism demand requirements.

Table 23 Lodges and events venues (Muldersdrift and Magaliesburg)

Establishment	Description	Website	GPS	Email
Bellgables Country Restaurant	Grand decor...amazing food experience	www.bellgables.com	S25:57:49:47 E27:51:25:41	info@bellgable.co.za
Carnivore Restaurant	Truly "Africa's greatest culinary experience"	www.rali.co.za	S26:01:42 E27:51:13	sale@rali.co.za
Forum HominiHotel	Nominated as top boutique hotel by SABC2's lifestyle programme Top Billing	www.forumhominico.za	S26:01:22 E27:46:52	conference@forumhominico.za
Glenburn Lodge	Relaxtreatments at Wellness Centre...	www.glenburn.co.za	S25:48:40 E27:50:16	glenburn@glenburn.co.za
Hakunamatata	Sophisticated facilities for weddings...	www.hakunamatata.co.za	S26:02:16 E27:53:36	hakunamatata@gem.co.za
Kloofzicht Lodge	Ultimate luxury...hot air ballooning...dream weddings	www.kloofzicht.co.za	S25:48:43 E27:29:12	info@kloofzicht.co.za
Malina Country Lodge	Unique, secluded retreat in the foothills of the Swartkops mountain range...	www.malina.co.za	S25:57:50 E27:48:36	info@malina.co.za
Misty Hills Country Hotel and Spa	Unwind and relax in this tranquil Spa in the country	www.rali.co.za	S26:01:31 E27:51:40	sales@rali.co.za
Mochnique Guest House	Nestled on the edge of the Cradle of Humankind...	www.mochnique.co.za	S26:01:33.75 E27:52:42	mochnique@mrtaco.za
Toadbury Hall Country House	Stunning setting for picnics, weddings...	www.toadbury.co.za	S25:56:56 E27:52:42	enquiry@toadbury.co.za
Budmarsh Private Lodge	Welcomes you to a world of understated elegance, tranquillity and personal service	www.budmarsh.co.za	S25:57:59 E27:32:59	info@busmash.co.za
Bushwillow Lodge	Theme-decorated rooms	www.bushwillowridge.co.za	S25:55:62 E27:35:69	Julian@bushwillowridge.co.za
De Hoek country House	Tranquil gourmet hideaways on country road...dinner at De Hoek are refined elegant affairs...	www.dehoek.com	S25:57:38 E27:32:38	reservations@dehoek.com
Goblin's Cove	Have lunch with the fairies	www.goblins.co.za	S25:55:17 E27:36:56	goblins@worldonline.co.za

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Establishment	Description	Website	GPS	Email
Magalies Manor	Where minds meet and souls renew	www.magaliesmanor.co.za	S25:57:10 E27:32:32	hotels@magaliesmanor.co.za
Mount Grace Country House & Spa	Set in the magnificent Magalies mountains...spa treatments...	www.mountgrace.co.za	S25:58:58 E27:33:33	
NutbushBoma Lodge	Has its own "beach" with a huge rock pool, ideal for beach parties	www.kgatours.co.za	S25:57:59 E27:32:59	kgatours@mweb.co.za
Out Of Africa	A SA experience with a difference	www.goblins.co.za	S25:59:18.97 E27:33:31.61	outofafrica@telkomsa.net
Valley Lodge	Your Country house getaway	www.valleylodge.co.za	S25:59:94 E27:33:29	Info@valleylodge.co.za
Usiba Country Lodge	Offers superior hotel accommodation that will satisfy even the most fastidious guest	www.usibalodge.co.za	S25:57:67 E27:32:39	Nkomo0802@lantic.net
Whispering Pines	On-site wellness Studeo offers a range of therapeutic and beauty treatments	www.whisperingpines.co.za	S25:58:59 E27:30:48	info@whisperingpines.co.za

3.6.1.5 TOWNSHIP TOURISM

Taverns and Shisanyamas-township liquor socialising venues for patrons to relax, operate under liquor license and strict regulations from the Gauteng Liquor Board. These venues have potential to attract tourist and become part of the tourist routes. They come alive mainly on weekends, and found on almost every street corner and add to the atmosphere of township life (see Annexure A for a comprehensive list of these venues).

3.7 TOURISM ASSOCIATIONS AND PARTNERS

There are various tourism forums operating in Mogale City. The table below provides information on the profile of tourism associations in Mogale City:

Table 24 Mogale City associations

Description	Urban Tourism – GM Forum	Munsieville Tourism Association	Kagiso Tourism Association	Magaliesburg Meander
Name of a Leader	Mr. Leon Bosch	Mr. MeshackPadi	Mr. BoboMoate	Mr. Peter Hewitt
Areas covered	Krugersdorp, Muldersdrift and Hekppoort	Munsieville	Kagiso	Magaliesburg
No. of members	Forty five (45)	Unknown	Unknown	10 Executive

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Description	Urban Tourism – GM Forum	Munsieville Tourism Association	Kagiso Tourism Association	Magaliesburg Meander
				Committee members
Membership fees	Unknown	Unknown	R300 annually	R1 430
Key areas of focus	Unknown	Unknown	Marketing, training, events, and tourism projects	Distribution of the Magalies Meander Visitor's Guide, marketing and electronic newsletter
Tourism Information	About 60% of visitors are local mainly for week-end away, whereas foreign visitors usually stay longer	Hosted the 2010 World Cup for 14-16 olds, and currently involved in student exchange programmes. It tourism activities are funded by the WRDM	It hosts annual gala dinners supported by the WRDM	Promotion at major shows and events, e.g. Outdoor Show, Indaba It publishes an annual events calendar

The Magaliesburg Tourism Association was formed, but it is not operational.

It is with interest that the industry seems to be still organized along racial lines; whilst to have significant improvement in the number of tourists and therefore tourist spend, the industry's programmes must be congruent and geared towards fostering social integration. Extensive consultation with all these associations and other industry players who are not members of the respective associations was conducted as part of stakeholder engagement process towards the development of the strategy.

3.8 TOURISM KEY CHALLENGES IN MOGALE CITY

Our view with regards tourism challenges is the lack of continuing awareness about tourism despite it being declared a priority sector. This sector is not yet fully understood as its resultant benefits are usually not quantified. The tourism sector however remains to have end-less opportunities that can result in sustainable job creation. Our view once again is that there is lack of making tourism part of the agenda at every government official meetings. Mogale City is similarly faced with these challenges. The challenges identified thus far, faced by Mogale City, include in the following:

- Lack of a tourism plan/strategy to develop the local tourism economy;
- Lack of inbound tourists data to Mogale City and no regular analysis of the data;
- No database of all the tourists attractions in Mogale City;
- Poor relationship between Mogale City and the industry stakeholders;
- No integrated and formalized tourist product offering to tourists and disjointed marketing of activities and events;
- Inadequate visible and clear signage to the attractions, accommodation, etc;
- Incorrect contact details either on the product owner's websites, properties or linking websites;

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- Lack of a mega tourist attraction that would be appealing to huge tourist traffic volumes that would make Mogale City a tourist destination and consequently marketed as such;
- Minimal grading of facilities by the Tourism Grading Council;
- Inadequate maintenance and beautifying of Mogale City, especially in the townships and the city centre;
- Lack of follow up on tourism initiatives and proposals;
- There is no Tourism Champion within the municipality, with the relevant authority to make critical decisions;
- Lack of transformation within the tourism industry;
- Need for a tourism awareness programmes and education and a wide range of skills in the tourism sector; and
- Lack of amusement facilities, with huge capacity to attract tourist traffic.

3.9 A REVIEW OF TOURISM SKILLS

A key strategic goal, not only for the District, but for Mogale City as well is to increase visitor volumes. An increase in those volumes will certainly require the rendering of world class hospitality services which require well-trained service workers for the various tourist contact points.

We have not conducted a detailed tourism skills audit in Mogale City, but rather make inference on a national skills audit reports developed. We review the tourist experience chain followed by the skills gap audit in the tourism sector, the barriers to skills development, and challenges with respect to skills development.

3.9.1 TOURIST EXPERIENCE CHAIN

The table below illustrates the various service contact points in the travel and tourism sector for the tourist, which counts significantly with regard to a tourist's experience of a destination, based on the tourist experience for both international and domestic markets. The South African education and training institutions in the travel and tourism sectors and more relevant the District may have to go ahead with the development of the tourism centre proposed in the LED strategy, with the aim to contribute towards the training and development of learners to be absorbed by the tourism industry. This tourism industry is estimated to grow at about 4.7% per annum for the next ten years.

Table 25 Tourist Experience Chain

Services	Facilities used by Tourists	Service workers in contact with Tourists
Trip planning & bookings	Outbound tour operator	Travel consultants
	Travel agencies	SA Embassy officials
	SA Tourism	Information officials

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Services	Facilities used by Tourists	Service workers in contact with Tourists
International Travel	SA Embassy	Reservation and sales
	Airlines	
	SA booking agencies	
International Travel	Airlines	Cabin crew
	SA Airports	ACSA staff
	SA Immigration and customs	Home Affairs and SARS officials
	SA Tourism at ports of entry	Information officers
Local Travel	Airlines	Cabin crew
	Inbound Tour Operators	Check-in and ground handling staff
	Car Hire	Drivers/consultants
	Taxis	Tour guides
	Gautrain	Receptions and reservations
	Buses	Ticket sales and reservations
Accommodation	Hotel	Porter
	Guest Houses	Reception
	Bed and Breakfast	Hostesses and Waitresses
	Lodges and Game parks	Concierge/guest services
	Self catering resorts	Housekeeping
	Homes of Family & Friends	Parking Attendants
Activities		Security guards
	Local tourist information centre	Information officers
	Trip Operator	Local tour guide
	Tourist Attractions	Field/natural; adventure guides
	Theme parks	Tracker
	Casino	Ticket Sales and Reservations
	Museum	Security services
Retail & Support Activities	Beaches	Informal traders/shop attendants
	Retail stores	Sales consultants/cashiers
	Restaurants	Waitress/supervisors/managers
	Shebeen	Cashiers and sales assistants

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Services	Facilities used by Tourists	Service workers in contact with Tourists
	Fast foods	
	Banks/ bureau de change	

Source: Tourism and Sports Skills Audit/SANS-Service excellence

The skills base required in the entire tourism and travel industry is quite broad. The national imperative is to provide skills across the tourism and travel sectors, to ensure a better experience for tourists. It is essential for the training service providers to align programmes that can actually produce skills in the areas as specifically outlined above.

3.9.2 SKILLS GAP IN THE TOURISM SECTOR

In this section we analyse the current skills base per sub-sector of tourism, the future skills needs and the shortage of skills-looking at both critical and scarce skills levels. The data was extracted from the Skills Audit for tourism and sport and the Tourism Sector Skills Plan. In the analysis, the tourism growth targets have also been considered in order to paint a picture of the extent of the skills needs.

3.9.3 CURRENT QUALIFICATION PER SUBSECTOR

The table below outlines the extent of the current qualifications levels of the employees per sub-sector.

Table 26 Employee Qualification level

Employee Qualification Level	NQF 5-8	NQF 2-4	NQF 1 & LESS
HOSPITALITY	18%	28%	54%
TOURISM & TRAVEL	74%	18%	7%
GAMING & LOTTERIES	53%	40%	5%
CONSERVATION & TOURIST GUIDING	22%	50%	28%

Source: Tourism and sport skills audit

Based on the table above, the hospitality sub-sector is lagging way behind with regard to qualified employees and yet it is one of the leading sub-sectors in terms of the number of employees in the tourism sector, with most of the employees being black. In the hospitality sub-sector, only 18% of employees are at senior manager positions and of that only 40% is occupied by black, implying an effective 7.2% of senior managers in this sector are black.

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Another sector that requires intervention is the conservation and tourist guiding. The levels of qualification are too low in the higher skills level, being dominated by intermediate skill levels. Strategic interventions are urgently required to enhance South Africa's and unavoidably Mogale City's competitiveness more so that one of the top ten attractions in South Africa are its game parks. Most institutions do not provide curriculum on game management and conservation.

3.9.4 FUTURE SKILLS NEEDS

It is important to note the understanding of the definitions of skills as outlined below:

Scarce skills refer to occupations in which there is a scarcity of qualified and experienced people, current or anticipated either because such skilled people are not available or where they are available do not meet the employment requirements.

Critical skills refer to specific key or generic top up skills within an occupation.

Table 27 Scarce Skills in the Tourism sector

Occupational Group	Specialisation	Scarce skills	NQF Level	Number required by 2015
MANAGERS	General Manager (skill level 5)	YES	6	3,000
	Café (licenced)/Restaurant Manager (skill level 4)	YES	6	500
	Hotel/motel managers	YES	6	500
PROFESSIONALS	Park Ranger	YES	4	1,000
TECHNICIANS & TRADES	Chefs	YES	4	1,300
SERVICE WORKERS	Casino/Gaming Dealer (Skill Level 2)	YES	3	750
	Waiter/Bartender (skill Level 2)	NO	3	1,000
	Travel Consultant (Skill Level 2)	YES	5	500
CLERICAL & ADMINISTRATIVE	Hotel/Motel receptionist (skill level 2)	NO	3	500
	Accounts clerk (Skill Level 2)	YES	4	250
	Bookkeeper (Skill Level 2)	YES	5	250
TOTAL				9,550

Source: Sector Skills Plan 2011-2016

The future needs of skills in the tourism sector paint a dire situation. This is made worse by the fact that transformation in this sector is still at a snail pace, it would seem worse so in Mogale City. Whilst there are ample opportunities for qualified and experienced employees to develop to supervisory and eventually to

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management levels, their development is stifled by legacy discrimination tendencies, which backfire in service excellence for the sector.

Chefs are also one of the critical skills, based on discussions with SACA, there a very few black executive chefs in the sector, and this is not because black people do not express interest in the specialized field, but it is mainly due to lack of opportunities to develop their careers within the employer environment. Currently there are initiatives by NDT to increase the number of chefs, and these initiatives are limited to providing basic cooking skills. Ultimately these do not have much impact in the sector as the employers do not develop these trained students through experiential placement. What is lacking in these programmes is the placing of graduates with various employers, mainly the ones servicing Government tourists destinations, such as national parks, game parks, and Aventura's of this country. A detailed assessment of the extent to which these Government owned establishment can absorb graduates has to be conducted and strategic alliances forged.

The table below illustrates the critical skills in the tourism sector, per sub-sector. Training service providers must align their courses/curriculum to actually meet industry requirements, as the list of these critical skills was obtained from the employers in the sector.

Table 28 Critical skills per sub-sector

Critical Skills	Tourism & Travel	Hospitality	Conservation and Tourist Guiding	Gaming and Lotteri
Communication/guest relations	YES	YES	YES	YES
Tourism awareness, its value and why its important	YES	YES	NO	NO
Conflict Management	YES	YES	YES	YES
Proble solving & numeracy	YES	YES	YES	YES
Toursm Software and general ITC	YES	YES	YES	YES
Multi-lingual foreing language	NO	NO	YES	YES
Frontline skills	YES	YES	YES	YES
Service cultture	YES	YES	YES	YES
Knowing South Africa	YES	YES	YES	YES
Financial Management skills for Technicians	NO	YES	YES	NO
General supervisory & management skills	NO	YES	YES	YES
Surveillance and security	NO	NO	NO	YES

Source: Sector Skills Plan 2011-2016

All the above skills are lacking in the various sub-sectors of the tourism sector. The various institutions providing education and training in the tourism sector must respond timely and adequately to industry requirements, if South Africa and Mogale City in particular, is to remain a globally and regionally competitive. International tourists will assess their experience based on their international experience and failure to meet these requirements will set back the initiative to make South Africa a preferred destination for tourists, including being attractive for domestic tourists. This is imperative lies squarely in the hands of Government to drive the service excellence initiative through promoting and enforcing appropriate training programs in the training sector and where it has leverage in terms of ownership of tourist destinations and establishment to foster a culture of service excellence through post graduate training.

3.9.5 BARRIERS TO SKILLS DEVELOPMENT IN THE TOURISM SECTOR

The tourism and sports skills audit identified the following issues as barriers to skills development in the tourism sector. These factors were obtained from research of employers/students/unions etc. These barriers to skills development include:

- Limited management skills and managers, as most employers are owner-managed with minimal or no prospect of development of staff;
- Limited tourism awareness and its value amongst, especially amongst the youth, who would be the target population with respect to tourism job creation initiatives;
- High migration skilled and qualified resources-resulting in an increasing replacement demand for these skills. This is further worsened by poor, if any, internal success planning and career development by employers;
- Very few qualified/skilled and experienced black employees progress towards supervisory/managerial levels;
- Reluctance by white employers to employ graduates from black managed training providers, despite the necessary expertise;
- Lack of program/course standardization, which then result in graduates that are unemployable due to the poor quality of their qualifications;
- Inadequate industry knowledge and practical know-how from the training providers;
- No formal recognition of in-house training provided by employers;
- Unemployment and casualisation: There is an increasing trend to rely on casual labour as opposed to permanent employees. This trend is driven by red tape associated with having to manage employees. Due to high levels of unemployment in South Africa, and neighbouring countries, such Zimbabwe, the availability of casual labour at short notice is very high. Most of the foreigners casuals used in the sector are highly qualified, but not in the tourism sector. However, they are a better resource and still at relatively cheaper cost.

3.10 SWOT ANALYSIS

The diagram below which is not exhaustive provides the SWOT analysis of Mogale City with regards tourism:

Diagram 17 SWOT Analysis

<p><u>Strengths</u></p> <ul style="list-style-type: none"> • Mogale City is located in Gauteng, which accounts for the highest population in South Africa, and the highest proportion of foreign tourists arrivals. It is also within a 50km radius of Johannesburg, Tshwane and Sedibeng, which all account for 65% of foreign tourist arrivals in Gauteng; • Accessibility to Johannesburg's regional tourists, who are in dire need of new tourism product offerings and thus have a niche market for repeat tourist traffic; • Strong tourism product base in heritage sites and adventure venues, which are unique in Gauteng and South Africa; • There is adequate accommodation facilities to cater for increased tourist volumes in the medium term, though the accommodation is geared for the top-end of the market • High concentration of tourist attractions in Mogale City within the District • Best wedding venues in Gauteng 	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> • Lack of regional tourism data and statistics; • No tourism authority within MCLM and the District, with a clear mandate to market Mogale City and the District; • Relatively low household income, thus impacting adversely on the growth and development of regional tourism market; • Inadequate marketing of Mogale City as a tourist destination on such websites such as SAT, GTA, etc; • Tourism associations fragmented and appears to operate in silos; • Inadequate accommodation for the critical tourist volumes who are likely to be in the middle-income class bracket; • No visible tourism education programmes to meet the requirements of Mogale City tourism
<p><u>Opportunities</u></p> <ul style="list-style-type: none"> • Tourism Investment developments which would include: <ul style="list-style-type: none"> • Krugersdorp Game Reserve; • Cultural village and crafts market centre; • Suite hotels to cater for the middle class tourists; • Unique Theme Park, with a water feature, similar to Valley of Waves and origin of human kind theme; • Mogale City Sports Academy, at the Bob Van Rensen stadium-targeting sports tourists; • Tourism Academy-this can be aligned with Gauteng's initiatives around development of 	<p><u>Threats</u></p> <ul style="list-style-type: none"> • Inertia with regard to the making the necessary tourism investments in Mogale City; • Adjacent and competing tourist attractions around the District and Mogale City may steal the show and take a lead with development of theme parks, thus completely eliminate the possible development of such parks in Mogale City; • Reluctance of the regional tourism industry to transformation; • The envisaged UniCity restructuring process may stall the implementation of large scale projects • Failure to enhance the service standards within the travel & tourism industry in the region; • Failure of LMs within the District to embrace a congruent

such facilities;

- Development of tourist packages within and around Mogale City-using subsidized Open Top buses, operated by private sector;
- Development of a regeneration regional tourism strategy, which should be informed by regional tourist survey – tap into this potential R1.7 billion market;
- Extensive marketing of Mogale City and its tourist attractions facilities, especially the COHWS to the provincial departments of education and to travel & tourism agents; and
- Align the regional service standards to the national industry standards currently being finalised by SANAS.
- Development and upgrading of open space parks such as the Coronation Park

integrated tourism strategy;

4 STRATEGY DEVELOPMENT

4.1 INTRODUCTION

Mogale City has great potential to attract tourist more than any other municipality within the Gauteng Province. It is comprised of unique destinations which have had minimal impact on tourism despite phenomenal growth in the tourism industry since the new dispensation. These existing destinations need to attract great numbers of tourists in order to be classified as tourist destinations. It is our view that Mogale City, in conjunction with the GTA, seek to leverage on the Cradle of Human-kind, Sterkfontein Caves and Maropeng as major tourist attractions. These areas draw a theme of heritage, and it is our view that the heritage theme should be further explored in developing the strategy.

The rationale of the development of the tourism strategy is to turnaround the current situation, making Mogale City a destination place of choice for tourism in Gauteng that will have with great economic impact. Our understanding of economic impact is that it implies to those benefits and costs that result from the development and use of tourism resources and services.

This sub-section of the report includes a strategic framework review, specifying goals, objectives and strategic options. It develops the vision and accordingly provides an analysis to determine strategic themes, programmes and actions. We further propose critical projects that would result in economic impacts, and thereafter make recommendations to move Mogale City forward.

4.2 STRATEGIC FRAMEWORK

Our proposed strategy development framework *inter alia* includes development of the following:

- Vision and mission statements;
- Strategic objectives;
- Tourism planning;
- Strategy clusters;
- Strategy action plans; and
- Potential funding mechanisms.

4.2.1 VISION AND MISSION STATEMENTS

The proposed strategy framework encompasses the development of the vision and mission statements.

The Vision and Mission statements of the Mogale City will be underpinned by the following principles and issues:

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- Elements essential to tourism such as the following:
 - Increased tourists to Mogale City;
 - People development; and
 - Strategic tourism Infrastructure development.
- Broad socio-economic elements underpinning the tourism sector strategies (NTSS/GTSS/WRTS):
 - Economic growth through tourism;
 - Transformation; and
 - Job creation.
- Specific components
 - Mogale City tourist statistics and tourism supply database; and
 - Industry stakeholder engagement.
- Stakeholder consultation

In our strategy document, we also considered the following tourism programmes:

- Creating tourism awareness within Mogale City residents;
- Enhancing tourists to Mogale City - both Day and Overnight tourists;
- Redistributing tourism income across all constituencies; and
- Intergovernmental/interdepartmental collaboration.

4.2.2 STRATEGIC OBJECTIVES

In developing the strategy document, we developed the strategic objectives, complimenting those defined in this assignment. These are underpinned by the following themes:

- Tourism Economy Growth
- MCLM tourists and related tourist experience
 - Improved service excellence;
 - Repeat visits to MCLM; and
 - Position MCLM as tourist destination in Gauteng.
- Sustainability and Governance

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- Transformation of tourism supply side; and
- Spreading the Tourism economy through unconventional tourism.

4.2.3 TOURISM PLANNING

It is envisaged that tourism planning will become a key item in the IDP review process. It will entail the following activities:

- Adoption of the Mogale City Tourism Strategy by Council;
- Strategy buy-in by the relevant stakeholders;
- Aligning the strategy Action Plans with the IDP processes and ensuring fundability of Implementation Programs; and
- Reviewing of Strategic Focus Area regularly to re-align strategy to international, domestic, regional industry trends.

4.2.4 STRATEGIC CLUSTERS

These strategic clusters are informed by:

- The NTSS/GTSS/WRTSS; and
- Mogale City LED Strategy and Precinct Plans with specific areas of focus within tourism.

Possible cluster workstreams could include:

- Policy development
- Monitoring and Evaluation;
- Tourism Growth Development-demand and supply; and
- Human Capital Development.

4.2.5 STRATEGIC ACTION PLANS

Strategic plans are informed by the following:

- Cluster focus areas; and
- Existing tourism plans/strategy within the district and the Unicity concept.

4.2.6 FUNDING MECHANISMS

Municipal funding will be the primary source of funding, other funding options could include:

- National Department of Tourism;
- Tourism industry;
- Development Funding Institutions; and
- Private sector funding through PPP structures.

4.2.7 STRATEGIC OPTIONS IN RELATION SITUATION ANALYSIS

The Situation Analysis, incorporating the SWOT Analysis proposes various strategic actions that inform the strategic intervention programmes. In this sub-section of the Report, we review the strategic goals and objectives proposed and provide a summary analysis of the strategic implications elaborated in the Situation Analysis which informs the strategic options that form the basis for competitive advantage for Mogale City.

4.2.7.1.1 STRATEGIC GOALS

A strategic goal for Mogale City will be to recognise the area as a leading tourism destination in the Gauteng Province through a style in heritage, making it a most desirable place to visit.

There is currently no mechanism/system available with regards to the monitoring of visitor numbers. We are therefore unable to formulate growth targets from set national targets. The City, in conjunction with various industry stakeholders, will have to develop monitoring tools for volume increase in visitors and related jobs to be created due to envisaged infrastructure investment projects. The proposed brand repositioning will intern be able to drive change in tourism performance of the City, including quality of excellence in service and product innovation.

4.2.7.1.2 STRATEGIC TARGETS

Strategic targets to be achieved include the following:

- Making Mogale City a place of visitor attraction through tourism infrastructure investment by classifying products such as expositions, attractions; activities and events using a clustered approach including heritage, culture and nature;
- Develop niche products to complement existing visitor experiences;
- Growing tourist volumes and revenues;
- Growing tourism related jobs;
- Creating and increasing tourism supply capacity;
- Develop a marketing strategy to effective target markets and provide a sustainable competitive branding positioning;

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- Develop a partnership programme with various stakeholders, including national, provincial, district and industry players at large.

Using the Situation Analysis, we present goals with measurable targets to be achieved. The table below provides some of the set targets:

Table 29 Strategic Targets

Strategic Goal	Proposed programme
Increase the number of tourist to 700,00 per annum	Develop a tourism statistic database
Increase the number of tourism jobs by 76,200 per annum	Develop a Monitoring and Evaluation database programme for measuring the economic impact resulting from tourism infrastructure development
Set aside at least ten (10) percent of Precinct Plan capital investments towards specific tourism projects	Develop a funding model for raising additional capital per project identified
Build institutional capacity	<p>Establish a Mogale City Tourism Forum, properly constituted by all the associations, tour operator association and any other relevant stakeholder with the aim to provide business linkages.</p> <p>Influence the District to establish a Regional Tourism Organisation constituted properly by all stakeholders, including the GTA</p> <p>Formulate a database of the training and development service provides, evaluating provision of training programmes and capacity to handle envisaged demand for training due to increased visitors</p>

4.2.7.1.3 STRATEGIC OBJECTIVES

Mogale City strategic objectives for tourism include the following:

- Develop tourism products and visitor experiences, using a clustered theme approach – heritage, culture and nature

- Focus, develop and promote specific niche markets namely archaeological expositions, conferencing, wedding venues and adventure activities
- Develop business linkages for Small Medium Enterprises with established tourism services providers, involving three spheres of government and all stakeholders
- Adopt an Implementation Plan of this Tourism Strategy Development and roll-out proposed programmes and projects

4.2.7.1.4 SITUATION ANALYSIS STRATEGY IMPLICATIONS

In reviewing the domestic tourism market, we provided an analysis that impacts the strategy developed. The table below provides a robust analysis of those implications on strategy:

Situation Analysis Strategy Implications

Domestic Survey	Strategic Implication	Economic Impact	Strategic Development Impact
Demographics of domestic tourism	The domestic tourists market is dominated by blacks, most of who fall in the age group, 25-34, thus predominantly youth. This market has specific needs, such as going to malls, mainly for entertainment. The strategic interventions should be geared towards this market, taking into account that at the malls, if there are a variety of entertainment packages such as games, cinema, food courts etc, these can prove to be attractive to the youth. However, it would be prudent to conduct a separate study to understand what their demands and needs are, so that the strategic interventions are aligned to this huge market.	Youth forms part of the largest domestic purchasing power. They are outgoing and really want fun and entertainment	Add an entertainment theme in formulating strategy clusters
Main destinations of	The MCLM's strategy must be aligned to GTA's initiatives, if	The Cradle of Humankind World	Develop unique tourism

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Domestic Survey	Strategic Implication	Economic Impact	Strategic Development Impact
tourists	any, to increase domestic OVERNIGHT tourists to Gauteng and invariably to Mogale City. In addition, MCLM's strategy must outline key unique features that MCLM can leverage on to attract the domestic OVERNIGHT tourists to Mogale City	Heritage Site is truly unique with potential to draw large numbers of visitors and increase tourism spend provided there is something else to do in the area, following a scientific exposition on fossils, etc.	infrastructure destination within Mogale City such as both animal and water these parks which are non-existent
Accommodation type by province	Accommodation should not be a serious concern for the MCLM at least in the short to medium term	Mogale City has some of the best accommodation and conferencing facilities in the country. However, the adoption of aggressive strategic projects would result in similar venues being developed in the townships	Conduct feasibility studies to quantify demand on envisaged large number of visitors who will seek accommodation and related hospitality services
Destination by main purpose	MCLM strategy must be geared towards improving the leisure market for tourists coming to Gauteng. The strategy must be a joined effort with GTA. Unique leisure events and activities for	The entertainment and leisure events for the NIGHT markets would naturally increase tourism	For tourist would want to stay OVERNIGHT, following great DAY entertainment, the evening

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Domestic Survey	Strategic Implication	Economic Impact	Strategic Development Impact
	Mogale City must be developed that will differentiate it from other destinations within Gauteng, such as Johannesburg, Soweto, and Sandton, etc.	spend resulting in more jobs to be created	would bring more fun at a venue such as the Beer Hub to be developed in the township. This initiate with liquor licensing requirements require GTA active involvement in the project.
Activities undertaken per trip category	MCLM strategy must be aligned towards addressing the activities of the tourist, with particular emphasis on the recreation & entertainment cluster. Key opportunities lie in leveraging on COHWHS and another in taking the lead in developing an integrated theme park, which could include a water park element such as the Sun City's Valley of Waves and human origins themes. This should form part of MCLM's Tourism investment plan, which can be funded internally and to a large extent in partnership with the private sector and national department of tourism.	The theme parks have the potential to attract Foreign Direct Investment, including the domestic corporate finance and venture capital activities. Capital raised with greatly contribute towards the GDP and result in short-term and long-term jobs from envisaged infrastructure development and construction activities of projects	Formulate potential funding mechanisms, including sources of capital. Initial contribution by Mogale City would be critical to get the projects off the ground, hence the IDP budget capital was considered.

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Domestic Survey	Strategic Implication	Economic Impact	Strategic Development Impact
Day Trip tourist spend	MCLM strategy must respond to the expenditure patterns of tourists, which implies facilitating the development of shopping malls and restaurant within and without the shopping malls and ensure that it can complement these with other activities which Mogale City can leverage on, such as COHWS tourist packaging, township tourism route developments, mining tourism etc.	The construction of addition and upgrades of malls will contribute towards job creation. It would be critical to establish the number of employees employed in those malls who are resident of Mogale City; and also to establish the number of franchise owners in those malls who are resident of Mogale City, and mainly black.	Development and upgrades of malls (currently the Key West and the Cradle Stone) are largely retail without specific tourism focus such as facilities for indoor indigenous games and cultural theatres for events Tourism statistics database will be able to monitor expenditure patterns for tourist
Barriers to taking DAY/OVERNIGHT trips	The MCLM strategy must be geared towards capturing a significant portion of the domestic market as a strategic thrust of the programmes. The industry in MCLM must entice the local domestic market through innovative events and activities geared towards their needs. This will further assist with	With more jobs to be created, it is also envisaged that the disposable incomes will improve with the view that a large spend will be	The largest target market will be domestic with the foreign market being largely business.

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Domestic Survey	Strategic Implication	Economic Impact	Strategic Impact	Development
	indirect marketing of Mogale City and related attractions to the broader Gauteng market which is likely to spill into the adjacent provinces of North West and Mpumalanga. It is also in MCLM's interest to ensure that the district wide industrial strategies are aligned towards improving the household income of residents of the district, so that the potential local domestic tourism market spend is significantly increased to sustain the tourism industry in the area.	saved towards the tourism events and activities in Mogale		

4.3 VISION STATEMENTS

4.3.1 VISION DEFINITION

There are various definitions of what a vision mean. For purpose of this Report, we adopt the BusinessDictionary.com definition for our vision statement which states that a vision is “an aspirational description of what an organization would like to achieve or accomplish in the mid-term or long-term future. It is intended to serve as a clear guide for choosing current and future courses of action”.

4.3.2 MOGALE CITY VISION STATEMENT

Mogale City vision reads as follows: provision of “quality service delivery for all in Mogale City”. In order to realise the vision, the City developed strategic goals, including the provision of sustainable services to the community. One of these services is the rendering of support services through the enterprise development unit which is mandated to increase tourism.

In terms of the needs analysis of the municipality, economic development and job creation are prioritised as urgent so as to be allocated the necessary resources. Tourism related projects currently adopted for Mogale City are described in the table below:

Table 30 Mogale City tourism capital budgeted projects

Capital budget	IDP Ranking	2012 / 2013	2013 / 2014	2014 / 2015
Tourism Cultural Village	3	2,000,000	3,000,000	3,000,000
Tourism system		250,000		
Heritage: Refurbishment of Ubuntu Arts and Culture			1,000,000	

Source: IDP 2012/13 capital budget

The table above confirms that the tourism capital budget over the next three years is R9.5 million out of a total capital budget of about R 1 billion, resulting in about **one (1) percent of the capital budget**. The tourism capital budget is therefore insignificant to result in serious envisaged economic impacts. It is our view that the planned capital budget be optimally increased to **five (5) percent**, making it **R50 million**. Using an industry practice in raising capital, the R50 million capital contribution, say at 2.5%, can attract investment capital of about **R2 billion**. This seed capital may be utilised mainly to conclude bankable feasibility studies and towards tourism infrastructure planning.

4.3.3 MOGALE CITY TOURISM VISION STATEMENT

Mogale City has capacity to lead tourism initiatives, using its unique destinations not available elsewhere within Gauteng. In fact, the Cradle of Humankind is a registered World Heritage Site in Mogale City. It thus stands to reason that the City host a world renowned heritage site, hence our view is that the word “heritage” should form the basis for exploring a theme for the vision.

The Mogale City Vision Statement proposed in this Report is described below to read as follows:

“Leading in style of heritage”

4.3.3.1.1 HERITAGE DEFINITION

There is various definition of what heritage is. For the purpose of this Report, we understand heritage as things which are valuable to our national interest and are passed continuously passed from one generation to another. These things may include the following items:

- History;
- Literature;
- Culture;
- Arts;
- Tradition
- Property, including buildings, monuments, cathedrals, museums; and
- Fossils, etc.

The heritage aspects lack amusement component elements in them. The related objects are usually regarded as old and old-fashioned, and presumably out of modern style. The envisaged style is really about bringing innovative ideas to revitalise them, and make them more vibrant and have a tourist appeal. The Mogale City tourism vision can be realised through converting the fossil image of the municipality into a modern style.

To lead this Vision inspires confidence which would result in the leadership of Mogale City adopting initiatives towards the development of various tourism products, reflecting certain styles – themes anchored by heritage (culture, arts, history, nature, etc).

The presentation of the brand, logo or images reflecting the Mogale City Tourism Vision is outside the scope of this Report. These activities would form part the implementation programme of the Marketing Strategy.

4.3.4 VISION ALIGNMENT

The table below describes vision statements developed in the tourism sector strategies:

Table 31 Vision alignment

Gauteng Province	West Rand District Municipality	Mogale City
Africa's must see, vibrant, big city visitor experience.	Gauteng's most preferred nature and heritage visitor experience	Leading in style of heritage
COMMENT		
Mogale City is largely rural, and will bring about enjoyable city visitor experience using the heritage as an anchor theme, making Mogale City in Gauteng a preferred tourist destination of choice.	In the West Rand District Municipality, Mogale City has a unique heritage site with great potential for visitor experience and therefore lead towards achieving the envisaged experiences. In addition, Mogale City has vast number of conservation areas.	Mogale City must develop themes related to heritage and take a strategic positioning to lead them.

In our analysis, the word 'style' brings vibrancy and energy into Mogale City's tourism vision. Tourist will see various heritage themes developed for memorable experiences; hence the Mogale City vision bodes well with the Gauteng tourism vision.

The District aims to become a "most preferred" destination in Gauteng. The District will assume this lead, and ultimately through the Mogale City's tourism strategy. This further aligns the vision of the Mogale City with those of the Province and the District. The vision statement of the District clearly *inter alia* mentions that visitor experience should also be through nature and heritage

4.4 VISITOR EXPERIENCES

In the sub-section that follows, it becomes critical to elaborate on those activities that visitors can experience, using a heritage theme. For the purpose of this Report, we do not focus our attention on nature visitor experience as we intend to build a theme on heritage which will anchor the entire tourism strategy.

4.4.1 WRSS DEFINITION

The West District Sector Strategy (2011) identified the following visitor experiences for the District:

- Cultural/heritage discoveries (including the major attraction such as Maropeng and lesser established township tours which need to be enhanced);
- Scenic/nature/outdoor recreation discoveries;
- Outdoor action/soft adventure discoveries;
- Countryside conferencing/functioning/weddings/team building;

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- Wildlife recreation discoveries;
- Event discoveries;
- Business travel;
- Mining discoveries; and
- Agri-tourism discoveries.

The District's core strategy for tourism is to increase "more visitors" and attain related "higher visitor yield" through visitor experiences, using the Cradle of Humankind to develop and grow the tourism market in the District. The activities at the Cradle of Humankind are largely educational expositions with no active leisure activities. Expositions in fossils may not result in an increase in visitors as they lack the fun and entertainment elements in them. The above mentioned envisaged visitor experience for the District have received no significant attention for visitors to remember them as they are very scientific. Adventure and events discoveries may leave some memorable experience for the visitors. It is however really having fun and entertainment that drive tourist and visitors to want to come repeatedly.

4.4.2 HERITAGE VISITOR EXPERIENCE

The Cradle of Humankind, the only World Heritage Site in the Gauteng Province, is a fossil site with highly valuable information on the evolution of our ancestors, enriched with ancient history, human beginnings and adventure. Due to environment concerns around the Buffer Zone, It lacks amusement to attract huge number of visitors whom can be entertained. The tourist attraction is therefore largely educational.

The Department of Economic Development of Gauteng Provincial Government (the "DED") is the Management Authority for the site. DED has since invested in strategic economic infrastructure in certain areas to stimulate private sector investment. Mogale City, together with the DED, may further place additional tourism infrastructure investments to take private sector investment to greater heights, not only within the site, but in other areas in the vicinity within the municipality. We trust that these envisaged investments will now be aligned to this Tourism Strategy of Mogale City

Since the new dispensation took place, South Africa has also not being left behind with regards modern lifestyle. We have seen a proliferation of social networks as a result to access to mobile broadband. A key challenge is basically how Mogale City makes some of these 'old' objects in the Cradle of Humankind it inherited to be relevant in modern times. Visitors therefore seek high quality experiences, including interfacing with media interactive programmes.

It is without doubt that heritage sites must be protected. A question is how Mogale City would strike a balance amongst conservation, education and visitor experiences. Visitor experience varies greatly from one visitor to another. It is important to connect visitors, not only to the heritage site, but to the entire municipality. The Mogale City Tourism Strategy would certainly not be able to address all visitor needs, but should be able to capture the hearts of many visitors, resulting in economic impacts

Our view is that appropriate tourism products will be developed and be converted into heritage experiences to connect visitors with places within Mogale City.

4.5 STRATEGIC THEMES

In order to achieve the vision for Mogale City tourism, we have developed four strategic themes to represent the main pillars under which tourism projects will arise. The strategic themes hereunder are the following:

- Image for advertising slogan – Leading in style of heritage;
- Product development on themes for human and animal origin;
- Fun and enjoyment; and
- Human capacity building and service excellence.

4.5.1 IMAGE FOR ADVERTISING SLOGAN – LEADING IN STYLE OF HERITAGE

There is a need to develop and implement a consistent brand strategy for Mogale City tourism with the aim to give it sustainable competitive advantage, and appropriately position it in the market place. Mogale City has no slogan to market itself which can be used to attract visitors. It prefers making use of the phrase, “City of Human Origin”. There are many places around the world which also proclaim to be places of human origin. The Cradle of Humankind already places emphasis as a place of human origin, and Mogale City can certainly leverage on that. Our view is that branding should focus on all areas within the municipality as the main aim would be to attract visitors and make them tour the entire area.

For the purpose of this Report, we propose that the City seriously consider promoting the slogan, “leading in style of heritage”. Our view is that such a slogan is likely to trigger debate on whether Mogale City indeed leads in heritage style, and not necessarily sites. We note that style resonate site, and it is the very impact the slogan must achieve.

Other regions presumably which believe have more product offerings on heritage sites may disagree with the proposed slogan, but would certainly give Mogale City the audience and media publication, and ultimately more awareness which is the so-called free advertising.

Visitors will require comprehensive directional signage in order to enhance visitor experience. This signage must be aligned to the proposed branding positioning and most significantly be consistent. Visitor information should also be modernized, and not only be accessible at the Information Visitor Centres and kiosks, but in modern times through the use of Wi-fi. The City must therefore seriously consider the deployment of Wi-fi technologies in and around main tourist attractions. However, Wi-fi as a broader broadband ICT strategy will address other socio-economic needs, especially bridging the digital divide. A modern ICT infrastructure is a fundamental tourism success for innovative heritage style. An interactive information portal must be developed and be used as marketing tool for the City. It is further our view that new technologies must be deployed to book visitor tourism products.

4.5.2 PRODUCT DEVELOPMENT

The Cradle of humankind is marketed as a place where human being originates due to fossil discoveries in the area. Our view is that human beings could not have survived without access to meat. It thus stands to reason that animals are likely to have been in the vicinity, and not necessarily at discovered sites.

There is an opportunity to develop a dinosaur theme park to complement the human origin theme. In addition, a place of origin must not only be on human evolution, but be able to cover the history thereto on modern human being – the township history in a township museum. Gauteng in particular currently lacks a water theme park. Both a water and animal theme parks require a consolidated approach, especially taking into account seasonal temperature changes. Comprehensive feasibility studies will quantify demands for both theme parks.

A township museum will capture all the history in the townships of South Africa. The culture that developed in the township will further be developed around the concept of the township museum. Such township culture included entertainment in sheebens which are being replaced by taverns, and now lately the shisanyamas. Our view is that a beer hub to portray entertainment in the townships must seriously be considered to be able to attract visitors to Mogale City, especially considering that Chamdor has the SAB depot which could have a facility developed for tourist route on beer making.

The City already enjoys international reputation, and may provide visitors with genuine township experiences, including African cuisines.

4.5.3 FUN AND ENJOYMENT

Fun encompasses amusement rides in the animal theme park. Visitors must really enjoy themselves. Visitors will have the option to make shopping at shopping malls within Mogale City, or at a cultural mall to be developed theme parks. Key West shopping mall is currently being renovated. At the Featherbrooke, there is a Cradlestone also under construction. These malls will provide alternative shopping visitor experiences in Mogale City.

The townships will basically provide the vibes in a true township style. It is envisaged that a cultural mall will be developed in the township in close proximity to the beer hub. A cultural mall will, in addition to movie theatres, offer stage theatre facilities and constant traditional music and dances for visitors. Arts performance will drive events at the cultural mall. The cultural mall will also provide cultural games facilities for players to compete against. These games *inter alia* include “diketo”, “ludo”, etc. The facility will indeed also provide visitors with an opportunity to participate in indigenous games. The new generation is totally not exposed to these type of games which form the basis of the township culture, and would eventually disappear due to lack of appropriate facilities.

Visitors would have the option for a variety of other experiences, including certain adventure activities using the developed tourism infrastructure as a point of departure.

4.5.4 HUMAN CAPACITY BUILDING AND SERVICE EXCELLENCE

Mogale City has a challenge to demonstrate that it is innovative and visitor orientated. It will further require continued development of products and services that meet customer requirements. It is our view that investment in tourism infrastructure requires to be complimented by investment in skills and training.

The envisaged tourism growth in Mogale City will certainly result in “decent jobs” being created. It is therefore without doubt that the City will cement partnerships with industry players and education providers. To realize the tourism vision, service excellence and visitor focus will be inculcated as a fundamental principle to achieve strategic goals.

In accordance with approved tourism projects, skills and training will help address the following:

- Critical leadership skills in tourism;
- A culture of personal development in order to close skills gaps;
- Making tourism a career choice; and
- Quality service excellence in all aspects of visitor experience.

4.6 STRATEGIC CLUSTERS

The visitor experience is regrouped into five (5) strategic clusters, with heritage as a core cluster. The diagram below describes these clusters:

Diagram 18 Strategic clusters



4.6.1 ANALYSIS OF THE STRATEGIC CLUSTERS

The table below provides details on envisaged experience categories

Table 32 Strategic clusters

Strategic Cluster	Experience category	Strategic analysis
Heritage	<ul style="list-style-type: none"> • Archeological and historical sites; • Human history museum; • Architectural tours; and • Libraries. 	<p>This is the core cluster. However, in terms of the overall theme, there is the following tourist attractions:</p> <ul style="list-style-type: none"> • Cradle of Human-kind; • Sterkfontein Caves; and • Maropeng. <p>Supporting products would be tours to the theme parks to be developed, and those may include visits to architectural buildings of significance, Krugersdorp Museum, churches, statues, the Bygone Heritage Route and Wonder Caves.</p> <p>A dinosaur theme park of this nature would not compete nor dilute the Golf Reef theme park; hence the Blaauwbank Historical Goldmine cannot also compete with the Gold Reef City as it offers a different visitor experience. It is our view that Mogale City despite it being one of the original mining areas does not prioritise mining tourism in its infrastructure investment for tourism.</p>
History	<ul style="list-style-type: none"> • Mining history; • Township history • Cultural activities 	<p>There is no museum in the so-called township to capture the history of all townships in the country. Mogale City is optimally positioned to develop this significant heritage and construct a museum in Kagiso.</p> <p>The spin off it will derive will be from tourist tours from the Hector Pieterse Museum en-route to the dinosaur and water theme parks.</p> <p>Once again, a township museum will host the history of the townships in a township environment and in place of human origin. It will certainly not compete with the Apartheid Museum at the Golf Reef City, but will capture the events that took place in all the townships, including those that did not begin with the apartheid regime.</p> <p>It is envisage that a township museum will also capture the township culture, languages, craft galleries and artist</p>

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Strategic Cluster	Experience category	Strategic analysis
		<p>studios which are greatly overlooked. Our view is that a cultural mall will enhance the related arts themes.</p> <p>This cluster thus requires concerted efforts from all spheres of government to make it a reality that will preserve our heritage.</p>
Arts	<ul style="list-style-type: none"> • Performing arts; • Literary arts; • Festivals. 	<p>Kagiso township has now become popular place in performing jazz events. Cultural music such as kwela, marabi and mbaqanga is what would drive not only domestic tourist, but also international tourists.</p> <p>A cultural mall should be able to host these and similar events such as live theater. A mall will have a beer hub whereby popular music in kwaito, hip-hop and afro-pop will be performed.</p> <p>Literary arts are slowly losing their impact; hence a culture of reading is slowly disappearing as a result of media arts. The literary arts will encourage reading and supported by workshops, lectures and book stories.</p> <p>Mogale Arts Festival had gained incredible market acceptance. It is envisaged that the Go West concept will also gain momentum as it unfolds. Mogale City however requires to strategically expose visitors to other available tourism products which can be packaged with together arts musical festival. This target marketing must further be elaborated in the marketing strategy project.</p>
Amusement	<ul style="list-style-type: none"> • Theme park rides • Shopping • Dining in local cuisines • Partying 	<p>Research indicates that tourist spend most of their times shopping when on holidays. In inland areas, amusement rides provide fun and leisure.</p> <p>Dining in style of local cuisines will certainly support the heritage theme.</p> <p>Night life cannot certainly be left out. A licensed beer hub will accommodate the various music genres</p>

5 MARKETING STRATEGY

5.1 OBJECTIVES

The overall objective of the marketing strategy is to uniquely differentiate and reposition Mogale City. We hereunder specify the following marketing objectives:

- Leverage on the Cradle of Humankind heritage site, and develop a consistent slogan on “leading in style of heritage”;
- Promote and position Mogale City as a city of heritage;
- Develop innovative tourism products and identify markets for them;
- Develop consistent marketing campaigns.

5.2 BRAND POSITIONING OF MOGALE CITY

The brand of Mogale City is projected on a heritage theme, hence the municipality is known as “The City of Human Origin”. A new positioning seeks to embed the slogan in the logo, linking all heritage themes, hence the slogan, “leading in style of heritage” becomes a vision and the basis for branding Mogale City.

The heritage site gives Mogale City distinctive features in comparison to competing destinations within the Gauteng Province. This repositioning of Mogale City as a heritage destination involves the development of new tourism products, and also the possibility of disbanding certain product offerings. These products will make visitors believe that Mogale City is indeed a municipality that holds all possible heritage programmes of national interest.

The positioning theme on heritage combines all unique features found in the heritage sites. At the same, it offers the opportunity for the development of a range of other products as identified in the strategic clusters. Mogale City will therefore provide all forms of visitor experience in style reinforced through the heritage theme.

5.3 TARGET MARKET

We strongly assume that the domestic market will account for a large target market. Due to close proximity to Soweto, it is envisaged that a large percentage of visitors will pass through Mogale City en route or from the Cradle of Humankind or other tourist destinations.

A shift in thinking will result in Mogale City being able to capture its own international visitors should Mogale City decide to focus on indigenous experiences enhancing heritage lifestyle, including the real township culture. It is likely that the international markets may want to combine nature-related experiences at the conservation areas, including game farms. Considering that the Krugersdorp Game Reserve (KGR) competes

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directly with the Lion Park Game, and to a small extent with the Dinokeng Game Reserve, the traffic to the game reserve may increase should the KGR bring into it amusement and leisure.

5.4 PRODUCTS AND SERVICES

The products illustrated in the table below are detailed in the Situation Analysis sub-section of this Report:

Table 33 Summary of tourism products in Mogale City

Adventure	Wildlife	Events	Leisure
<ul style="list-style-type: none"> • Wild caves • Mountaineering, kloofing and rock climbing • Hiking • Bush camping • Bungee climbing • Gliding • Micro-lighting • Paragliding • Hot air ballooning • Skydiving • Drag racing • Canoeing • River rafting 	<p>Nature reserves with game drives</p>	<ul style="list-style-type: none"> • Sports – swimming, cycling, biking and golf • Festivals 	<ul style="list-style-type: none"> • Horse riding • Fly-fishing • Mountain and quad biking • Beer tasting • Shopping • Gambling • Night clubbing
GAP ANALYSIS			
Water theme park	Animal theme park (Dinosaur puppets)	Soccer and athletics	Amusement rides and activities

The above table clearly indicates that Mogale City is rich with adventure related activities most of which are derived from the geological structure of the area and favourable weather conditions for flying various crafts, including balloon. It further confirms abundance of the availability of the game reserves for wild animals.

There is however tourism product gap in the market for dinosaur puppets which could be hosted in an animal theme park. The envisaged theme park will close a serious gap in leisure activities. Similarly, there is lack of water sport activities; hence the development of a water theme park integrated with a dinosaur theme park will certainly provide a solution in attracting more visitors. Events are limited mainly to swimming and cycling, whereas Mogale City may utilise its existing stadium as a sports academy to host soccer and athletics activities.

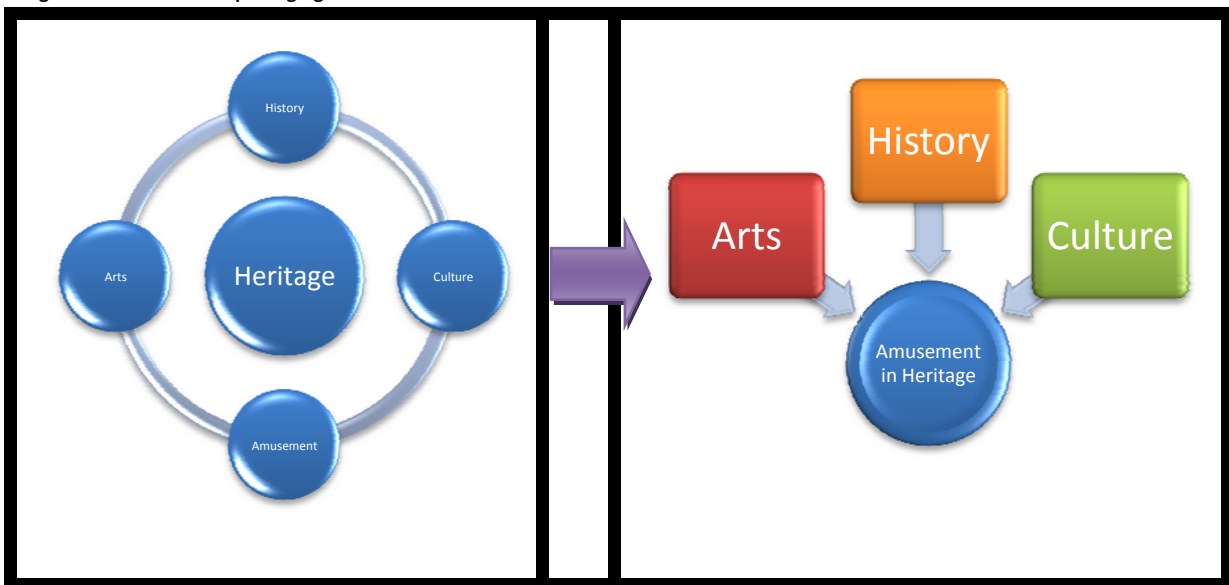
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There are various amusement outdoor options available in the Gauteng Province, including parks, zoos and the Gold Reef City. There is therefore an opportunity for a well researched amusement park in the West Rand, in particular to be hosted in Mogale City with the view to seriously close the gap in the market.

5.4.1 PRODUCT PACKAGING

It is critical for Mogale City to innovatively repackage existing products. Mogale City must consolidate the heritage theme with leisure at the heart of its product offerings. The diagram below illustrates a shift in product repackaging for the positioning theme:

Diagram 19 Product repackaging



The diagram above shows that amusement theme park will be a centre of attraction, portraying a consistent theme in heritage – giving it a peculiar old style reflecting our ancestors, dinosaurs, etc.

5.5 TOURISM INFRASTRUCTURE

5.5.1 ACCOMMODATION

In order to meet the envisaged market demand, Mogale City will make efforts to focus on accommodation. At this stage of the Report, we make an observation that the West Rand lacks a convention facility. Mogale City is in close proximity to Soweto, a large target market; and will certainly derive traffic from it. We further note that all convention centres are established in the city centres and that none exist in the township. A township convention centre will certainly change the perception of Mogale City, and it will give new image. Consistent brand communication will drive more convention bookings which can result in increased demand for accommodation. Similarly, theme parks will also attract more visitors to want to stay OVERNIGHT.

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The marketing of specific accommodation may be removed with focus mainly on product offerings instead. The owners of specific accommodation may use the advertising space in the portal.

5.5.2 TRANSPORT

In order to attract large numbers of visitors, the City must ensure that it is easily accessible by road, rail and air. Transport infrastructure must accordingly be developed to meet visitor needs. The Lanseria International Airport is the nearest airport to the city centre of Mogale City and may be utilised to ferry visitors directly to their destinations. Similarly, the rail station in Krugersdorp may be upgraded to have a tourist friendly atmosphere. A road network will require improvements for envisaged tourism projects. Tourist may access attractions through the open-top tourist buses. This will require development of partnerships with tour operators.

As a general practice, Mogale City must consider transport options to off-set carbon levels generated by cars, buses and trucks. As a principle, Mogale City will have to consider practices that are sustainable with regards energy resources and environmental impact. The green economy campaigns would incorporate all other strategic initiatives into the marketing efforts by the City.

5.5.3 INTERNET

Visitors are becoming more sophisticated and require information on their fingertips. Visitors will make use of a one-stop-shop to access all Mogale City tourism products.

The deployment of a Wi-Fi infrastructure will provide enabling environment for visitors and the community of Mogale City to access all information through a website portal. Mogale City will further explore the benefits of e-marketing.

It may be possible that certain areas may not have a Wi-Fi network infrastructure. In those areas, especially in the outskirts, Mogale City may deploy the Visitor Information Centre (VIF). The kiosks will have the same information as a website portal, mainly for viewing without interactive media facilities.

5.5.4 PROMOTION

Implement Innovative promotional methods in partnership with all Mogale City tourism stake holders through product activations in malls and tourism expo events.

5.5.4.1 PUBLICATION

There are currently various marketing brochures being published for marketing purposes, including the Mogale City and Cradle of Humankind. The tourism products should be packaged into one inclusive marketing brochure. The same would apply to other media platforms, including existing websites to be incorporated into one portal of tourism for Mogale City. It is important that visitors do not view Mogale City as an area outside the Cradle of Humankind or vice versa. The Cradle of Humankind is one of heritages of the municipality, and should form part and parcel of it. This approach will enable Mogale City to leverage on it.

5.5.4.2 ADVERTISING

Advertising is currently limited to the website and brochures that are mainly distributed at the District. It must be well planned with funding made available for continuous awareness campaigns and not on *ad hoc* basis. Various media channels must include the following:

- Local newspaper and national publication;
- Participation in relevant trade shows;
- Billboard advertising;
- Radio and TV advertising;
- SMS text messages;
- Placards on municipal identified properties and equipment.
- Online advertising and Social media.

6 STRATEGIC IMPLEMENTATION ROADMAP

In developing the strategic implementation plan, the following aspects were considered:

- Communication messages, logo and branding for a newly adopted vision statement and this Tourism Strategy in general;
- Alignment and prioritisation of resources for tourism, increasing tourism budget from 1% to 5% of total capital budget in order to have meaningful impact to create tourism products and related jobs thereto;
- Management structure of the Cradle of Humankind must be address for effective marketing campaigns of Mogale City; and
- Capacity building of the tourism unit must be enhanced by the establishment of a Tourism Programme Office ("TPO") to manage all identified projects based on sound project management principles.

6.1 STRATEGIC CHOICES

There is a definite need for identifying strategic alternatives in order to bring about change. Mogale City must consider the right strategic choices as follows:

- Unproductive and ineffective product offerings and services must be removed from receiving support from Mogale City, with those budgets redirected;
- With regards all products and destination owned by Mogale City, the municipality must set aside budgets to improve those environments, skills and organisational processes;
- Build on current products through consolidation and market penetration;
- Effectively promote and market Mogale City and in so doing attract investments;
- Set steering committee for strategic implementation with the Gauteng Tourism Authority, the District and all other relevant stakeholders

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6.2 STRATEGIC IMPLEMENTATION PROGRAMME

It is envisaged that the Tourism Project Office will implement the indicative implementation programme detailed hereunder over a three year period:

Table 34 Implementation Programme

IMPLEMENTATION PROGRAMME OF MOGALE CITY TOURISM STRATEGY						
Recommendation	Project	Deliverable	Feasibility Phase	Designs Phase	Implementation	TOTAL
Implementation of tourism strategy						
	Bedding Audit & Grading Survey	Emperical data on number beds in Mogale and gradir	R 200,000			
	Branding awareness campaign	Report with stakeholder consultation	R 250,000	R 0	R 0	R 250,000
	Tourist signage	Replacement of inconsistent signs (Phase One)	R 500,000	R 0	R 0	R 500,000
	Development of Tourist demand database	Software	R 450,000	R 0	R 0	R 450,000
	Development of tourism website portal	Portal with payment module	R 2,500,000	R 0	R 0	R 2,500,000
	Tourism Volunteering Programme		R 1,000,000	R 0		
	SUB TOTAL		R 4,900,000	R 0	R 0	R 3,700,000
Product development						
	Water Theme Park	Feasibility study/Design/Implementation	R 7,500,000	R 15,500,000	R 550,000,000	R 573,000,000
	Animal theme park	Feasibility study/Design/Implementation	R 10,500,000	R 15,500,000	R 750,000,000	R 776,000,000
	Township museum	Feasibility study/Design/Implementation	R 5,500,000	R 4,500,000	R 50,000,000	R 60,000,000
	Cultural Mall	Feasibility study/Design/Implementation	R 3,500,000	R 5,500,000	R 480,000,000	R 489,000,000
	Beer Hub	Feasibility study/Design/Implementation	R 2,500,000	R 2,200,000	R 6,500,000	R 11,200,000
	SUB TOTAL		R 29,500,000	R 43,200,000	R 1,836,500,000	R 1,916,600,000
Tourism infrastructure						
	Tourism Institute	Feasibility study/Design/Implementation	R 1,500,000	R 3,500,000	R 130,000,000	R 135,000,000
	Open top bus rides	Feasibility study/Implementation	R 450,000	R 550,000	R 3,600,000	R 4,600,000
	Public heritage designs	Architectural designs	R 75,000	R 250,000	R 750,000	R 1,075,000
	Information centres	Roll-out of Information Kiosks	R 200,000	R 350,000	R 8,000,000	R 8,550,000
	Convention centre	Feasibility study/Design/Implementation	R 2,200,000	R 3,800,000	R 180,000,000	R 186,000,000
	SUB TOTAL		R 4,425,000	R 8,450,000	R 322,350,000	R 335,225,000
Capacity building						
	Skills training co-ordination	On-going training identification for 5,000 learners	R 250,000	R 250,000	R 250,000	R 750,000
	Community Capacity Building	On-going training identification for 1,000 SMMEs	R 250,000	R 350,000	R 550,000	R 1,150,000
	SUB TOTAL		R 500,000	R 600,000	R 800,000	R 1,900,000
TOTAL PROPOSED TOURISM BUDGET OVER 3 YEARS			R 39,325,000	R 52,250,000	R 2,159,650,000	R 2,257,425,000

6.3 STRATEGIC IMPLEMENTATION ROADMAP

Tourism brings about job creation, direct investment and revenue generation. It however remains a catalyst for local economic development. The industry strongly presents an opportunity for indigenous and cultural products to thrive within Mogale City. The tourism industry further provides impetus for creating a cleaner environment for the area and also developing infrastructure for tourism related projects. With the concern of sustainable tourism, the caves are already environmentally protected and will continue to be regarded as one of the tourist attractions.

The strategy development provides a roadmap behind which stakeholders may positively contribute towards the development of tourism in Mogale City. At the moment, Mogale City cannot attract high volume visitors. Therefore, it is imperative that concerted efforts are undertaken with the view that diverse tourism products developed can compete in the global arena.

As clearly stated previously that the Tourism Strategy developed aims to basically increase economic benefits from tourism whilst improving the required infrastructure. In this light, we thus presume that the proposed projects will be undertaken by a variety of stakeholders: local communities, businesses, government agencies and the three spheres of government. The diagram below broadly describes the implementation process to be followed:

Diagram 20 Tourism Strategy Roadmap Implementation process:



6.3.1 VISION REALISATION

The vision statement, “Leading in Style of Heritage” aims to:

- Enhance the existing concept on heritage;
- Inspire confidence to all stakeholders;
- Support a viable and sustainable economy of Mogale City; and
- Provide a memorable experience for visitors.

The question really is, “how would the future of Mogale City look like following the implementation of the developed strategy? In order to realise this vision, all stakeholders would require to work together towards a common purpose. Our proposed guiding principles are described in the table below:

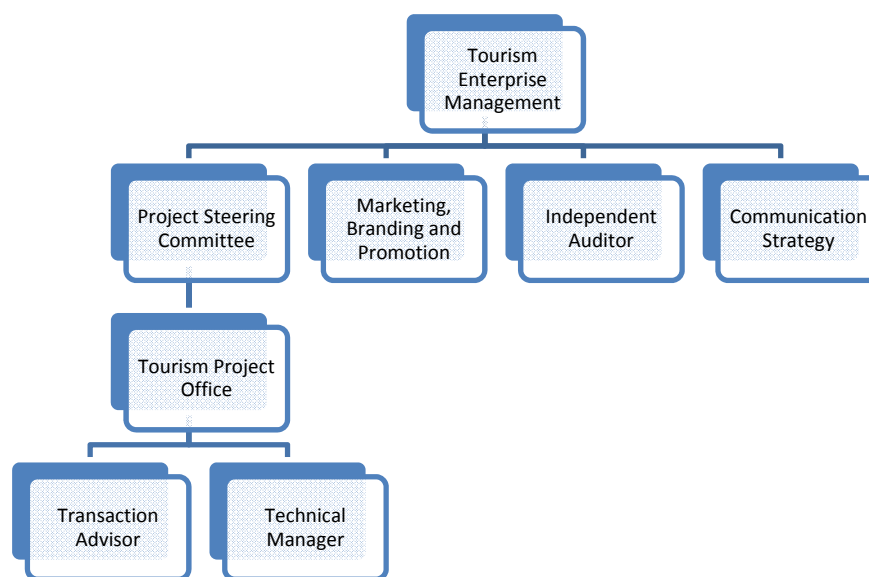
Table 35 Implementation Process Guiding Principles

Leadership	Mogale City government assumes accountability and responsibility for the Tourism Strategy, ensuring that there is meaningful tourism budget allocation so that tourism becomes everyone’s business
Cooperation	All stakeholders effectively participate in the action plans, taking decisive actions towards implementation
Product Development	Tourism products and services must provide a unique character to attract visitors
Viability and Sustainability	The Tourism Strategy must provide decent jobs and sustainable economy for Mogale City

6.4 PROGRAMME GOVERNANCE

We propose that a vehicle to implement the Tourism Strategy will be the establishment of the Tourism Project Office (“the **TPO**”) as a standalone unit which can report to either to the Project Steering Committee of the Programme Project Unit of Mogale City. The TPO must have absolute focus on its programme and not get tangled with the overall infrastructure development projects of Mogale City. Its overarching role will be to coordinate all action plans for each identified project, and also liaise with stakeholders with regards progress and measures of success. The diagram below provides indicative structure of the TPO:

Diagram 21 TPO organogram



The Tourism Enterprise Management (the “**TEM**”) shall *inter alia* be responsible for the implementation of the Marketing Strategy. The project auditor, who will report directly to the TEM, shall be a service provider specialising in Monitoring and Evaluation of programmes of this nature, measuring amongst others post implementation the success on visitor statistics, visitor spending, visitor satisfaction, arrival volumes, jobs created and contribution to GDP. The TEM shall implement the communication strategy with regards raising awareness amongst stakeholders on envisaged tourism programmes and further provide support and promote opportunities that involve local communities.

It is envisaged that the project managers, from the two (2) workstreams, namely, Transaction Advisor and Technical Manager, shall report directly to the Project Director of the TPO.

6.4.1 TPO PROJECT MANAGEMENT

The TPO shall, in executing the scope of services, apply the use of project management tools and quality assurance. This role becomes the liaison office with Mogale City, that is, a single point of contact for all information in the TPO.

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The Project Director of the TPO shall assume full responsibility and accountability, including management of budget and all risks associated with a programme of that nature. The Project Director further provides expertise by contributing in the following areas:

- Project Management and Co-ordination;
- Consolidated Administrative Support;
- Resource Allocation; and
- Reporting.

6.4.1.1 TECHNICAL MANAGER

The Technical Manager works as a single integrated unit to oversee environment impact assessment (EIA), Community Stakeholder Liaison, Safety, Health and Occupation, including construction of project from conception through start-up and operation. This role will further provide individual project management support services during any phase of project development. It will be staffed by a team of multi-disciplined skilled professionals with extensive experience in their specialized fields.

The Technical Manager is expected to deliver the following scope of services:

- Prepare the bill of materials;
- Conclude the quantity surveying and related costs;
- Investigate and evaluate all sites within Mogale City;
- Prepare the EIA and geotechnical report and all related appraisal reports;
- Formulate architectural impressions;
- Provide detailed engineering designs;
- Conduct constructions;
- Procure equipment;
- Install equipment;
- Test utilities
- Obtain certificates of occupancy
- Start-up the project; and
- Project handover to the management of Mogale City.

The architectural impressions will be guided by the geotechnical reports, and will basically provide direction towards design and construction.

6.4.1.2 TECHNICAL PARTNERS OF THE TECHNICAL MANAGER

The Technical Manager Team members shall consist of a one-stop shop service of engineering expertise. The various assignments shall include and not limited to the following:

Architectural Assignment

Produce building designs which would comply with the latest trends such as the greening environment. These designs must be approved by Mogale City.

Civil, Structural Engineering and Environment Assignment

These team members will be responsible for the delivery of the EIA and geotechnical reports, including designs for the bulk works services – water and sewage reticulation, access roads, water and electricity.

Electrical and mechanical Engineering Assignment

The availability and provision of electrical power to the envisaged construction is critical. These members would liaise closely with applicable municipality and possibly with Eskom with the purpose of ensuring that the established sites have access to electricity. Their main function would therefore be to design the relevant electricity reticulation, and also wiring diagrams for the building as per the power requirements.

The mechanical design aspects shall also include review and design of heating, ventilation, air conditioning, domestic hot water, electrical and process systems. This assignment shall take into considerations the physical limitations imposed by the sites, safety of equipment and personnel, energy efficiency, and cost effectiveness of the design.

6.4.1.3 TRANSACTION ADVISOR (TA)

The Transaction Advisory team shall consist of financial and legal expertise. The key delivery for the Transaction Advisor is to provide a solution that is affordable and can be implemented with ease. The scope of service is divided in the following stages:

Stage1: Conduct feasibility studies for the identified projects

The TA shall develop a bankable feasibility study based on Technical Manager Appraisals of available sites. This study shall determine the financial requirements for the construction phases, and further evaluate the implications of the proposed interventions of the TPO.

Stage 2: Transaction Structuring

The TA mandate shall include capital raising and due diligence services. For each project, the TA will recommend the most optimal debt/equity structure.

Stage 3: Formulate a business plan for each project approved for funding

The elements of the business plan shall cover the following topics:

- Management and organization of the project;
- Revenue generating models;
- Maintenance programme;
- Marketing plan;
- Financial projections; and
- Financial securities.

6.5 STRATEGIC INITIATIVES

A majority of the projects identified in the Strategic Implementation Programme is medium to long term as they would result in real tourism impact. However, it is critical to consider certain other programmes which are, by their nature, be regarded as short-term, within three (3) years implementation).

6.5.1 IMPROVEMENT OF ACCESS TO TRANSPORT AND RELATED INFRASTRUCTURE

Mogale City must seriously consider improving transportation services and access between attraction destinations by:

- Updating and implementing the Precinct and Node plans;
- Enhancing shuttle bus services, improving collaboration between various transport service providers – rail, taxis and tour operators
- Installing appropriate directional signage; and
- Studying the impacts of envisaged increase in traffic.

6.5.2 MARKETING PROGRAMS THAT CONTRIBUTE MOGALE CITY ECONOMIC GROWTH

Accommodation in the townships is under-capacitated largely due to lack of visitor arrivals with a length of stay more than a day. Most of the guests are accommodated, should they decide to stay, in the Bed and Breakfast facilities. It thus becomes critical for marketing to focus attention on campaigns that would increase visitor expenditures in the townships without necessarily targeting those who stay overnight. For instance, marketing may create a brand image of Mogale City as a destination of choice for Shisanyamas, swiftly competing, amongst others, with the likes of Panyaza, Chaf Pozi and Bahamas.

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Such marketing approach may be launched through events similar to the Sedibeng Summer Music Festival, or any activities that will attract most popular DJs with the aim to effectively introduce those places for patrons.

It is however without doubt that Mogale City will require exploring innovative ways to assist towards improvement of those destinations. On the same note, Mogale City must not lose sight for further enhancing the marketing campaigns for lodges which target high-paying premium markets.

A web portal is likely to enhance the existing website as a marketing tool. It may serve as internet marketing database linked to the social media network. The portal architecture will cover destinations and accommodations, featuring visitor experience on outdoor adventure and attractions, blogs, podcasts and links to Google Earth Maps for various destinations.

6.5.3 TOURISM PRODUCT DEVELOPMENT

Mogale City must consider developing unique programs that will attract visitors to attend to its Festivals and Events. These programs may incorporate arts and culture offering to support tourism marketing.

It would greatly assist if a calendar of events can be developed, if none exists.

6.5.4 YOUTH DEVELOPMENT

This initiative will prepare the youth in advance for employment in the tourism industry. The reality is that tourism education is very expensive and takes not less than two (2) years to complete.

Employers will need highly skilled workforce to provide world class service levels. Considering that tourism industry is not well understood amongst the youth as a career due to its poor perception as not providing decent jobs, Mogale City will require to initiate a youth recruitment campaign upon the adoption of the strategy.. It is expected that both the private sector and GTA will work closely on this initiative.

6.5.5 YOUTH WASTE COLLECTION COOPERATIVES

It is a misconception that visitor experience is enjoyed only through observation and direct involvement in activities. The overall impression of a place tends to leave an indelible memory. It is thus critical that the streets and open spaces are clean. Currently, waste collection services are limited to certain areas, including residential dwelling and business.

The youth waste cooperatives are ideal to provide this essential service for the improvement of brand image for tourists. Tourists are unlikely to repeat a visit of a dirty town, hence the aim is to ensure that Mogale City is clean at all times.

6.6 STRATEGY IMPLEMENTATION ROADMAP PLAN

The overall strategic programme for the developed Tourism Strategy will be implemented over the next ten (10) years. The diagram below illustrates indicative periods of the implementation programme:

Diagram 22 Strategy Implementation Roadmap Plan

STRATEGY ROADMAP IMPLEMENTATION PLAN			
ACTIVITIES	Short-term	Medium-term	Long-term
	0 – 3 Years	4- 7 years	> 7 years
Strategic Initiatives			
TPO Programmes			
TEM			

6.6.1 SUMMARY OF THE TOURISM STRATEGY PROGRAMME

The table below provides a list of the proposed programmes:

Table 36 Summary of Tourism Strategy programme

Short-term: Strategic Initiatives	Medium-term: Tourism Project Office	Long-term: Tourism Enterprise Management
<ul style="list-style-type: none"> Improvement to transport infrastructure – execution of Precinct and Nodes plans with tourism as a core focus Marketing Programs and Branding – vision logo, website portal, Visitor Information Centre, brochures, etc Tourism Product Development – events 	<ul style="list-style-type: none"> Branding Signage Databases – visitor statistics, tourism supply Product Development – dinosaur and water theme parks, township museum, cultural mall and beer hub Tourism Infrastructure: training facilities, open-top bus rides, convention centre, 	<ul style="list-style-type: none"> Capacity Building – skills training coordination, community capacity building Institutional Capacity Building – Establish the Tourism Project Office, establish Mogale City Tourism Forum, establish the Regional Tourism Organisation Marketing and Promotion

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Short-term: Strategic Initiatives	Medium-term: Tourism Project Office	Long-term: Tourism Enterprise Management
<p>calendar for festivals (Go West etc) and Sporting events (cycling, biking, car racing, etc)</p> <ul style="list-style-type: none"> • Training and Development – evaluation of tourism training service providers • Youth waste collection – initiate Section 78 Assessment of the MSA 	<p>VIC and Wi-Fi deployment</p> <ul style="list-style-type: none"> • Sports academy 	<ul style="list-style-type: none"> • Funding – Source tourism funding from the IDP budget

6.6.2 PROJECT PRIORITISATION

In terms of ranking projects, it is without doubt that the following medium-term projects have the highest ranking as they would have the greatest economic impacts:

- Dinosaur and water theme parks;
- Broadband/Wi-fi deployment

The following projects have the greatest economic impacts provided the above mentioned projects are being executed:

- Township museum;
- Cultural mall;
- Beer hub;
- Convention Centre; and
- Sports academy.

The following projects are important with the lowest ranking, and would not necessarily increase direct tourism economic impacts, visitor volumes and tourism activity in to Mogale City:

- Branding, marketing and promotion;
- Events and festivals;
- Institutional capacity building, training and development, and tourism training facilities;
- Transport infrastructure and signage improvements;

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- Youth waste collection programmes; and
- Open top buses.

6.7 FUNDING MECHANISMS

With regards funding mechanisms, projects with the highest ranking namely the **theme parks and Wi-Fi deployment** must be funded first. We propose that a capital budget of **R50 million** from the Mogale City IDP budget must support this Tourism Strategy implementation programme, initially for bankable feasibility studies for the theme parks and Wi-Fi programmes.

With that contribution of 2.5% of the project value, a total capital with project value of R2 billion can be raised. Financial models would propose optimal deal structuring – equity and debt.

Other mechanisms such as the PPP will also, where appropriate, be considered.

The IDC has interest to fund a world class theme park. Mogale City can grab this opportunity and start liaising with the IDC. Similarly, other funding available from the NDT tourism grant for infrastructure would be explored.

It is envisaged that most of the funding for projects of this nature may come the private sector.

7 CONCLUSION AND RECOMMENDATIONS

The various national, provincial, and regional tourism strategies and policies relevant to this sector, are all aligned towards a common objective of creating sustainable jobs. Tourism to a limited extent and to a broader extent travel and tourism are the pillars that would ensure the creation of sustainable jobs, whilst enhancing tourism growth and development. The Mogale City tourism strategy is underpinned by the same objectives. The key fundamentals to the tourism strategy would be:

- **Tourism infrastructure investment** – this will include strategic capital injection in key tourist attractions facilities that are owned by the MCLM, such as the Krugersdorp Game reserve, the Krugersdorp golf course, development of new attractions such as the theme park(s), leveraging on existing infrastructure, where possible;
- **Tourism economic development and growth of the sector** – this will be driven largely by increasing the tourists volumes to Mogale City. This will be underpinned by the revitalisation of the regional tourist market, which must be preceded by a detailed regional tourist market survey. The GTA has already taken initiatives to obtain tourism data and statistics in Gauteng. Whilst this is applauded and appreciated, the MCLM must undertake this exercise itself and then feed the information back to the GTA, so that MCLM owns the data. It is imperative that the MCLM aligns its survey to the provincial one, which is likely to be relative cheaper for both the GTA and MCLM. Innovative tourism products/services such as the MCLM Bus Tour and/or Regional Bus Tours initiatives could add to the bouquet of products that MCL has to offer. The Bus Tour of the tourist attractions in Mogale City, which could include tours to the popular Soweto attractions such as Hector Pieterse memorial. This could be coupled with ferrying tourist from the greater Soweto, with a pickup point being Maponya mall and/or other strategic points, to COHWS, Maropeng Visitor centre, mine tours etc. This Bus Tour initiative could be established as a Youth programme. It is critical to conduct a feasibility study as to the potential viability of the programme and if proves viable, then a bankable feasibility be undertaken to take the programme to market. Another critical component towards the economic development of tourism in Mogale City, is to promote the development and participation of local industry players-for example: the Heritage Mall will have a food court, with popular franchises such as steers, KFC, Spur etc; to what extent would be owned by locals and of the lot how many of these would be HDIs. Such strategic interventions by the MCLM, the District and LMs are critical if the tourism sector is to be transformed.
- **Mogale City Tourism marketing** – Whilst this is inherently linked to increasing tourists volume, it is so critical that it must be looked at a separate component. There are existing great facilities within Mogale City and the District, however, these are known to a limited tourist market. The advertisement of Mogale City tourist attractions on tourism sites such as SAT/GTA goes without saying that this must be one of the quick wins for the strategy. In addition, advertisement on tourist magazines such as airline magazines, will enhance the image of Mogale City as a tourist attraction. It is also very important to bear in mind the needs of the tourists, as outlined in the DTS. Shopping and eating out-recreation at the beach are most key activities for domestic tourists. Thus it is important to create awareness of the shopping mall facilities within Mogale City and strategic ones, such as Clearwater, Westgate etc. The traffic to these facilities also provide a considerable market to be tapped into. In addition, it is also critical that there be tourism information kiosks at these malls to create awareness.

- **Monitoring and evaluation** – it is essential to have a good sense of the regional travel & tourism sector performance, in order to inform strategic interventions that are required to enable the development and growth of this sector. The regional data and statistics-with regard to tourist volumes, tourists spend stratified between domestic and foreign tourists, segmentation of tourist spend etc, are critical in order to monitor and evaluate the performance of the industry against the set and agreed targets with regard to tourists visiting Mogale City, tourist experience, tourist spend and critical to the regional industry sector, the skills levels of the service workers in the sector. The travel & tourism experiential training of students by the industry is also fundamental in ensuring that there is a continuous development and supply of adequately trained and experienced service workers, that will contribute towards enhancing tourist experience in Mogale City. In addition, the extent and developments with regard to transforming the sector is critical in Mogale and within the District. It is also essential that the regional travel & tourism industry agrees to service excellence standards, as developed by SANAS, as these will contribute towards giving the industry in the region competitive advantage to other regions and contribute towards tourist experience.

The development of the tourism strategy at this stage, will have to be a draft document, to be finalised once, the provincial and regional tourism survey has been finalised. This will depend however on whether the MCLM regards the domestic regional (radius of between 50km-70km) tourist market as a critical component for its overall tourism strategy. In the event that it does, the regional tourist market survey must be conducted expediently to inform the final tourism strategy.

The development of the tourism strategy, as alluded earlier, must be informed by various stakeholders, including the industry players, the general public, national and provincial tourism agents and institutions. It is proposed that this workshop/summit be conducted in liaison with the District, and if possible, it be led by the District with MCLM as the anchor. This will ensure that regional interests are looked into and all the LMs within the District all align themselves to the tourism development principles that will be incorporated in the Unicity's tourism strategy.