



**STEVE TSHWETE
LOCAL MUNICIPALITY**

Tourism Strategy and Implementation Plan

(Incorporating Key Findings)

Supported by:



Implemented by:



Prepared By:



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ACRONYMS

B-BBEE	Broad-Based Black Economic Empowerment
B & B	Bed and Breakfast
CBD	Central Business District
CSI	Corporate Social Investment
DM	Destination Marketing
ED	Enterprise Development
EPWP	Expanded Public Works Programme
EIA	Environmental Impact Assessment
FGD	Focus Group Discussion
GDP	Gross Domestic Product
GSP II	Governance Support Programme
GIZ	<i>Gesellschaft für Internationale Zusammenarbeit</i>
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
ICT	Information Communication and Technology
IDC	<i>Industrial Development Corporation</i>
IDP	<i>Integrated Development Plan</i>
INC	Included
IOL	Independent Online
KNP	Kruger National Park
KPIs	Key Performance Indicators
LED	Local Economic Development
LM	Local Municipality
MEGDP	<i>Mpumalanga Economic Growth and Development Path</i>
MTGS	<i>Mpumalanga Tourism Growth Strategy</i>
MP	Mpumalanga
MTPA	<i>Mpumalanga Tourism and Parks Agency Act</i>
NGP	<i>New Growth Path</i>
NDP	<i>National Development Plan</i>
NDT	<i>National Department of Tourism</i>
NTSS	<i>National Tourism Sector Strategy</i>
PPP	Public-Private Partnerships
PSC	Project Steering Committee

SERO	Socio Economic Review and Outlook
SMME	Small, Medium and Micro-sized Enterprises
STLM	<i>Steve Tshwete Local Municipality</i>
SD	Supplier Development
SAHRA	<i>South African Heritage Resources Agency</i>
SALGA	<i>South African Local Government Association</i>
SAT	<i>South African Tourism</i>
SONA	<i>State of the Nation Address</i>
SALGA	<i>South African Local Government Association</i>
SAPS	South African Police Service
SEDA	<i>Small Enterprise Development Agency</i>
SEFA	<i>Small Enterprise Finance Agency</i>
STLM	Steve Tshwete Local Municipality
SWOT	Strengths Weakness Opportunities Threats
TVET	Technical and Vocational Education and Training
UNWTO	<i>United Nations World Tourism Organisation</i>
VFR	Visiting Friends and Relatives
WTTC	<i>World Travel & Tourism Councils</i>

EXECUTIVE SUMMARY

Steve Tshwete Local Municipality (STLM) has prioritised tourism development as part of its local economic development strategy, to diversify the current local economy, create much needed jobs, whilst increasing economic activity in the region. In this above context, STLM required a tourism strategy with implementation plan for to be developed for the region and approached the GSP II (*Governance Support Programme*) to support a study on tourism. The GSP II is a partnership programme agreed to between the governments of South Africa and Germany. It is a technical cooperation programme co-steered at national level in a partnership between the *Department of Cooperative Governance*, the *Department of Public Service and Administration*, the *National Treasury*, the *Department of Planning, Monitoring and Evaluation*, the *South African Local Government Association (SALGA)* and the *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)*, the latter responsible for the implementation of the development contributions.

This tourism strategy has been developed after reviewing key literature/ policies/ plans/ Acts, reviewing tourism trends and practices, engaging with key relevant stakeholders and visiting some of the key tourism products and nodes. This report has been segmented into five key areas:

- *Part A – Key Findings*
- *Part B – Tourism Strategy (including a Marketing Strategy)*
- *Part C – Implementation Plan*
- *Part D – Top 5 Key Stakeholder Mapping*
- *Part E - Monitoring and Evaluation Framework*
- *Part F – Change Management Framework*

A custom-built tourism strategic model has been developed as a framework for the tourism strategy. The proposed integrated strategic model (shown in Part B section below) has been developed around the need to leverage the current tourism facilities/ infrastructure in place and is built around the need to upgrade or enhance many of the existing key tourism product facilities. This will serve to strengthen the relevant tourism attractions, thereby stimulating tourism growth for the Municipal area.

The custom-built model incorporates the key strategic influences or themes identified that encapsulate the tourism need in the Municipal area, and are:

1. A '*Partner to Deliver*' Approach
2. Recapitalisation (of existing tourism facilities)
3. Inclusive SMME development

4. Marketing and Promotion (to strengthen destination marketing efforts)

These themes are applied to the proposed and existing key products (as the enablers) - whilst targeting key tourism sub-sectors of STLM to utilise these products (and the broader tourism ecosystem). The targeted sub-sectors (events, eco, heritage, township and route tourism) are intended to be leveraged by using the tourism value proposition of STLM (which includes):

1. *Quality product*
2. *Natural beauty*
3. *Quality heritage and history and*
4. *Locational advantage*

The model targets both domestic and foreign tourist, with a greater (overall) focus being placed on the domestic tourism (based on influencing themes). The integrated model presented as the strategic model has been developed to result in impactful outcomes of:

1. *Inclusive economic growth*
2. *The creation of jobs*
3. *The increased transformation of the tourism ecosystem in STLM*
4. *Diversifying the local economy*

This strategic model is unpacked and detailed in the context of findings for this assignment. It has been used to development a high-level implementation plan. Implementation of this strategy has the potential to:

1. Create between approximately 30 to 40 new enterprises (over 3 years) - in direct and indirect tourism, respectively, based on:
 - a. Increased activities on the dam precinct
 - b. The outcome of the planned 20,000 to 30,000 new visitors expected annually - who would visit Middleburg as part of the implementation. This will be a combination of day and overnight visitors.
 - c. Growth at existing businesses that would increase the need for indirect tourism services
2. Create between approximately 300 to 500 new direct and indirect jobs, as a result of:
 - a. New SMME growth as mentioned above
 - b. The increase in economic activity owed to planned additional visitors coming to the town (estimated at approximately 20,000 to 30,000 annually)
 - c. Marketing and promotion efforts of the strategy, including, getting more visitors and local residents to participate in the tourism product offering

Critical to the implementation of the strategy is the identification of a full-time resource to champion this key industry as identified and prioritised by the LED strategy of the town. If implementation is intended to be meaningful, then allocation of resourcing must follow and needs to be championed. In addition, based on the findings, capital investment for the strategy implementation would not be sustained purely on commercial merits. Accordingly, the proposed implementation (including identification of primary partners) has focused on development and grant funding with partner organisations (as the first phase – a short to medium-term focus). This is aligned to the high focus of the strategy being developmental and inclusive, as guided by the *National Tourism Sector Strategy*. Private sector/ investor funding solicitation for product development/ investment would take place in medium-long term (second phase – medium to long-term focus).

BACKGROUND AND INTRODUCTION

Tourism has been identified as a priority sector in South Africa and Government has prioritized the development of this industry. Both the *National Development Plan* (NDP) and the *National Tourism Sector Strategy* (NTSS) have identified tourism sector as a significant contributor to much needed jobs and entrepreneurial opportunities that is required by our country. Tourism is considered a 'labour-intensive' sector which stimulates the development of small businesses. However, tourism enterprises in rural, peri-urban and townships have not been able to take full advantage of opportunities presented by the tourism industry.

Whilst much effort has been focused on capacitating national and provincial spheres of government in terms of tourism development, the local sphere needs more focus. This uneven capacity level (especially at local level) impacts the optimal growth of the industry and its ability to create jobs in this labour-absorptive sector.

Steve Tshwete Local Municipality (STLM) is one of the largest economic areas in Mpumalanga Province, and it is therefore expected that a significant number of employment opportunities are being provided/catalysed in the area. Mining, trade and manufacturing are the leading employment drivers in STLM.

STLM required a tourism strategy to be developed and approach the GSP II. Subsequently, Sigma International was appointed to develop the tourism strategy (and implementation plan) for STLM (this document).

OBJECTIVES OF THE STLM TOURISM STRATEGY

The tourism strategy, commissioned by the GIZ, is intended to be an effective, practical, feasible, and community-oriented plan that is uniquely tailored to the area in STLM, the environment and tourism industry. It should promote STLM as a choice destination for tourism.

The development of a comprehensive and well-coordinated tourism strategy and implementation plan is required to:

1. Guide interventions, investments and strategies to improve the economic potential of the Steve Tshwete Local Municipality (with respect to tourism).
2. Identify areas of potential to grow and sustain the tourism industry in STLM by identifying and recommending a portfolio of products
3. Recommend enhancement (and improvements) of tourism offerings and the manner in which they integrate with each other and synergise with each other
4. Feasible ideas and plans for Middleburg dam as a tourism attraction
5. Improved performance and impact by all stakeholders in the tourism industry
6. Developing an implementation framework and change management approach (to support successful implementation)

APPROACH EMPLOYED

The following phased approach (Figure 1 below) to the assignment has been adopted and agreed by the PSC:



Figure 1: High-Level Study Methodology

The following key activities were undertaken in compiling this Tourism Strategy and Implementation Plan for STLM:

- Meeting with the Project PSC in January 2020, including site visits to some of the key tourism products such as Middleburg Dam, Botshabelo Heritage site, Little Elephant, STLM Tourism Information Office and Chamber
- Desk-top review of key documents that include:
 - a. High-level economic overview of STLM and the region. This included key local, provincial and national documents such as the LED strategy, IDP, provincial growth and development strategy,
 - b. Review of the legislative and regulatory environment
 - c. An analysis of the tourism performance over the last 5 years for STLM and assessing the tourism potential of the area
 - d. Assessment of tourism infrastructure, attractions (e.g. Middleburg Dam, etc) and potential tourism nodes. This included site visits and engagement with key product owners (interviews and focus groups) – the survey to product owners is still be finalised
- Stakeholder engagements:
 - Engagement of key tourism stakeholders (and some further site visits) to solicit input into the STLM Tourism Strategy. These stakeholder engagements included one-on-one interviews/ calls, focus group discussions (see **Annexure A** for list of stakeholders solicited for interviews/ FGDs,

and **Annexure B** for FGD register) as well as the administration of a stakeholder engagement survey with tourism products owners from the Middleburg area (the survey results are attached as **Annexure C** to this report)

a. Key stakeholders engaged included:

- i. GIZ
- ii. STLM (Economic Development, Tourism and Water Services, Contracts Department)
- iii. Middleburg Chamber of Commerce and Industry
- iv. South African Heritage Resources Agency
- v. Oliphants River Lodge
- vi. Middleburg Country Club
- vii. Ex-Mayor of STLM and Tourism Forum Champion
- viii. Uhuru Tours and Travel
- ix. Acting Chairperson of the Botshabelo Community Trust
- x. The Rustique Boutique Hotel

Key tourism product owners that were engaged in the online survey included the following:

- i. Aero Rock Suites (Pty) Ltd
 - ii. Stay at 12 Guest House and Self-Catering cc
 - iii. Sleep – Time Solutions
 - iv. Del Roza Guest House
 - v. Rustique Boutique Hotel
 - vi. Kairos Home
 - vii. The Orion Guest House
 - viii. Aero Lodge
 - ix. The Gables Guest House
 - x. Oregon Place Guest House
 - xi. L'anda Guest House
- Tourism potential assessments of key tourism products in the area were completed
 - Developing key findings and a consolidated SWOT analysis based on findings above. This provided for an overall status quo dashboard of the STLM tourism landscape
 - Development of comprehensive strategy (incorporating marketing strategy) based on the key findings
 - Implementation plan for the strategy

PART A – KEY FINDINGS

LEGISLATIVE AND REGULATORY FRAMEWORKS

The following table (Table 1) indicates the key overarching legislative and regulatory frameworks that have been designed to steer and promote tourism growth in the country:

Table 1: Key Influencing Legislative and Regulatory Frameworks

Legislative Landscape	Description
<i>The Constitution of the Republic of South Africa, 1996</i>	Part A of Schedule 4 to the Constitution of the Republic of South Africa, 1996, lists tourism as a functional area of concurrent national and provincial legislative competence. The constitution also states that municipalities are mandated to promote the social and economic development of their communities, and their involvement in tourism must be related to this mandate.
<i>Tourism Act, 2014 (Act No.3 of 2014)</i>	The Act aims to promote the practise of responsible tourism for the benefit of the country and for the enjoyment of all its residents and foreign visitors provide for the effective domestic and international marketing of South Africa as a tourist destination. The Act also aims to promote quality tourism products and services, growth in and development of the tourism sector, and enhance cooperation and coordination between all spheres of government in developing and managing tourism
<i>The White Paper on the Development and Promotion of Tourism in South Africa, 1996</i>	The White Paper provides a framework and guidelines for tourism development and promotion in South Africa
<i>The Municipal Systems Act, No. 117 of 1998</i>	The Act provides that municipalities should are responsible for the promotion of local tourism for the area of the district municipality
<i>Mpumalanga Tourism and Parks Agency Act</i>	The Act came into operation to provide for the establishment of the MTPA, the sustainable development and improvement of the tourism industry in Mpumalanga and registration of certain persons and entities involved in tourism
<i>B-BBEE Amendment Act, 2013</i>	The Act is aims to address the systematic exclusion of formerly disadvantaged groups from participating in the mainstream South African economy. Tourism B-BBEE Sector Codes were issued which endorsed the B-BBEE legislation and set specific targets for how B-BBEE is implemented in the tourism sector. The Code are meant to address two main challenges still facing the Tourism Sector, namely: <ul style="list-style-type: none"> • The need to become more globally competitive • The need to include black people in the Tourism Sector
<i>Environmental Acts</i> • <i>National Environmental Management Act, No. 107 of 1998</i>	These acts promulgate cooperative environmental management and provide for the management and conservation of SA's biodiversity. This environmental legislation should be applied where necessary to the tourism development strategies as suggested by this plan in order to ensure responsible tourism development with the emphasis on the protection of the natural habitat, underlying ecosystems and other environmentally sensitive areas

Legislative Landscape	Description
<ul style="list-style-type: none"> National Environmental Management: Protective Areas Act, No. 57 of 2003 	
National Heritage Resources Act, No. 107 of 1998	<p>Areas which have variety of heritage resources can be utilised for the development of tourism products and attractions and the integration of heritage resource conservation in urban and rural planning and social and economic development should be promoted. The act recognises the potential of heritage resources for tourism development and economic development. Important considerations in this regard include local communities should be involved in the development and management of heritage tourism attractions, skills training should be provided, heritage resources should be researched thus aiding the development of tourism attractions, and heritage resources should be protected</p>

Summary

- Government has put in place acts and regulations to encourage the growth of the tourism sector from a national to a municipal level. The focus being on:
 - Responsible tourism practices
 - The development and promotion of quality tourism products and services
 - Promotion of economic growth and development of the sector
- The planned economic benefits from tourism are envisaged to benefit a wider audience (on an inclusive basis)
- The legislations are also put in place to preserve and protect the environment and heritage in the tourism sector
- Transformation in the industry is mandatory as per the B-BBEE Act
- The Acts and regulations require STLM align strategic imperatives accordingly – but more importantly provide a clear guide in growing tourism in the area

REVIEW OF KEY POLICIES, ACTS AND STRATEGIES (NATIONAL, PROVINCIAL AND LOCAL)

In South Africa, there is strong policy support on a national, provincial and local level for the development of the tourism sector. Government at all levels has come up with policies and strategies that aim to grow and transform the tourism industry. Policy, Regulatory and Strategies pertaining to the tourism industry were identified and a high-level review was done.

The following table (Table 2) indicates some of the tourism-centred policy frameworks that have been designed to promote tourism growth in the country:

Table 2: Key Influencing Economic Plans, Policies and Priorities

Key Economic Plans, Policies and Priorities	Description
National Development Plan	The plan places emphasis on increasing the total number of tourists entering the country, the average amount of money spent by each tourist, creating ease of doing business, as well as the availability of appropriate levels of tourism infrastructure, to attract different types of tourists. Besides, the NDP indicated that there was previously little support for the informal economy, while township economies are unable to retain local spending power or attract productive investment, thus the importance of township tourism (to strengthen inclusive tourism).
SONA 2020	A campaign through SA Tourism will be launched and it will have a combination of creating demand for tourist travel to and within South Africa and simultaneously influencing the removal of barriers to travel to South Africa. The Travel and Tourism sector would also see a Tourism Equity Fund being launched this year to stimulate transformation. To support the growth of the tourism industry, the SAPS will increase visibility at identified tourist attraction sites to address growing safety and security issues.
New Growth Path (NGP)	The <i>New Growth Path</i> (NGP) aims to enhance growth, employment creation and equity. It also includes tourism as one of the six pillars of economic growth. Tourism is seen as one of the primary sectors for creation employment for both the skilled and unskilled labour force.
National Tourism Sector Strategy (revised for 2016-2026)	The <i>Tourism Sector Strategy</i> focuses on inclusive growth for the tourism sector and it identified the impact of the tourism sector on the GDP and social economy and provides a framework for inclusive growth which must fundamentally be based on domestic and international tourist market growth and expenditure increases. The revised NTSS (2017) focuses on inclusive growth, which must fundamentally be based on domestic and international tourist market growth and expenditure increases. While the national tourism marketing agency, South African Tourism (SA Tourism) has a detailed methodology for identifying priority markets, the NTSS further links the marketing plans to broader development imperatives, including addressing barriers to growth and the building of a transformed and inclusive tourism economy. This growth will, by the values that drive South Africa as a developmental state, be inclusive, responsible and sustainable. It will also be underpinned by an awareness of the imperative of the wise use of scarce resources.

Key Economic Plans, Policies and Priorities	Description
National Heritage and Cultural Tourism Strategy	The strategy seeks to realise the global competitiveness of SA heritage and cultural resources through sustainable product development. Promote the development of cultural and heritage resources for tourism development towards the benefit of local communities
Marketing Tourism Growth Strategy for South Africa	The strategy focuses on growing international arrivals, arrivals from Africa and domestic tourism. Focus on markets that are attractive from a volume and value perspective
Domestic Tourism Growth Strategy, 2012-2020	The strategy provides for enhanced focus on domestic tourism by increasing domestic tourism to address seasonality and the spread of benefits, encouraging innovation and service excellence, promoting budget tourism, implementing awareness programmes and enhance training
Mpumalanga Vision 2030	Mpumalanga Vision 2030 provides a provincial expression of the key priorities, objectives and targets laid out in the NDP. It also builds and informs past & existing sectoral and related planning interventions in Mpumalanga. The vision is a focused and strategic implementation framework that provides a direct implementation response to the National Development Plan. Mpumalanga Vision 2030 formulated a development rationale for future economic growth revolving around eight key drivers of which Tourism Development is one of them and it also identified the tourism and cultural industry as a job driver for the province. The MP Vision 2030 targets marketing & branding, product development and investment in tourism infrastructure as key sector priorities in the Tourism and Cultural Industry. The vision also curved key actions of investing in the development of liberation heritage routes as part of the overall tourism product offering and providing comprehensive support to small businesses and cooperatives in the tourism sector.
Mpumalanga Economic Growth and Development Path	The Mpumalanga Economic Growth and Development Path (MEGDP) is central for all planning in the province. The key objective of the MEGDP is to foster economic growth that creates jobs, reduce poverty and inequality in the Province. MEGDP aims at creating labour absorbing economies and has identified tourism and business services to propel economic growth. Promotion of wildlife, nature, entertainment, adventure tourism, industrial, township tourism, and cultural heritage.
Mpumalanga Tourism Growth Strategy (MTGS)	The objective of the strategy is to elaborate a framework to guide tourism initiatives and development. The Provincial Government aims to develop a diverse range of alternative tourism products to meet the requirements of different market segments and products that complement and do not compromise or threaten the natural resources on which the tourism developments rely.
Steve Tshwete Local Municipality Integrated Development Plan 5 Year Plan: 2017/18 to 2021/22	The IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making processes in the municipality. The purpose of the IDP is to ensure the effective use of scarce resources, help to speed up delivery and attract additional funds from all the spheres of government and the private sector. It also seeks to overcome the legacy of apartheid by lobbying for integrated rural and urban areas, and to extend services to the poor. The IDP also promotes co-ordination between local, provincial and national government in growing the tourism sector.
STLM Local Economic Development Strategy	The LED Strategy forms a key part of the IDP, which is a single inclusive planning process. It finds its space within this planning process and it is fully integrated into the IDP as it gives

Key Economic Plans, Policies and Priorities	Description
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	guidance to sector departments where priority areas are. Tourism is one of the sectors which the LED will concentrate on as it is a major employment driver within the municipality. Tourism has the ability to grow the local economy and stimulate small enterprise and rural development as detailed in the Mpumalanga Vision 2030 priorities.
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STLM Township Development Strategy	This strategy was prepared in May 2019, serves to identify ways to strengthen township economies in an inclusive manner, and successfully graduate micro enterprises into the mainstream economy. Innovation and job creation to revitalise the township economy, with focus on key sectors such as mining and agricultural are key principles of this strategy
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Summary Findings





- The government is committed to developing policies and strategies that promote the sustainable growth of small and medium enterprises in the country. This includes a focus on supporting tourism SMME's
- Based on all relevant policies, strategies and economic plans/ priorities, the STLM should take cognisance of:
 - The need for employment creation in order to achieve higher economic growth. This should be the key focus of the strategy (with tourism being one of the growing sectors that creates economic activity).
 - Increasing investment and researching how and where existing tourism infrastructure and services can be expanded and improved
 - Prioritising the tourism sector to create employment and strengthen the economic inclusivity of the economy (whilst diversifying the economy away from weakening sectors)
 - Ensuring that the tourism sector receives adequate levels of public sector funding so that it can compete effectively nationally and internationally.
 - As per *SONA 2020*, STLM to keep in mind the planned opportunities presented i.e. the *Infrastructure Fund* and *Tourism Equity Fund*, respectively
 - The need for inclusive tourism growth, via township economic opportunities
 - Ensuring that the local heritage is strongly incorporated into the tourism industry and product offering.
 - Improving quality assurance in the tourism industry.
 - Linking creative industries to tourism



SUMMARY OF KEY TOURISM TRENDS (INTERNATIONAL AND NATIONAL)

Industry Analysis

Tourism is an important component of export diversification for both emerging and advanced economies, with a strong capacity to reduce trade deficits and to compensate for weaker export revenues from other goods and services. According to the latest United Nations World Tourism Organisation (UNWTO) World Tourism Barometer international tourist arrivals increased +4% year on year in the first half of 2019 to reach 671 million. This was due to the recovery of destinations suffering from security challenges in recent years and economic upswing resulting in strong outbound demand from major source markets. However, performance was uneven across major tourism outbound markets, as per the UNWTO data.

According to the *UNWTO latest Confidence Index Survey (2019)*, global tourism performance has started to pick up again after slowing down at the end of 2018. This shows that there is an uptick in global tourism, especially in adventure and ecotourism products. The following highlights capture some key trends underpinning the tourism market in the past decade:

	<ul style="list-style-type: none"> • Over the years more and more people are choosing to travel on their own compared to the usual family or couple leisure travel • Eco travel has been a growing concern among travellers for ethical and sustainable tourism options • Tourists interests in local culture experiences have spiked visits in rich cultural destinations • Over half (55%) of global traveller's report being more determined to make sustainable travel choices however there are barriers including a lack of knowledge and available or appealing options when trying to put this into practice (Booking.com 2019).
	<ul style="list-style-type: none"> • Flight routes have expanded to give travellers especially millennials unlimited reach (Skift 2019) • In 2019, airlines now offer a low-cost option to lengthen your stop over time, so that travellers can explore the destination (CN Traveller 2019).
	<ul style="list-style-type: none"> • Technology has significantly changed how travel products and services are procured and consumed, with consequences for conventional operators within the tourism value chain, especially accommodation and transport service providers. According to a Google Travel study, 74% of travellers plan their trips on the internet, while only 13% still use travel agencies to prepare them (Vidal, 2018) • 74% of tourists in a Trip Advisor survey conducted indicated that free WiFi is one main decision-making factor in the choice of accommodation
	<ul style="list-style-type: none"> • The direct contribution of Travel & Tourism to GDP in 2018 was USD2, 750.7bn (3.2% of GDP). This is forecast to rise by 3.6% to USD2, 849.2bn in 2019 (WTTC, 2019) • Travel & Tourism generated 122,891,000 jobs directly in 2018 (3.8% of total employment) and this is forecast to grow by 2.2% in 2019 to 125,595,000 (3.9% of total employment) (WTTC, 2019)

	<ul style="list-style-type: none"> • As noted by the UN World Tourism Organization, 57% of international tourist arrivals in 2030 will be in emerging economies • Tourism is playing a key role in global economic activity, job creation, export revenue and domestic value-added.
	<ul style="list-style-type: none"> • Research by Booking.com revealed that travellers who book their activities ahead of their trip spend 47% more on lodging and 81% more on transportation than those who wait to book in destination, making them a valuable audience (Booking.com 2019) • Social media platforms have taken the tourism industry by storm more especially Instagram because it has become an important marketing tool. More and more travellers are planning trips based on photogenic sceneries advertised on Instagram
	<ul style="list-style-type: none"> • Increasing interest in sustainable tourism practices and the need to experience local history/cultures and experiences appear to be gaining momentum

South African Tourism Trends

Tourism contributes to a variety of economic sectors, but it is also a labour-absorptive industry with the capacity to create jobs. It plays a role in strategically creating and/or strengthening international relations. Tourism, with its immense social and economic value, continues to improve the lives of millions of people in South Africa, on the African continent, and around the world (NDT, 2017/18).

Tourism in South Africa contributed 1.5 million jobs and R425.8 billion to the economy in 2018, making it the largest tourism economy in Africa, according to the *World Travel & Tourism Council's* (WTTC) annual review of the economic impact and social importance of the sector released today (IOL, 2020). The tourism sector direct employment accounted for 4.2% of total employment in the South African economy in 2018 and this was projected to increase to 709 thousand jobs in 2019, while tourism's indirect contribution to total employment stood at 9.2% for 2018.

International Arrivals to South Africa

Tourism arrivals from African countries are large drivers of incoming international arrivals, with the number of visitors from other countries remaining largely constant. A large percentage of African travellers are to visit relatives (45,2%) (2018) or for shopping (28,2%) (2018) with just 12,4% of travellers from African countries coming on holiday. In comparison North American and European travellers came to South Africa on holiday 56,6% and 58,3% respectively. The total number of travellers has remained fairly consistent over the period 2014 to 2018 (refer Figure 2 below) with a reduction in 2015 that may be attributed to the outbreak of Ebola as well as changes in Visa regulations at the time. There has been a consistent growth in numbers post 2015 with a total of 10,472,015 visitors in 2018.

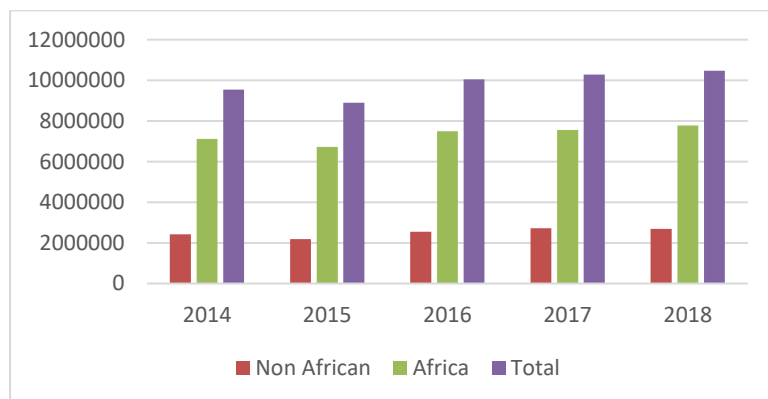


Figure 2: International Arrivals to South Africa (2014 – 2018)

In his *State of the Nation Address* in February 2019, President Cyril Ramaphosa outlined an ambitious target of more than doubling South Africa's international arrivals to 21 million by 2030 (SONA, 2019). To achieve this international arrival target, the growth rate of international arrivals needs to increase to over 4% in the short run and be consistently maintained in excess of 6% until 2030.

Summary of Key Tourism Trends/ Statistics

The tourism performance environment is impacted upon by trends in technology, demographics, and access to the destination which pose challenges on the demand for conventional services in tourism (NDT 2017/18 Report).

They include the following:

- Total tourist arrivals (2 467 546) went down by -4.2% for the period Jul-Sept 2019 compared to arrivals recorded during the same period in 2018 (2 575 193) (NDT, 2020)
- Total tourist arrivals from the overseas market decreased by - 3.7% (-23,100) (NDT, 2020)
- Total passenger arrivals increased by 3.2% moving from 5 292 573 in Jul-Sept 2018 to 5 464 134 in Jul-Sept 2019. (NDT, 2020)
- Asia and Australia were leading with tourist arrivals for business purposes, accounting for which was about 29.9% of tourists arriving from this region (South Africa: State of Tourism Report 2016/17)

- Tourism arrivals into the country has been growing significantly, although the sector showed a decline in 2015 as South Africa's stringent the new visa regulation come into effect.
- The total income from accommodation went up from R5 938.3 million in Jul-Sept 2018 to R6 236.1 million in Jul-Sept 2019 which was a fair increase of about 5.0% (*NDT, 2020*)
- Total industry average occupancy rate for the period Jul-Sept 2019 was 49,5% which was an increase compared to the same period in 2018 (48.7%) (*NDT, 2020*)
- The period July to September 2019. For Jul-Sept 2019, an estimated 4.5% of South African jobs were directly created through tourism activities (*NDT, 2020*)
- The total number of overnight domestic trips in South Africa has declined from 25,2 million in 2013 to 17,7 million in 2018, representing an average annual decline of 6.8% per annum due to South Africa's low economic growth (*BizCommunity, 2020*)
- Over 2 million stay nights were booked in South Africa during December 2019 (*SA Market Insights, 2020*)
- The latest tourist accommodation survey published by Statistics South Africa stated the occupancy rate was at 51.3% (*SA Market Insights, 2020*)
- Occupancy rate as per March 2019 showed hotels at 52.3% occupancy, caravan parks and camping sites 36.9% occupancy, guesthouses and guest-farms 44.1% occupancy and other accommodation 62.4% occupancy (*SA Market Insights, 2020*)
- The main reasons for international tourists to visit South Africa in 2017 were: visiting friends and relatives (VFR) (42%); holiday (20.0%); and shopping (18%) (*South Africa: State of Tourism Report 2016/17*)
- In 2017, 12% of tourists who travelled for other reasons, including medical (1.2%), religion (1.9%) and other (9.2%) (*South Africa: State of Tourism Report 2016/17*)
- More than 60% of tourists from the Americas (62.1%) and Europe (60.3%) visited the country for holiday purposes (*South Africa: State of Tourism Report 2016/17*)
- The impact of electricity and water shortages has forced tourism businesses to invest in alternative electricity and water supply for their guests and they caused tourists to change their travel plans to destinations that do not suffer from electricity and water shortages (*BizCommunity, 2020*)
- The use of disruptive technologies and the use of mobile devices has changed the experience of travellers as they can get information about tourism products easily and can book for their travel in advance
- New data shows *Airbnb* is revolutionizing how and where people travel and it has become one of the largest industries on earth and representing more than 10 percent of the world's gross domestic product (*Airbnb, 2018*)
- There is a shift in the demographics of tourist both locally and internationally and this will require for product offerings to be aligned to the revised demographics
- Personal safety and security issues have become a priority for travellers due to the increase in violence and crime occurring in traditional tourism venues
- Increased accessibility and ease of access to destinations

- Environmentally conscious travellers, and the need to experience local history/cultures have been gaining momentum (*Ecologist, 2019*)
- South Africa's rural and community-based tourism has always been underpinned by beautiful landscapes and environmental collateral that cannot be seen in many other parts of the world

Summary

- Tourism is planned to be a growing economic sector in South Africa in coming years (with increased number of tourists that are planned)
- Global tourism performance has been growing steadily as from the end of 2019. However, the number of tourists (both foreign and domestic) visiting South African destinations in recent years has been erratic
- Technology has had a great impact on tourism as it affects travel logistics. This has seen many of the tourism product used technology enabled platforms to market and promote their businesses
- Social media has great influence on the destinations that travellers choose
- The tourist experience has become a larger focus for the buyer of services, and key to this is the focus on product quality, competitively priced products, and wanting to experience the history, culture and environment on a more intimate basis
- Travellers are seeking experiences that have meaning and create memories, from cultural and heritage experiences that speak of the traditions and history of a destination, to adventure activities, or to travel with a purpose, where tourists can get involved in local conservation efforts and contribute to a greater cause while travelling.
- Travellers are no longer content with visiting well-travelled destinations, but rather want to enjoy new and authentic travel experiences
- Increasing interest in sustainable tourism practices and the need to experience local history/ cultures and experiences appear to be gaining momentum
- Personal safety and security issues are becoming more and more important to the foreign tourist traveling globally (including those that are traveling to South Africa)
- Tourism in South Africa has contributed to millions of jobs

MPUMALANGA PROVINCE TOURISM LANDSCAPE

Mpumalanga (Figure 3 below) is one of South Africa's top tourist destinations also known as the "Paradise Country". The province covers nearly 80 000 km² from rolling highlands to the lofty escarpment and the lush wetlands. It offers tourism activities that cater for everyone such as game viewing, bird watching, hiking. Horse riding and fishing. Tourism and cultural industries are important sectors of the provincial economy as they contribute meaningfully towards economic growth and job creation.

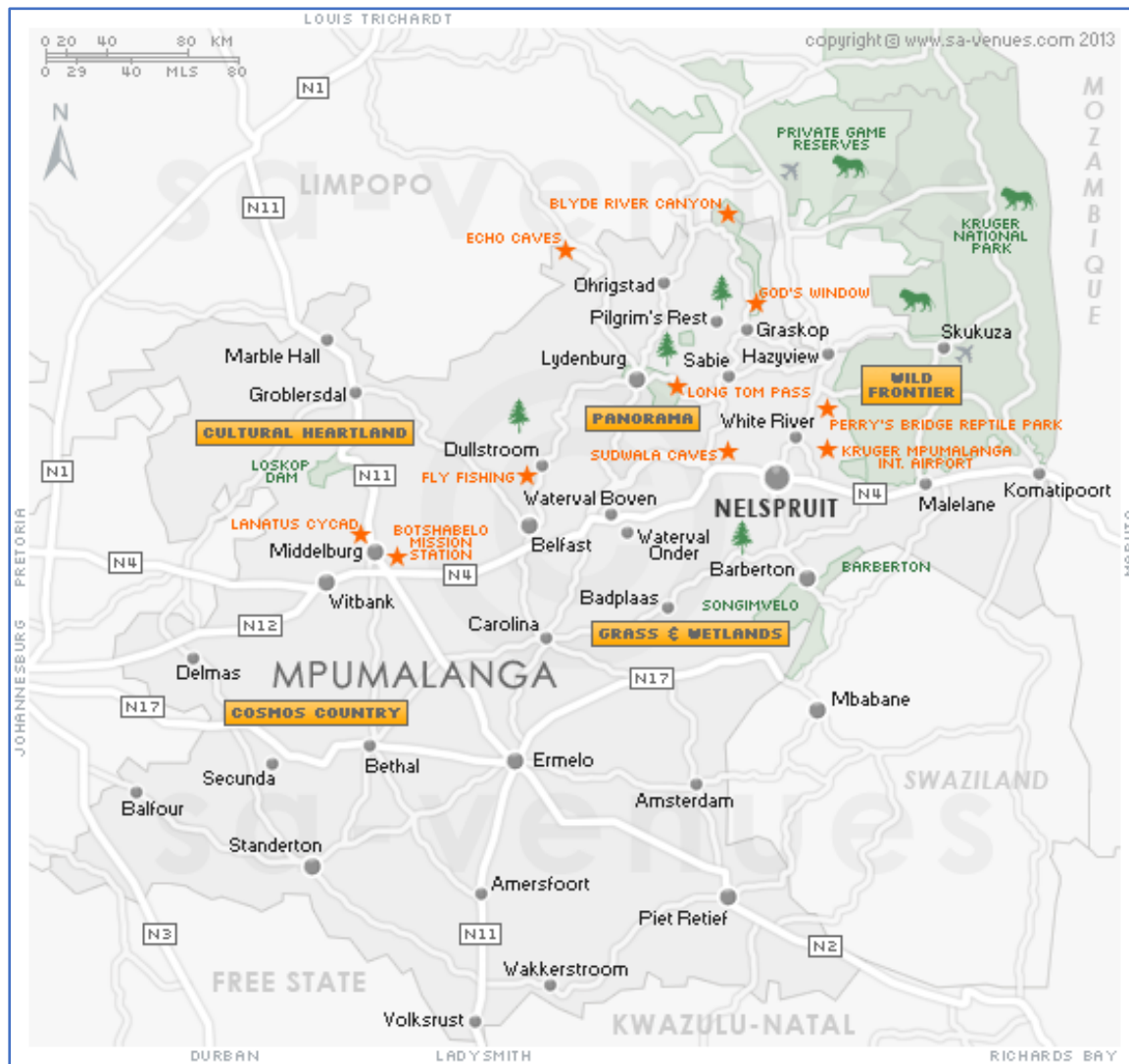


Figure 3: Map of Mpumalanga Province (Source: SA-Venues.com)

The wealth of natural and cultural resources that Mpumalanga possesses provides it with a base upon which to develop a sustainable industry and shows that there is potential for the province to become a premier international and domestic tourism destination. Findings from the *Mpumalanga Tourism Growth Strategy* shows that the tourism products of Mpumalanga could be diversified and expanded to cover a wide range of product market segment. The following key areas of potential for economic growth and job creation in the province are wildlife & nature

tourism, activity & adventure tourism, resort tourism, sports tourism, residential tourism, conference & meetings, leisure/entertainment, industrial & township tourism, cultural heritage. The province has some significant tourist destinations/ attractions that attract domestic and international visitors with the most significant being:

- *Blyde River Canyon Nature Reserve*
- *Kruger National Park*
- *Elephant Whispers*
- *Panorama Route*
- *Lone Creek Falls*













The following are tourism statistics and trends in the Mpumalanga Province:

- Mpumalanga had an increase in arrivals over the festive season between December 1, 2018 and January 15, 2019, with 1 576 507 visitors recorded, up from 1 535 361 for the same period in 2017/8, translating into a 3% increase
- Mpumalanga noted a 27% increase in international travellers to the province by air, from 366,000 in 2017 to 466,000 in 2018
- Mpumalanga had 23.9% of the domestic trips in 2017
- Tourism stakeholders pointed to marginal growth in geographic spread as people visited various parts of the province, including the typically less visited towns and attractions in the province
- The Blyde River Canyon Nature Reserve recorded 107 565 visitors in 2018 compared with 104 950 in 2017, which is an increase of 2 615 (2.4%) when comparing 2017 and 2018 results
- The Middleburg Toll Plaza recorded an increase of traffic flow from 779 906 in December 2017 to 787 838 in December 2018, a difference of 7 932 (1%) when comparing both years' results

Summary Findings

- Mpumalanga has some of the significant tourist attractions in South Africa, in particular the Kruger National Park
- The province receives approximately 14% of International arrivals which could benefit STLM as many of these visitors are from surrounding countries
- The last year has shown growth in the number of visitors visiting the province and its attractions
- The Province has a focus on outdoor activities and wildlife related tourism
- The tourism and cultural industry are important to the economy as it contributes significantly to the provincial economy and job creation
- The location of Middleburg is important as the town is centrally located in the heart of South Africa and a two-hundred-kilometre radius envelopes many important cities/ towns such as Johannesburg, Polokwane and Nelspruit, respectively

STLM SOCIO-ECONOMIC PROFILE

	<ul style="list-style-type: none"> Steve Tshwete Local Municipality is one of the commercial hubs in Mpumalanga and its local economy is one of the largest in the district contexts, dominated by the mining sector, manufacturing and agriculture
	<ul style="list-style-type: none"> STLM has a total population of 278 479
	<ul style="list-style-type: none"> The unemployment rate of Steve Tshwete increased slightly from 16.7% in 2015 to 17.9% in 2018.
	<ul style="list-style-type: none"> Steve Tshwete has the second highest functional literacy rate in the province (88% as at 2018)
	<ul style="list-style-type: none"> The average annual household income increased from R 55 369 per annum to R 134 026 per annum between 2001 to 2011
	<ul style="list-style-type: none"> The number of households has increased from 64 971 in 2011 to 86 713 in 2016, representing an increase of 20.6%
	<ul style="list-style-type: none"> Unemployment rate for females 23.1% and that of males 14.5% in 2018
	<ul style="list-style-type: none"> The municipality has a high urban population at 90% which is almost double the provincial average of 48,9%
	<ul style="list-style-type: none"> The municipality is home to a number of large industries including Columbus Steel, Eskom, a number of mines as well as the Nkangala District Municipality Head Office and various government departments.
	<ul style="list-style-type: none"> There are several sites of historical and cultural significance including the Botshabelo Heritage Site
	<ul style="list-style-type: none"> STLM is located on the N4/N12 corridor that connects Pretoria and Johannesburg to Mbombela and Mozambique as well as the N11 which links Limpopo to KwaZulu-Natal
	<ul style="list-style-type: none"> The Municipality's contribution to Provincial GDP has been growing at a steady rate with the latest rating of 14,2% and the local economy is expected to grow at 1,3% over the period 2018 to 2023, in line with provincial expectations.

The following presents a high-level summary of the locational advantages of STLM, together with a socio-economic profile

- STLM (see Figure 4 on right) is situated 1,492 metres above sea-level on the main road to the Mpumalanga Lowveld and the Kruger National Park.
- It is located along the N4 / N12 corridor that connects Pretoria and Johannesburg to Mbombela and Mozambique.
- The N11 corridor runs through the CBD town and links the Limpopo Province through Middelburg – Hendrina – Ermelo to Kwazulu-Natal province and the Richards Bay harbour.

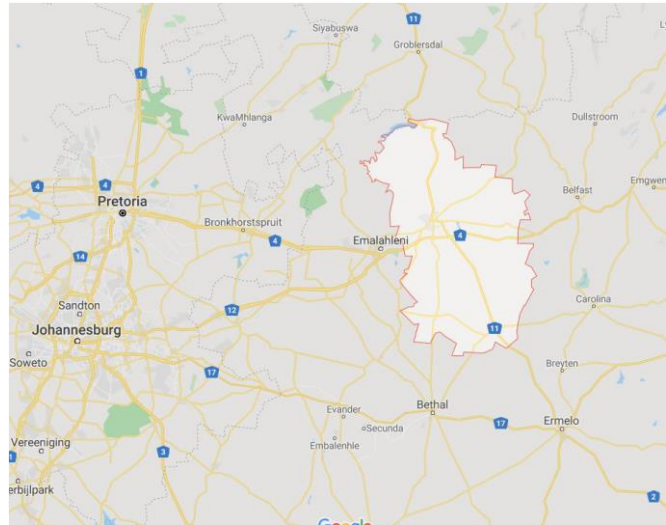


Figure 4: Location of STLM

- **Steve Tshwete is one of the commercial hubs in Mpumalanga and its local economy is one of the largest economies in the district context and is dominated by the mining sector, manufacturing and agriculture.**
- **The Municipality's contribution towards the provincial GDP has been growing at a steady rate with the latest rating at approximately 13.7% with an average economic growth rate of 1.1% over the period 2017 to 2022 in line with national and provincial growth expectations (STLM IDP 2019-2020).**
- Railway lines link the municipality to regional economic hubs such as the Maputo harbour; one railway line runs from Johannesburg through Delmas and Ogies and connects with the other line that runs from Pretoria through Bronkhorstspuit and Emalahleni. It runs parallel to the N4 / N12 and provides an alternative freight between Gauteng, Mpumalanga to Maputo.
- The Midlen corridor links Middelburg and Emalahleni, the two largest economies of the Mpumalanga province.
- **The Municipality houses three power stations (Komati, Hendrina, Arnot), south of the N4 / N12.**
- Middelburg is the primary activity node within the municipal area, followed by Hendrina towards the south-east.
- **Middelburg is strategically located in proximity to the major Gauteng economic centres of Johannesburg and Pretoria, which are only 160km and 140km away respectively.** Furthermore, several settlements and villages are found in the LM, located especially to the south of the N4 freeway.
- The intersection between two national transport corridors, the N4 (Maputo Development Corridor) and the N11 (Middelburg/ Bethal/ Ermelo/ Richards Bay Corridor) is located in the central part of the Municipality at Middelburg Town

- **According to the *Statistics SA Community Profile 2016*, STLM has a total population of 278 749 people**, the majority of whom are Black African, with the White population second and Indians and Coloureds minority groups in the municipality, respectively.
- As per the *Steve Tshwete Socio-Economic Profile* report (Mpumalanga Department of Economic Development and Tourism, February 2020):
 - The population number for 2019 is estimated at 317 187 people (7th highest and 7.0% of the MP population in 2019) and in 2030 estimated at 509 335 (9.2%) is expected to put pressure on the infrastructure, service delivery and economic/employment opportunities
 - Majority of residents are located in Middleburg (38%) and 33.3% in Mhluzi
 - There is a greater number of males 52% residing in the Municipality compared to females 48%
 - The area achieved an excellent admission rate to university/degree studies of 45.2% in 2019, which was the highest again of the 17 municipal areas in the province in 2019
 - Steve Tshwete has the second highest functional literacy rate in the province (88% as at 2018) and improving trend
 - Whilst the Grade 12 pass rate improved from 85.6% in 2014 to 89% in 2019, there are inadequate opportunities to accommodate educated youth in the area
 - The number of people below the lower bound poverty line was high at more than 70 000 people in 2018
 - Steve Tshwete's share of income of the poorest 40% of households was however, the most unequal in the province.
 - Steve Tshwete's unemployment rate was however, the lowest among all the municipal areas of Mpumalanga. **The unemployment rate of Steve Tshwete increased slightly from 16.7% in 2015 to 17.9% in 2018.**
 - Unemployment rate for females 23.1% and that of males 14.5% in 2018.
 - Concern about the high unemployed youth & especially females – relatively low level of education and inadequate skills impact negatively on their employability.
 - Between 2015 – 2018, approximately 3 000 new jobs per annum created in the 3-year period, which is not a good performance
 - **Steve Tshwete is contributing 10.1% to the total employment in the province and is meant to create at least 10 000 new and sustainable jobs per annum**
 - Contribution to the Mpumalanga economy more or less 14.2% – third largest economy in the province
 - Second largest economy in the district in 2018 with a contribution to the district economy of 36.2% (trade (including tourism) formed 31.8% of this))
 - The largest industries of the local economy, mining and manufacturing, contributed almost 60% to the Steve Tshwete economy.

- In 2018, tourism spend in Nkomazi Local Municipality (Mpumalanga) totalled R1.5 billion, which was as a percentage almost 3.0% of the local GDP. Hence, the importance of a tourism growth strategy in the STLM cannot be overstated
- In 2018, the total tourism spend in STLM was R1,518,215 (up from R1,296,025 in 2014).
- **The Municipality is home to a number of mines and several large industries such as *Columbus Steel, Eskom*, as well as the *Nkangala District Municipality's* headquarters and various government departments.**

Summary Findings

- Corridor links and major links to other key economic hubs (provincial and bordering countries) present further key economic opportunities for STLM
- STLM has several multinational corporations situated in the town
- Mining as well as government sectors are major drivers of the local economy
- The area has several sites of religious and cultural significance including the Botshabelo Heritage Site
- It is located close to Gauteng which provides an opportunity to attract domestic tourists
- Steve Tshwete is seen as the place of opportunities in Mpumalanga - hence highest population growth in the Province
- There is a need to tackle the education and skills requirements of unemployed female youth (higher compared to males) in the Municipal area, which is significant
- The Municipal area is better-performing with respect to literacy rates and University admission rates, however, there are limited economic opportunities available in the area
- Steve Tshwete's unemployment rate the lowest among all the municipal areas of Mpumalanga
- Given the increase in tourism spend in the municipal area (from 2014 to 2018), tourism can be seen as a priority industry for Steve Tshwete for job creation and increased economic growth. Hence, the need for a tourism strategy to guide tourism growth in the STLM

ASSESSMENT OF STLM TOURISM LANDSCAPE, INFRASTRUCTURE AND ATTRACTIONS

The following is a high-level overview and assessment of (current and proposed) tourism infrastructure and attractions in STLM, including key challenges and opportunities. Additionally, a more detailed assessment was conducted on the Middleburg Dam and Botshabelo Heritage Centre, respectively.

- It is the strategic mission of STLM to ensure “*a legacy of excellence and achievements through achieving economic development and world class infrastructure*”
- Tourism (for both domestic and international tourists) has been identified as a future focus sector for STLM. Eco-tourism has been identified as a key economic stimulating activity for STLM as therefore a strategic focus as per their LED plan. Additionally, the following are STLM tourism development initiatives and current activities as outlined in the municipality's *LED Strategy 2016/ 2021*
 - High level profiling of the Loskop Aventura resort as a key component of the tourism belt on the N11 corridor
 - Total revamp of the Botshabelo heritage site by extending the tourism belt on N11 that links Limpopo with the CBD, reworking the ownership and management structure of the site and revamping the site to include cabin accommodation
 - Disseminate information from the Middelburg information centre: cabin accommodation, hiking trails, cheetah farming, fishing games
 - Develop a market access strategy including improving signage
 - High profiling of the events, Brand the Loskop Marathon, through TV and other forms of advertising, invite high profile athletes.
 - Accelerate the process of establishing the hotel to encourage local accommodation
 - Create a calendar of major events
- Middleburg and Emalaheni nodes have been identified as the key infrastructure investment areas, owing to their key economic contributions to the District.
- The *STLM LED Strategy (Updated Outline of Analysis), January 2020* has indicated the following with respect to the STLM landscape, including challenges and opportunities:
 - There exists a tourism value chain within STLM that comprises travel agents, transport providers, accommodation and food facilities and cultural and recreational activities, respectively (with potential opportunities for tourism SMMEs with respect to accommodation and food and cultural and recreational facilities)
 - There are approximately 48 accommodation facilities and 51 resorts (see statistics below from *Chamber Annual Report, 2019*).
 - Strikes in the tourism transportation sector reduce travel and creates uncertainty

- 4IR and technology advancements may reduce/ impact office-based travel agencies – online based travel planners create convenience
- There are a number of tourism attractions/ facilities such as Botshabelo Heritage site and Loskop, Middleburg Dam, and several others
- Tourism and SMMEs play a key role in job creation and contribution to GDP, and are envisaged to play stronger role in future plans of STLM
- Growing awareness of travellers around environment, social and economic impact of travel
- Growing need for ICT-related skills in the industry with travel agents and tour operator skills on decline
- The *2019 Chamber of Commerce and Industry Annual Report* identifies the following tourism collateral:
 - Approximately 61 accommodation providers in town and another 57 out of town
 - Approximately 50 campsites that are available for tourists to camp on
 - 16 hiking trails
 - 26 tourism products that offers some sort of conferencing and eventing
 - 5-8 cultural products offering
 - 16 Game Farms
 - 53 holiday resorts
- The *STLM IDP (2017 – 2022)* has shown that whilst there are a number of key tourism attractions/ facilities within the STLM (such as the *Loskop Leisure Resort, Botshabelo Heritage Site and Middleburg Dam, Little Elephant Ndlovu Encane Arts and Crafts Market* and others- Some of these attractions/ facilities appear in needs of attention with respect to infrastructure upgrade and identification of tourism niche and value proposition)
- There is limited investment in formal accommodation and therefore currently no hotel chains within the STLM.
- The *STLM Investment Strategy of 2016 – 2021* underlined the following key strengths/ opportunities:
 - STLM is beneficial from an investment point of view owing to the good service delivery and tax holidays
 - Municipal land is affordable
 - Overall good rail and road infrastructure
 - specific investment opportunity in the form of a potential hotel and conferencing centre within the Municipality to stimulate to local tourism economy here. The study has shown that the project is feasible - currently investors are being sought for the development. *Buhler and Associates* was commissioned by STLM and GIZ to conduct a *Feasibility and Valuation Study for a Proposed Hotel for Middleburg* (March 2019), with the following high-level findings:
 - Whilst there is growth in commercial/ business sectors in Middleburg over the last decade, there are a limited number of hotel rooms (most within Emalahleni node) in and around Middleburg, with most of these old.

- The area has a significant number of guesthouses, lodges and B&Bs which are below standard/ ungraded establishments
- There is absence of conference and meeting facilities within Middleburg
- Hence, the proposed configuration (associated with a business-oriented Midscale Hotel) is for 150 rooms, together with conferencing rooms and amenities
- The *STLM Township Revitalisation Strategy (2020/2022)* have identified tourism as a key sector/ strategic focus area of the Municipality, in which to address inequality and develop township economies in an inclusive manner
- Whilst SMME opportunity has been highlighted with respect to accommodation and food, and cultural and recreational activities, tourism SMMEs have been found wanting in a number of key areas, including business support, competition, business training and access to markets

A list of some of the key tourism destinations/ attractions/events within (and surrounding / on-route) STLM are presented below, followed by detailed assessments of Middleburg Dam and Botshabelo Heritage Centre (as required by the terms of reference for this assignment), respectively

		
<ul style="list-style-type: none"> ● Kruger National Park ● Middleburg Dam ● Botshabelo Heritage Site ● Olifants River Lodge ● Pieraarsdam ● Loodswaai Game Ranch ● De Voetpadkloof Resort ● Ruby River Lodge ● Matombu Wild ● Little Elephant Ndlovu Encane Arts and Crafts Market 	<ul style="list-style-type: none"> ● The Middleburg Air show ● The Great Train Race ● Loskop Marathon ● Loskop Kuper Bonanza ● The Amazing Race ● Cycad Trail ● The Middleburg Club ● Loskop Dam ● Amanzi Mountain reserve ● Leopards Train ● Isiyala Lodge 	<ul style="list-style-type: none"> ● Waterfall Safari ● Imbambala Wilderness Trail ● Panorama Route ● The Mpumalanga Heritage Route ● The Liberation Route ● The Genesis Route ● The Cultural Heartlands

Middelburg Dam

Summary and Background

The Middelburg Dam is situated next to Groenfontein and is in Nkangala District Municipality, Mpumalanga, South Africa. The dam is owned and managed by the municipality but falls under the custody of the Department of Water Affairs and Sanitation. The Dam has a length of 19.52 kilometres and a volume of 484 million cubic metres. The dam belongs to the Municipality and serves the town of Middelburg. The primary purpose of the dam is for water supply however it has become a tourist activity spot for fishing, boating, caravanning and camping opportunities. The dam is well known for its population of smallmouth bass but is home to many other fish species as well.

The dam does however have further tourism potential (in attracting more visitors) and there is an opportunity to leverage off natural landscape and dam for water sports, adventure tourism and fishing. Overall, it appears that dam should be considered as a “catalytic” attraction for tourists and integrated into the tourism strategy for STLM. This document provides a high-level assessment for the dam to be used as a tourism activity precinct/ attraction (in the context of the tourism value chain).

Establishing the dam as a location for water sports, adventure sports, and other activities has the potential to attract additional tourists' visitors, both domestic and foreign. In addition, the current dam water licence appears to be able to support these recreation activities. However, some motorised water sport will be only be able to be held during high water levels (approx. over 60 % dame capacity). The *National Water Act 36 of 1998 Section 21(k)* allows for the use of water for recreational purposes, this includes fishing competitions, water sports and other activities. We have been informed that the Middelburg dam has this approval.

Further, The presence of certain types of fish species (smallmouth and black bass) allows the dam to be used for recreational fishing (including competitions) In addition, activities such as water sports and recreational activities are expected to increase the number of visitors, the location also provides the opportunity for music and other cultural festivals such as those held at several similar dam locations.

Objectives and Envisaged Benefits

The dam is expected to act as a catalyst for tourism value chain with key objectives being:

1. Providing various recreational activities to attract both day and overnight visitors
2. Providing a venue for events and activities
3. Increase the number of visitors to the Municipality
4. Allowing the Municipality to earn third stream income

5. Providing a platform to strengthen local inclusive tourism

An investment in the Middelburg Dam infrastructure will increase the overall tourism infrastructure (and collateral) available in the Municipality and provide visitors, to the area, with an increased number of tourism related offerings that appeal to many tourist interests, including outdoor activities as well as family and social activities. The dam offers the opportunity to diversify the current tourism product offerings in the Steve Tshwete Local Municipality.

Status Quo of the Dam

The Middelburg Dam is located approximately 10 kilometres out of Middelburg on the R104. The dam is located on the Klein Olifants River and its main purpose is to supply water to the local municipality. The dam wall is 36 metres high and 625 metres in length, the dam covers approximately 468 hectares and has a capacity of 484 million cubic metres and supplies 40 million litres of water a day to the local community. The dam is located on the Belfast Road approximately 15 kilometres from Middelburg.

Location

The location (and easy accessibility) of the dam presents an opportunity to strengthen visitor numbers through key targeted events and activities. The dam is located along the R104 (Old Belfast Road) about 10 kilometres outside Middelburg and is easily accessible via the N4 and N11 national highways- key arterial roads (as per map in Figure 5 below) and as per photographs of the dam (Figures 6 and 7 below).



Figure 5: Map showing location of Middleburg Dam



Figure 6 Aerial view of Middleburg Dam



Figure 7: Photo of Middelburg Dam

The Municipality's Water Licence allows for the taking and storage of water as well as the use of the dam for recreational purposes. Currently, the dam charges a basic entrance fee for all vehicles entering, whilst no pedestrian entry is allowed. The basic fee is currently R 95,00 per vehicle with additional fees for trailers and the use of camping and caravanning spots.

The dam currently offers the following activities:

1. Picnic spots are available for day visitors.
2. Camping and caravanning sites are available with limited access to electricity, use of these spots is charged at R 80,00 per day.

3. Fishing: the dam is a popular fishing spot for Black Bass and during the year receives several visitors from Gauteng and as far afield as KwaZulu-Natal. Fishing clubs also use the dam for competitions.
4. Water sports: the dam is used by local residents and other visitors to launch boats for both skiing, jet skiing and fishing. A flat rate of R 42,00 per day is charged for trailers brought on to the dam.

Infrastructure





The dam visitor infrastructure requires upgrading and recapitalisation if it is to be fully used as an activities precinct to attract tourists. The current infrastructure is insufficient to cater for the proposed activities with limited facilities for campers and caravanners as well as an urgent need to replace the existing perimeter fencing. In order to cater for the proposed activities, the following infrastructure will need to be upgraded or constructed:

- upgrading of the perimeter fencing
- improvements to the security and access control facilities
- additional ablution blocks
- electrical points for caravanners
- additional braai and picnic facilities
- building of a boma to cater for events and communal activities
- building of bird watching stations
- building of jetties to cater for water sports and boating activities
- Creating walkways and footpaths
- Developing a practical camping area
- Mini-golf
- Outdoor movie theatre

SWOT Analysis of the Middelburg Dam

The table below (Table 3) summarises the strengths, weaknesses, opportunities and threats impacting the dam. The SWOT has been derived from engagements with stakeholders, feedback from the focus group, site visits and a review of key documents.

Table 3: SWOT Analysis of Middleburg Dam






<p>Strengths</p> 	<p>Weaknesses</p> 	<p>Opportunities</p> 	<p>Threats</p> 
<ul style="list-style-type: none"> Existing dam that is owned by the Municipality Water licence in place with recreation activities Support from the Municipality to utilise this precinct for tourism Some level of tourism activity that already takes place at the dam The precinct is top of mind as an attraction Good water quality to support recreation Easily accessible 	<ul style="list-style-type: none"> Poor Infrastructure to support tourism activities Need for increased marketing Need for improved management of the precinct (including access control) 	<ul style="list-style-type: none"> Offering various activities that could accommodate different types of tourists Leverage of grant funding to support re-capitalisation of the precinct 	<ul style="list-style-type: none"> Degradation of the environment Agitation of water (at low levels)- which will increase the cost of purification Other dam offering in the surrounding areas may increase competition

Activities that can be supported

The Dam would then serve as the centre for several family, water sports and adventure related activities. Income could be generated through entrance fees and for the use of facilities. The Dam could also serve as a wedding and conference venue (as well as other events, with a view to becoming the meeting place for the town). Flea markets and picnic sites would also encourage regular visits from the local community and serve to develop SMMEs.

The Middelburg Dam may be able to support several tourism related activities as indicated in the table below (Table 4):

Table 4: Key Proposed Activities for Middleburg Dam

	<p>Outdoor activities</p>	<p>The precinct can be developed to include outdoor activities such as.</p> <ul style="list-style-type: none"> • Hiking • Bike trails • Bird watching • Miniature golf • Fishing • Picnicking
	<p>Camping and caravanning</p>	<p>The existing sites can be further developed to offer more appealing camping and caravanning facilities for both domestic and international tourists. This would require the upgrading of electrical points and other facilities</p>
	<p>Non- motorised water sports</p>	<p>The dam can be used for non-motorised water activities including:</p> <ul style="list-style-type: none"> • Canoeing • Sail boating
	<p>Motorised water sports</p>	<p>The water licence applicable to the dam allows for motorised activities provided the water level is at a minimum of 60%, water sports may include:</p> <ul style="list-style-type: none"> • Water skiing • Power boating • Jet skiing
	<p>Eventing</p>	<p>The picturesque surroundings of the dam can be used for:</p> <ul style="list-style-type: none"> • Weddings • Conferences • Events

Comparative Analysis of Middleburg Dam Proposed Activities with Other Similar Dams

The Middelburg Dam is located within 15 kilometres of Middelburg with two similar facilities located close by, the Loskop Dam is approximately 57 kilometres from Middelburg and Pienaar Dam 10 kilometres from Middelburg. In addition, both the Loskop Dam and Pienaar Dam have private operators and include accommodation facilities. In addition, we have included Hartbeespoort Dam, in the matrix below (Table 5):

Table 5: Comparative Analysis of Middleburg Dam Proposed Activities with other Similar Dams

Activities	Middelburg Dam	Loskop Dam	Pienaar Dam	Hartbeespoort Dam
Camping	✓	✓	✓	✓
Picnic sites	✓	✓	✓	✓
Caravan sites	✓	✓	X	✓
Boating/sailing	✓	✓	X	✓
Eventing	✓	X	✓	✓
Miniature golf	✓	✓	✓	✓
Canoes/Paddle boats	✓	X	✓	✓
Fishing	✓	✓	✓	✓
Motorised water sports	✓	X	X	✓
Flea Market	✓	X	X	✓
Bird watching	✓	✓	X	✓
Hiking trails	X	✓	✓	✓
4 x 4 trails	X	X	✓	✓
Nature/Wildlife reserve	X	X	✓	✓
Predator park	X	X	✓	✓
Horse riding	X	X	✓	✓
Sports activities	✓	✓	✓	✓
Kids area	X	✓	✓	✓
Swimming	✓	✓	✓	✓
Boat Cruises	X	X	X	✓

The Middelburg Dam is capable of hosting several activities that would compare to the Loskop and Pienaar Dams that are in close proximity. Hartbeespoort Dam has a highly developed recreational precinct that is largely operated by the private sector, it is also well established with several years of operation as the centre of water-based activities in Gauteng. The development of the Middelburg Dam as an activity precinct should be done in a manner that is sustainable both for the environment and business, and without causing an impact on the natural environment.

Estimated Fee Income from Proposed Dam Activities

The proposed activities for the Dam would be expected to generate increased income (refer Table 6 below) based on the expected demand based on current visitor figures to the dam. The dam currently charges an entrance fee of R95 per day, with a fee of R80 per day for use of the camping and caravan site as well as R42 per day for any trailers and R15 per bicycle. The dam receives an average of 1000 visitors per month during the summer periods, but this reduces dramatically during winter to less than 100 visitors.

Table 6: Estimated Fee Income from Proposed Dam Activities

Activities	Estimated Fee per Day	Annual Average Attendance	Monthly Average Visitors	Total Estimated Income
Entrance fee	R 95,00	9000	750	R 855 000,00
Camping	R 80,00	3 600	300	R 288 000,00
Caravan sites	R 80,00	3 600	300	R 288 000,00
Boating/sailing	R42,00	1 800	150	R 75 600,00
Eventing	R 6 000,00	24	2	R 144 000,00
Miniature golf	R 40,00	4 500	375	R 180 000,00
Canoes/Paddle boats	R80,00	2 000	170	R 160 000,00
Motorised water sports	R42,00	1 800	150	R 75 600,00
Flea Market (40 weekends x 50 tables)	R 100,00	2000	170	R 200 000,00
Biking trails	R 15,00	1000	85	R 15 000,00
Total		29 324	2 452	R 2 281 200,00

The current income at the dam is largely earned from entrance fees, camping and caravanning as well as trailer charges for people engaging in water activities, the estimated income is approximately R1,5 million, the addition of the additional activities at relatively low cost would grow the income stream to R 2 281 200,00 per annum. The development of the dam would also stimulate the local economy by providing economic opportunities for the local community thus increasing the overall economic activity in the municipality from increased individual disposable income.

Economic Relevance

The Steve Tshwete Local Municipality has an unemployment rate of 19,7% whilst youth unemployment is 27,1% with female unemployment at 21,8% and males at 12,9%. The tourism sector is potentially a means to provide economic stimulus to the area and create entrepreneurship as well as employment opportunities for the citizens of Steve Tshwete Local Municipality. The increased activities offered will present opportunities for:

- Emerging businesses that can provide goods and services around the Dam precinct,
- Emerging businesses that hire equipment such as bikes, canoes and other equipment

- Flea market and arts and crafts products will also provide an opportunity for the development of entrepreneurial activity in the municipality.

These opportunities can be designed to benefit local youth and women enterprises as well as provide employment opportunities and entrepreneurship. The increased tourism foot traffic will also benefit other local businesses including accommodation related businesses and other businesses that provide services related to the tourism as well as businesses that are not directly related to tourism will benefit from the increased foot traffic through the town.

The additional dam activities are expected to increase the number of visitors by at least 22 000 per annum, this is expected to have an impact on the local economy due to the increased spend. On the assumption that average bed nights cost is R 600,00 per night with a minimum stay of one night and additional general spending of at least R250,00 per visitor, the projected spend on accommodation and local economy is reflected in Table 7 below:

Table 7: Average Projected Tourist Spend owing to Proposed Additional Dam Activities

Tourists	Accommodation	Local Economy
5 500 (25% of total visitors)	R 3 300 000,00	
22,000 (average of R250 per tourist)		R 5 500 000,00
Total	R 3 300 000,00	R 5 500 000,00

Targeted Visitors and Users

The dam can accommodate several tourist interests both domestic and international and cater for the interests of outdoor and adventure tourists. The table below (Table 8) highlights the targeted market segmented by proposed activities for each market:

Table 8: Target Market Segmented by Proposed Additional Activities

Market	Potential Customer	Proposed Activities
Core Market	Domestic and International Tourists 	<ul style="list-style-type: none"> ○ Picnic/braai facilities ○ Bird watching ○ Boating/Canoeing ○ Water sports ○ Fishing ○ Flea Markets ○ Eventing/Weddings ○ Outdoor theatre ○ Kiosk ○ Coffee shop
	Recreational tourists 	<ul style="list-style-type: none"> ○ Camping facilities ○ Picnic/braai facilities ○ Bird watching ○ Water sports ○ Swimming ○ Mini golf
	Adventure Tourist 	<ul style="list-style-type: none"> ○ Motorised water sports ○ Boating/canoeing ○ Hiking ○ Caravanning ○ Biking trails

Required Infrastructure to Support Tourism

The following list are proposed upgrade requirements/ improvements to the current infrastructure, in order to develop the site to support the new activities and an increased number of visitors.

- Perimeter fencing
- Access control and guard station

- Braai facilities
- Bins and waste disposal
- Canoes
- Ablution facilities for camping
- Electrical points and ablution facilities for caravan park
- General ablution facilities
- Camp in a box container
- Boat jetty
- Bird watching station
- Eventing/Wedding hall
- Mini Golf Course
- Outdoor theatre
- Hiking trails
- Bicycle trails
- Car park
- Tarred driveway access
- Kiosk/Coffee shop

Financial Implications and funding

The introduction of new activities will require an upgrade to the current infrastructure available at the dam. This infrastructure will be to cater for increased security, such as the perimeter fence and access control as well as to improve available facilities to attract more visitors to the dam. The following table (Table 9) provides a high-level estimate of the costs for Dam facilities upgrade, to accommodate the proposed new activities.

Table 9: Estimated Costs of Proposed New Facilities/ Upgrade

Facility Upgrade	Estimated Cost
Perimeter fencing (at R2200 a metre x 3 kms)	R 6 600 000,00
Access Control and guard station	R 20 500,00
Event/Wedding Boma (250m2)	R 500 000,00
Braai facilities (10 x braai stations)	R 150 000,00
Boat jetty (2 X 9M2 floating jetty)	R 70 000,00
Bird watching platform (X 4)(3m x 1,5m)	R 48 000,00
Ablution facility – camping (1 x single story with 6 flushing toilets)	R 200 000,00

Facility Upgrade	Estimated Cost
Ablution facility – caravan park (2 x single story with 6 flushing toilets)	R 400 000,00
General ablution facility (1 x block with 4 flushing toilets)	R 150 000,00
Camp in a box (10 X 2 sleeper)	R 520 000,00
Canoes (x 5)	R 30 000,00
Miniature golf	R 500 000,00
Hiking pathway (400m x 1m wide gravel)	R 500 000,00
Bike trials (600m x 1m wide gravel)	R 1 000 000,00
Outdoor theatre (Open air 200m2)	R 250 000,00
Car park (30 gravel parking bays)	R 150 000,00
Tarred driveway access (500 metres) (2m x 3m lane)	R 2 500 000,00
Bins and waste disposal (30 bins with bin depot)	R 26 850,00
Kiosk/Coffee shop (30m2 fitted)	R 500 000,00
Total	R 14 115 350,00

The Middelburg Dam is currently managed by the Steve Tshwete Local Municipality, it is expected that the Municipality will retain its management of the site and its facilities, however the opportunity exists to empower local entrepreneurs to manage and take ownership for some of the activities that are proposed, including equipment hire, and other support activities.

Funding for the proposed infrastructure should follow a hybrid model of public and private sector instruments and would have to be sourced from the Municipality as well as from outside funders, the potential funding sources are tabulated below (Table 10):

Table 10: Potential Sources of Funding for Dam Facility Additions/ Upgrades

Potential Funding Source	Support
National Empowerment Fund	<ul style="list-style-type: none"> • Grant funding
Department of Tourism	<ul style="list-style-type: none"> • Tourism incentive scheme • Grant funding and support for infrastructure and capacity building (EPWP) • Marketing and promotion
Development Financiers	<ul style="list-style-type: none"> • Subsidised loans • Grants
Private Sector Investor(s)	<ul style="list-style-type: none"> • Enterprise and Supplier Development • Socio-Economic Development • Equity

Potential Funding Source	Support
Donors	<ul style="list-style-type: none"> • Sponsorships
Steve Tshwete Local Municipality	<ul style="list-style-type: none"> • Equity • Grant funding

Key instruments for funding include:

- Debt: Loan finance from development financiers to be repaid over
- Equity: Capital contribution by the municipality towards the development of the dam
- Grant funding: Funding from government institutions towards the development that would not be repayable but may be subject to certain conditions specified by the funder
- In kind: Donor contributions from the local business and community members
- Also, to consider using income from the dam to further fund the promotion and development of the local tourism sector

Way forward

The development of the Middelburg Dam presents several opportunities to create a tourism node based on outdoor activities and adventure tourism. In addition, the further development of the Dam would create economic opportunities for the local community and provide a platform to address youth unemployment in the area as well as develop youth entrepreneurs in the tourism sector. It is expected that the increase in visitors to the dam will generate an estimated revenue of R 2,3 million to the Municipality.

The economic impact on the town as a result of the increased tourist foot traffic is expected to be R 8 800 000,00 per annum. It is also accepted that tourists tend to visit the more rural parts of the country, providing support to SMMEs as well as supporting jobs in that sector. The development of the dam could create multiple opportunities for small business including.

- Coffee shop
- Kiosk
- Flea market
- Bicycle hire
- Canoe hire
- Fishing equipment hire
- Catering

- Event planners

The following steps indicate a way forward based on the findings of the assessment:

1. Confirm Municipal support for the proposal
2. Approval of the decision to proceed
3. Detailed assessment of current facilities and possibly a limited EIA
4. Confirm the financial requirements to develop the activities around the Dam
5. Select short term activities that can be easily implemented
6. Identify and engage funders for capital requirements
7. Incorporation into the tourism strategy for STLM
8. Develop a marketing plan to market the dam and new activities
9. Identify and allocate a project champion for the project
10. Acquire funding to implement more capital-intensive developments

Overall Assessment of the Dam Precinct:

- This precinct does appear to be an opportunity to attract visitors to Middleburg
- There is the potential to offer a variety of activities which would support various types of tourists
- Preliminary assessment of the dam area and engagement of officials indicate the use of the is precinct as a stronger tourism is possible and will be supported by the Municipality
- There will be a need to capitalise the dam to allow for planned new activities (mix of both public sector and private sector, respectively, using a phased approach)
- Economic impact anticipated through facility upgrade/ new facility investments in the Dam
- The Dam and its development should be a key element of the tourism strategy for STLM

With the current negative economic outlook (and negative impact of COVID-19 on the tourism industry), there is a need to prioritise funding focus on development financier and grant funders, such as Department of Tourism and Department on Environmental Affairs EPWP programme and SANParks ED support) for funding of tourism product upgrades/ developments. This should be considered as the 'first phase' or (0-12 months) of funding support.

The second phase (12 months and beyond) would consider private sector investment opportunities that would include (but not limited to) the following:

1. presentation/ marketing of high -potential tourism products to potential investors for further development and investment

2. tourism products with land availability for possible opportunities for residential / sectional titles (that would need consideration of legal agreements and lease agreement terms. This could include land adjoining the Middleburg Dam- once the tourism potential of this node is activated via the proposed activities mentioned in this strategy

In addition , to the above (and concurrent) - the STLM should consider a possible roadshow to the large (and more responsible) mining houses- explaining this tourism strategy and see how best they would be able to support and resource (where possible). This would be pitched as a possible request for them to assist the Municipality to diversify the economy.

Botshabelo Heritage Site

Summary Background

Botshabelo meaning 'place of refuge' was established by two missionaries belonging to the Berlin Missionary Society, Alexander Merensky and Heinrich Grützner, in 1865 on a 2 300-hectare farm in Nkangala District, in STLM, ten kilometres north of the municipal seat of Middelburg.

The mission station grew to become one of the most economically successful and well-established *Berlin Missionary Society* stations at the time and it was home to thousands of inhabitants which made it an important place in both local and regional economies. Later on, as a school, it helped to produce many of South Africa's most active black intellectuals and artists such as Gerard Sekoto, Dan Rakgoathe, and Wally Serote.

In 2005, land was returned to land claimants, under the *Botshabelo Community Development Trust*. In 2015, the *Botshabelo Mission Station* celebrated 150 years of existence.

The Botshabelo Mission Station incorporates a Ndebele village which comprises of an open-air museum established to successfully preserve the interesting tribal culture. It boasts historical value, a church and many old buildings. The entire area is a site museum to attract tourists, hikers and historians. The heritage site was meant to offer both a recreational and educational experience.

The Botshabelo Community Development Trust manage two key projects, one relating to the Botshabelo Heritage estate (including the Church), and one relating to resettlement of beneficiaries willing to be resettled in Botshabelo.

The rich cultural and religious history of the site presents the opportunity to re-establish Botshabelo as a tourist attraction (to increase visitor numbers). This document provides an assessment for the heritage site to be used as a tourist attraction. The ongoing disputes within the community over a long period of time as well as the need to resolve these prior to any development of the site, it is thus expected that any development will be deferred to the medium to long term.

Objectives and Envisaged Benefits

The heritage site has potential to be redeveloped into a significant tourist attraction for the area, given its history and ties to the German missionaries.

The objective of the site would be to provide the following:

- Religious tourism, as the site of the German Mission
- Cultural tourism as the site of the Ndebele village
- Accommodation both in guest house and camping
- A centre for church-based volunteer tourism
- A must-see attraction for both foreign and domestic visitors of the Middleburg

A long-term investment in the site (needs to be made), with the aim of reintroducing the site to International tourists (especially European tourists). This would provide economic benefits to the community at Botshabelo and the tourism sector in the Steve Tshwete Local Municipality.

The site will require significant upgrades as well as a reassessment of the governance and management structure to resolve the ongoing community disagreements. In addition to the tourism value of the site, Botshabelo is an important site in relation to the heritage and history of South Africa.

Status Quo of the Botshabelo Heritage site

The heritage site is located on the R555 approximately 10 kilometres outside Middelburg. The heritage site covers approximately 22,000 hectares. The drop in tourist numbers can be directly attributable to the drop in numbers of people visiting the Botshabelo site. The site has fallen into a state of disrepair in recent years and requires significant rehabilitation in order to be a viable tourism product (refer Figure 8 below). The trust which manages the site has approximately 173 beneficiary families with approximately 2000 to 3000 individual family members. The site is home to a Ndebele village that was established during apartheid.

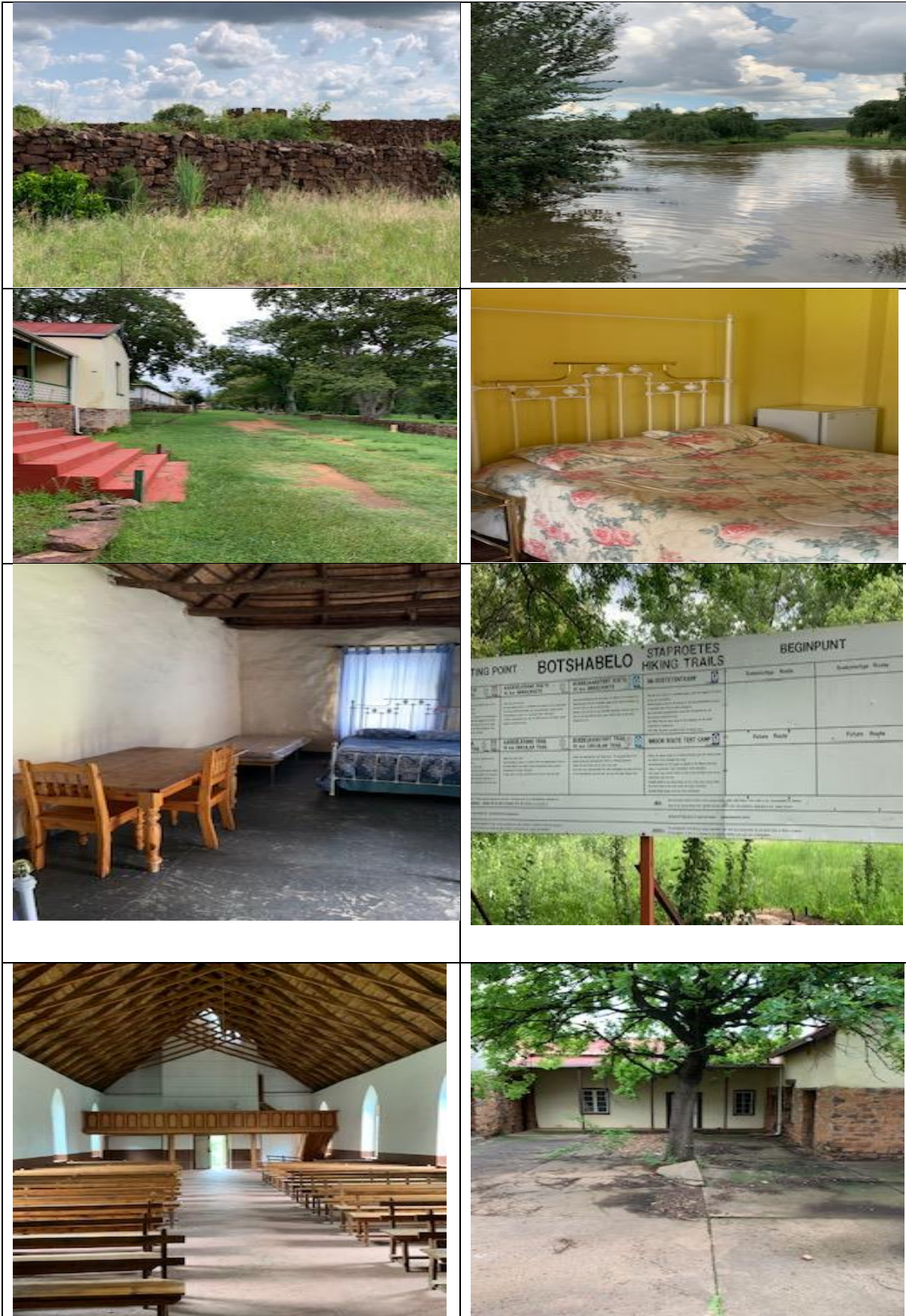


Figure 8: Current State of Facilities of the Botshabelo Heritage Site

Engagements with key stakeholders regarding the heritage site revealed the following:

- There were reported disputes between beneficiaries and Trustees of the Heritage site – this has resulted in developments being stalled which may impact the potential for the site to be self-sustaining and generate funding. The disputes within the community has resulted in parallel Management structures representing the interests of each faction.
- The heritage site in its current state appears to be neglected
- The infrastructure, including buildings and furnishings is old and requires refurbishment
- The heritage site was once maintained by the Local Municipality and currently requires support to be rebuilt
- Key support structures, such as the *Marensky Foundation*, have pledged support to the Botshabelo Heritage Site, but on condition that *South African Heritage Resources Agency (SAHRA)* play an active role as relevant statutory body, in bid to resuscitate the Heritage site.

Botshabelo is no longer a key attraction and that has led to reduced tourism opportunity at the site and the broader tourism ecosystem in Middelburg

Location

The heritage site is located on the R555 approximately 10 kilometres outside Middelburg (refer Figure 9 below).



Figure 9 : Map of the Botshabelo Heritage Site

The heritage site (refer Figure 10 below) covers approximately 22,000 hectares. The site consists of the following:

- *Fort Merensky*
- *Original church and surrounding buildings*

- *Guest house*
- *Youth hostel*
- *Ndebele Village and Open-Air Museum*

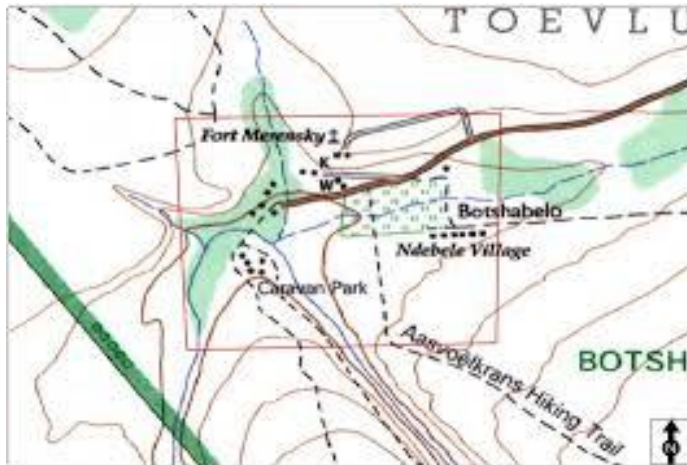


Figure 10: Illustration of Botshabelo Heritage Site

Infrastructure

The Botshabelo site infrastructure requires significant upgrading and rebuilding if it is to be used as a tourism attraction. The current infrastructure has been neglected, in addition parts of the site is a listed heritage site and any development will have to be carried out in accordance with *Section 38 of the National Heritage Resources Act of 1999*. The site will require significant investment to restore it to its original condition, this includes the repair and restoration of the following buildings and structures:

- *Fort Merensky*
- *Original church and surrounding buildings*
- *Guest house*
- *Youth hostel*
- *Ndebele Cultural Village and Open-air museum*

The following infrastructure (but not limited to) will need to be upgraded or constructed:





- tarring of entrance road
- refurbishment of guest house
- refurbishment of youth hostel
- restoration of heritage buildings

- additional braai and picnic facilities
- ablution facilities
- hiking paths
- bike trails
- electricity and water

SWOT Analysis of the Botshabelo Heritage Site

The strengths, weaknesses, opportunities and threats tabled below (Table 11) are based on feedback from focus groups, key stakeholders and a review of relevant information.

Table 11: SWOT Analysis of Botshabelo Heritage Site

<p>Strengths</p> 	<p>Weaknesses</p> 	<p>Opportunities</p> 	<p>Threats</p> 
<ul style="list-style-type: none"> • The product has proved its ability (in the past) to attract tourists • Large track of land- has the potential to offer various tourism product with the appropriate leveraged capital • The savannah grasslands environment provides a background of scenic beauty • Strong cultural and historic significance attached to the precinct • The river that cuts through the property 	<ul style="list-style-type: none"> • Community disagreement (and the lengthy delays in resolving) • Poor governance reputation from the past • Ability of the community to manage the tourism products effectively • Poor infrastructure • The need for significant capital (that may not have the adequate return for commercial investors) 	<ul style="list-style-type: none"> • Botshabelo becoming a proclaimed heritage site • The potential (based on size and environmental conditions) to support various type of game • Precinct provides the opportunity to catalyse the inflow of tourists for the benefit of the wider tourism value chain • The potential to create employment 	<ul style="list-style-type: none"> • Degradation of the environment (including the heritage significance of the precinct) • Community disagreement that continues to hold up the potential of the precinct





Activities that can be supported


The Botshabelo Heritage site can serve several tourist products including accommodation and church-based volunteer tourism- directed at benefitting the local community. The large space can also accommodate tourism directed at nature and outdoor tourists as well as religious and cultural tourism based on the long-standing links to the German missionaries.

Income could be generated through entrance fees and for the use of facilities as well as for accommodation. The restoration of the church and surrounding buildings could also serve as a wedding and conference venue. Picnic sites and the refurbishment of the youth hostel would also encourage regular visits from the local community and serve to develop SMMEs.

The Botshabelo site may be able to support several tourism-related activities as indicated in the table below (Table 12):

Table 12: Potential Activities of the Botshabelo Heritage Site

	Outdoor Activities	<p>The precinct can be developed to include outdoor activities such as:</p> <ul style="list-style-type: none"> • Hiking • Bike trails • Bird watching • Picnicking • Camping • Cultural/religious sites
	Accommodation	<p>The existing guest house and youth hostel needs to be refurbished and upgraded. The guest house can accommodate 20 people and the youth hostel 50 people</p>
	Volunteer tourism	<p>The site can be used as a centre for volunteer tourism that will benefit the local community. This could include:</p> <ul style="list-style-type: none"> • Community clinic • Counselling centre • Skills training centre • Agri tourism
	Eventing	<p>The refurbished church and surrounding buildings can be used for:</p> <ul style="list-style-type: none"> • Weddings • Conferences • Events • Farmers market

	Heritage and Culture	The site is home to the Botshabelo Heritage site which includes: <ul style="list-style-type: none"> • Fort Merinsky • Ndebele Cultural village • Original church • Surrounding mission buildings
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Estimate Income from Proposed Activities

The proposed activities for Botshabelo would be expected to focus on volunteer and religious tourism for international tourists. Income would be generated through accommodation and the use of facilities by both international and domestic tourists, including day visitors.

There have been few visitors to Botshabelo over the last three years with several complaints of criminal activities as well as the poor condition of the accommodation. Prior to the increase in criminal activity, the site received approximately 50 visitors per month. Use of the accommodation was charged at an average of R 150 per night. It is assumed that the rehabilitation of the facilities will increase the number of visitors and fee income (refer Table 13 below).

Table 13: Estimated Fee from Proposed New Activities

Activities	Estimated Fee per Day	Annual Average Attendance	Monthly Average Visitors	Total Estimated Income
Entrance Fees	R 50,00	24 000	2 000	R 1 200 000,00
Camping	R 80,00	1 800	150	R 12 000,00
Eventing	R 6 000,00	24	2	R 144 000,00
Farmers Market (40 weekends x 50 tables)	R 100,00	2000	170	R 200 000,00
Youth Hostel	R 150,00	1 200	100	R 180 000,00
Guest house	R 200,00	1 200	100	R 180 000,00
Biking trails	R 15,00	1000	85	R 15 000,00
Game drives	R 100,00	1000	85	R 100 000,00
Paintball	R 100,00	1200	100	R 120 000,00
Obstacle course/team building	R 200,00	600	50	R 120 000,00
Total				R 2 271 000,00

Botshabelo is able to support a significant number of income-generating activities that can be used for the benefit of the community trust and the historic links with the *Berlin Missionary Society* may provide an active market for the heritage site. Botshabelo will require an investment in excess of R50 million (depending on the level and extent of renovations that will be done, as well as which activities that will be prioritized and included), in relation to the expected return of R2,3 million Botshabelo would not be commercially viable and therefore would require development and grant funding from both government and the private sector.

Economic Relevance

The Steve Tshwete Local Municipality has an unemployment rate of 19,7% whilst youth unemployment is 27,1%. The tourism sector is potentially a means to provide economic stimulus to the area and create entrepreneurship as well as employment opportunities for the citizens of Steve Tshwete Local Municipality.

The increased activities offered will present opportunities for:

- Businesses in the local community to be developed as suppliers,
- The supply of refreshments such as tuck shops and a coffee shop.
- Farmers market and arts and crafts products will also provide an opportunity for the development of entrepreneurial activity in the municipality.


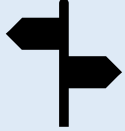


The increased foot traffic through the town both for overnight visitors and day visitors coming to Botshabelo will have a positive impact on the tourism sector as a whole, as well as to other businesses in the Municipality. The revenue generated, estimated at R2,3 million would also assist in the revitalisation of economic opportunities for the Botshabelo community/The revitalisation of Botshabelo provides opportunities for new jobs, skills training and entrepreneurship opportunities for the community that is based on the site.

Targeted Visitors and Users

Botshabelo, due to its links with the Berlin Mission and the religious significance of being the first site where the bible was translated into an indigenous language presents the opportunity to attract international tourists, especially religious, cultural and volunteer tourists.

The table below (Table 14) highlights the targeted market segmented by the activities for each market:

Table 14: Core Target Market Segmented by Proposed Additional Activities

Market	Potential Customer	Proposed Additional Activities
Core Market	International Tourists 	<ul style="list-style-type: none"> ○ Cultural sites ○ Religious sites ○ Heritage sites ○ Accommodation ○ Weddings
	Domestic tourists 	<ul style="list-style-type: none"> ○ Cultural sites ○ Religious sites ○ Heritage sites ○ Picnic/braai facilities ○ Farmers Market ○ Eventing ○ Weddings
	Volunteer tourists 	<ul style="list-style-type: none"> ○ Community clinic ○ Counselling centre ○ Skills training centre ○ Agri tourism
	Recreational tourists 	<ul style="list-style-type: none"> ○ Hiking ○ Bike trails ○ Bird watching ○ Picnicking ○ Camping ○ Cultural/religious sites

Required Infrastructure to Support Tourism

The following improvements to infrastructure have been identified to support the new activities and an increased number of visitors.

- Tarring of access road
- Access control and guard station
- Braai facilities
- Camping ground
- Ablution facilities for camping
- General ablution facilities

- Refurbishment of guest house
- Refurbishment of youth hostel
- Repair of heritage buildings
- Upgrading/installation of electricity and water infrastructure
- Eventing/Wedding hall

Financial Implications and funding

Botshabelo has been neglected for a long period of time resulting in the need for significant upgrading and refurbishment to the existing heritage buildings as well as to the accommodation facilities and other amenities on the site. New amenities will require construction if the site is to attract tourists, this would include a clinic, community centre and other facilities that would support volunteer and religious tourism.

The required rehabilitation and construction costs would be in excess of R50 million (depending on the level and extent of renovations that will be done, as well as which activities that will be prioritized and included).

The Botshabelo Cultural Village and Heritage site is presently managed by a community trust; however, the trust has been dissolved and reformed several times over the years and is currently split into different factions which has impeded any further development of the site.

Any future development of the site should be managed and operated by an outside agency such as SANParks, MTPA or other agency capable of managing the site for the benefit of the local community (independent of community management). However, the community needs to be engaged prior to any further development of the site and the internal issues of the community needs to be resolved.

Funding for the proposed infrastructure would have to be sourced from several funders given the magnitude of the investment required. A partnership between public and private sector investors and funders is most likely to be required to develop the site. Botshabelo is unlikely to be commercially viable given the magnitude of the investment required, funding would be required primarily from grant funding and development funders. Tabled below (Table 15) are potential sources of funding to be considered for the site upgrade:

Table 15: Potential Funding Sources for Proposed Site Upgrades/ Additional Facilities

Potential Funding Source	Support
National Empowerment Fund	<ul style="list-style-type: none"> • Grant funding
Department of Tourism	<ul style="list-style-type: none"> • Tourism incentive scheme • Grant funding and support for infrastructure and capacity building • Marketing
SAHRA	<ul style="list-style-type: none"> • Grant funding
Development Financiers	<ul style="list-style-type: none"> • Subsidised loans • Grants
Private Sector Investor(s)	<ul style="list-style-type: none"> • Enterprise and Supplier Development • Socio-Economic Development • Equity
Steve Tshwete Local Municipality	<ul style="list-style-type: none"> • Equity • Grant funding
Merinsky Family	<ul style="list-style-type: none"> • Grant funding
Church donors	<ul style="list-style-type: none"> • Grant funding
Private Donors	<ul style="list-style-type: none"> • Sponsorships

Way forward

Botshabelo presents the opportunity to revive an area of historical significance to the Middelburg area and surrounding communities. In order to proceed with any development, the issues surrounding the management of the community trust and other issues of concern in the community would have to be addressed and resolved. The development of the site is likely to provide an impetus for economic activity for the community settled at Botshabelo, however the community differences need to be resolved first and the low level of commercial viability of the site needs to be considered in relation to the investment requirements thus the redevelopment of the site should be part of the medium to long term tourism strategy.

The following steps indicate a way forward:

1. Reconcile the community issues
2. Detailed assessment of site required
3. Confirm support from key stakeholders including the community, municipality, Merinsky family, SAHRA

4. Select short term activities that can be easily implemented with limited funding
5. Identify and engage funders for capital requirements
6. Develop a marketing plan to market the site to selected market
7. Recruit and train unemployed youth to be part of the project
8. Acquire funding to implement more capital-intensive developments

Overall Assessment of the Botshabelo Heritage Precinct:

- The heritage site may present an opportunity to attract tourists as data released by the *South African Tourism (SAT)* research indicates that there has been an increase in tourists engaged in activities related to cultural and heritage activities with 26% of tourists engaged in viewing and partaking in cultural and heritage activities in 2018 as compared to 14% in 2014.
- The site may present an opportunity along with the other cultural sites to attract visitors given the rich cultural and religious heritage, including it being the site of the first translation of the bible into an indigenous language in 1904
- However, this is based on there being significant overhaul of the current management/ governance structures for effectiveness, as well as need for revamping of the facilities (this will require the need for significant capital). The required rehabilitation and construction costs would be in excess of R50 million (depending on the level and extent of renovations that will be done, as well as which activities that will be prioritized and included).

The Botshabelo Precinct should be incorporated in the STLM tourism strategy (in the medium to long term). However, key actions need to be implemented now to be able to leverage off this asset.

HISTORICAL (5-YEAR) ANALYSIS OF MPUMALANGA AND STLM TOURISM PERFORMANCE

Mpumalanga is home to the Kruger National Park as well as other attractions and the province receives on average 14% of the international visitors to South Africa. The data analysed below provides an indication of the number of tourists entering the province of Mpumalanga as well as the facilities used, and activities engaged in by visitors. This is assessed against the available facilities within the Steve Tshwete Local Municipality.

Foreign Tourist Arrivals

Mpumalanga which is home to the Kruger National Park and other attractions has received an average of 14% of foreign arrivals (refer Figure 11 below) over the five-year period, rising from 12% in 2014 to 15,20% of arrivals in 2018. The majority of these are from neighbouring Swaziland and Mozambique with the USA leading the leading non-African country.

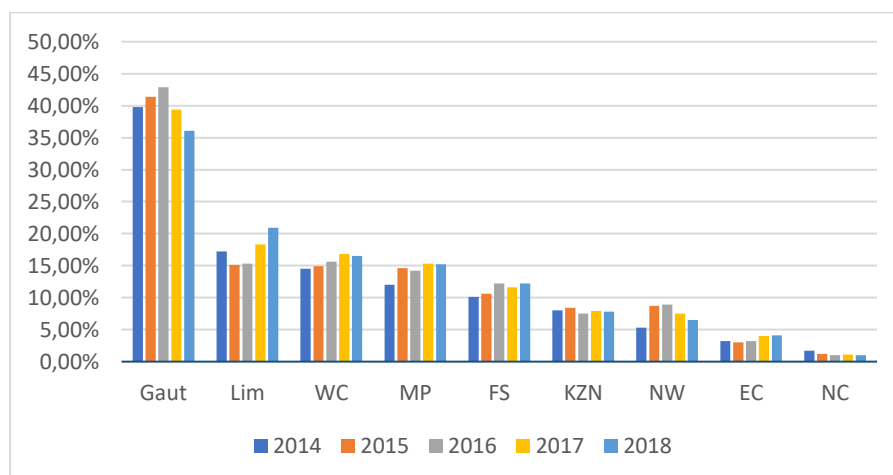


Figure 11: Foreign Tourism Arrivals by Province (2014 – 2018)

Total Tourist Foreign Direct Spend (Rbn's)

Whilst Gauteng (as expected) receives the lion's share of tourist spend reaching a high of R30 billion in 2017 and a 2018 spend of R 28 billion (drop), Mpumalanga has seen a significant growth from R7 Billion in 2016 to R11 Billion in 2018 (refer Figure 12 below).

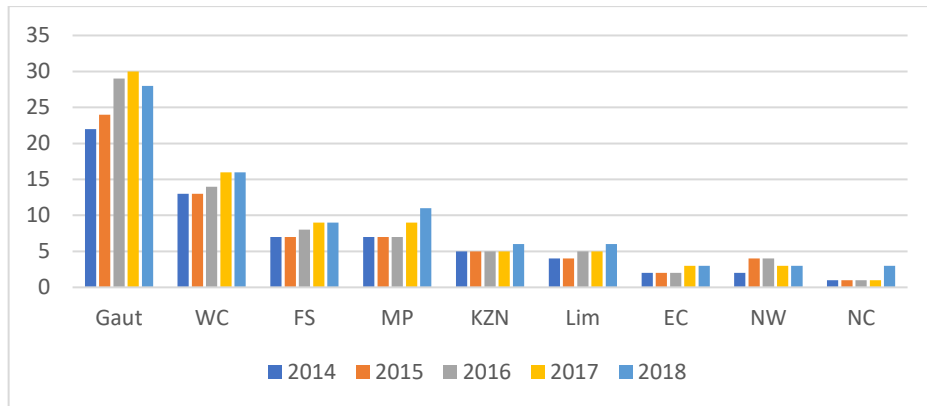


Figure 12: Total Foreign Direct Spend by Province (2014 – 2018)

Total Bed Nights (millions)

Total bed nights are the number of beds filled by the tourist arrivals. As expected, Gauteng has the largest number of bed nights with 40 million bed nights in 2018 as compared to 28 million in 2014. Mpumalanga has also shown significant growth from 8 million in 2014 to 15 million in 2018 (refer Figure 13 below).

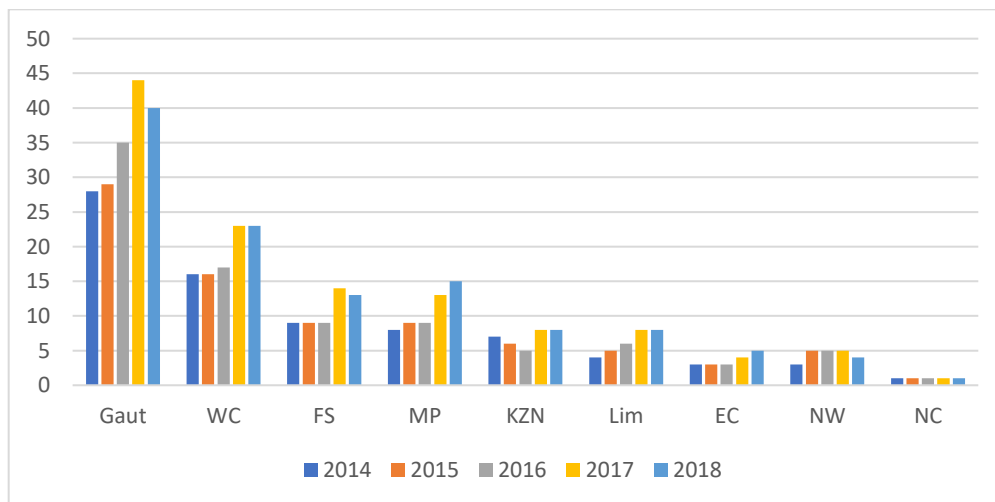


Figure 13: Total Bed Nights by Province (2014 – 2018)

Average Length of Stay

The Western Cape has the highest length of stay with an average stay over the period of 12.66 days with 13.9 days in 2018. Gauteng which has both the highest number of visitors and highest spend has an average stay of 9.30 days over the five-year period. Of interest is Limpopo province with the second highest number of visitors but the lowest average days stay of 3.7 days over the five-year period. Mpumalanga had an average stay of 8.44 days over the five-year period, increasing from 7.7 days in 2014 to 10 days in 2018 (refer Figure 14 below).

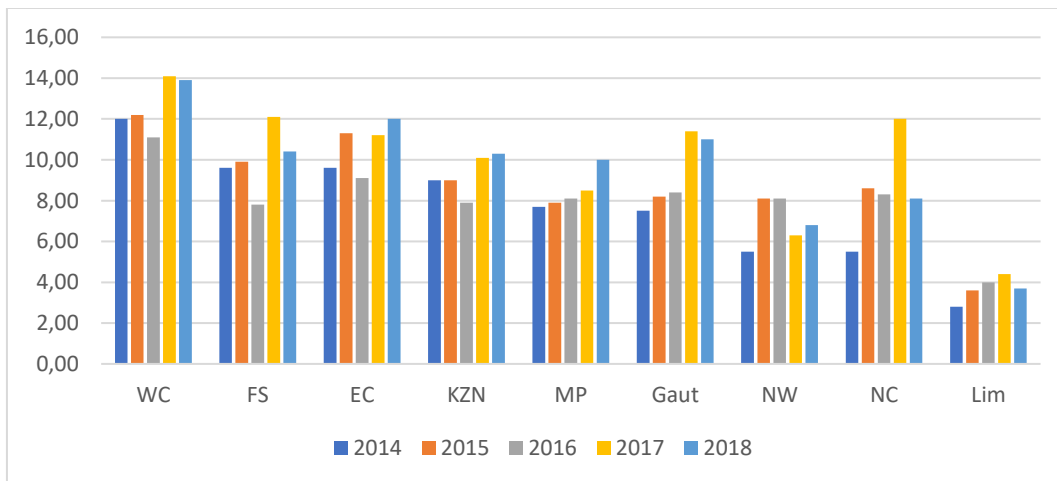


Figure 14: Average Length of Stay by Province (2014 – 2018)

Purpose of Visit – Mpumalanga

Visiting relatives in Mpumalanga is the number one reason for visits to South Africa however holidaying has increased, with the number of people on holiday increasing from 30% in 2014 to 35% in 2018 (refer Figure 15 below). Shopping for both personal and business reasons has decreased over the period.

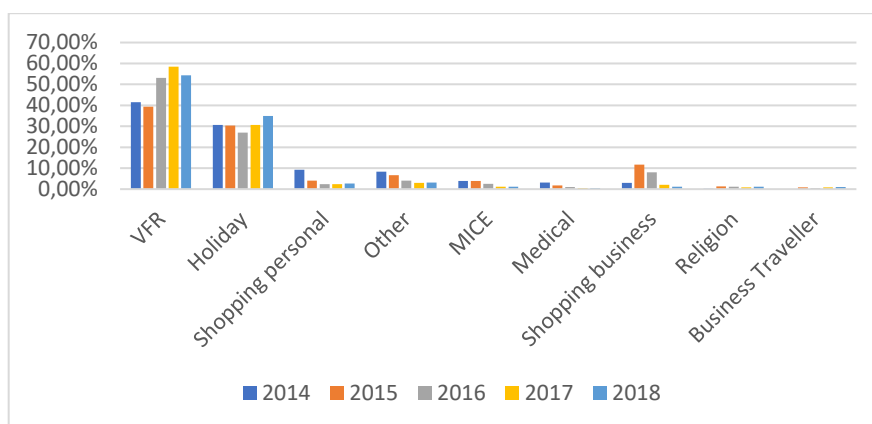


Figure 15: Reason for Visit to Mpumalanga Province (2014 – 2018)

Annual Accommodation Types – Mpumalanga

The largest number of bed nights are spent at family and friends this correlates with the reasons for visit, with most tourists visiting the province to visit relatives as well as that most visitors are from neighbouring countries (Figure 16 below). The second highest category of accommodation is Game Lodges which correlates with the type of attractions in the province being nature and wildlife reserves.

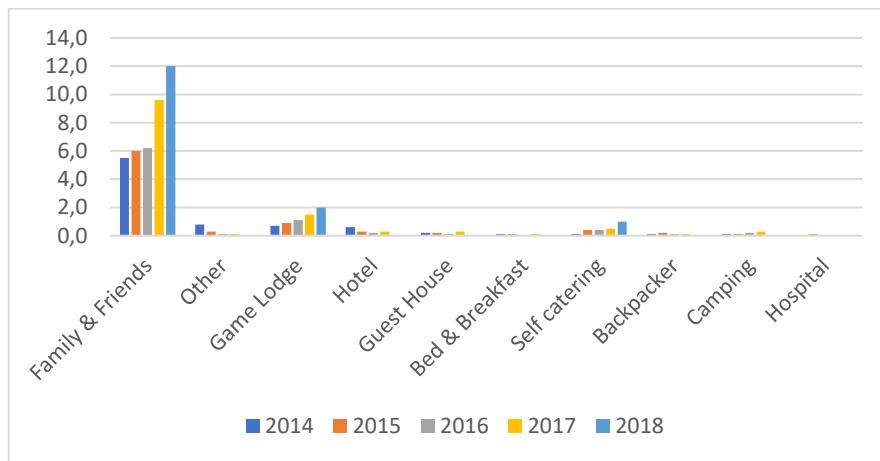


Figure 16: Reason for Visit to Mpumalanga Province (2014 – 2018)

Mpumalanga Cities Visited

Over the 5-year period most visitors to the province went to Nelspruit (38%) (2018) which is the provincial capital and main centre of business. The Kruger National Park was the next most visited place in the province followed by the main towns around the park, Hazyview, Komatipoort and in the 2017 and 2018 period Malalane which attracted 19% of visitors to the province in 2018 (refer Figure 17 below). Middleburg did not feature in the Top 5 places visited in the province over the last 5 years. The Annual Mpumalanga Tourism Statistics Report 2015 (last available report) placed Middleburg as the ninth most visited town in the province, receiving 1,1% of domestic and foreign visitors in the year 2015, at that stage Ermerlo was ranked 10th and has subsequently risen to the 4th most visited town in the province.

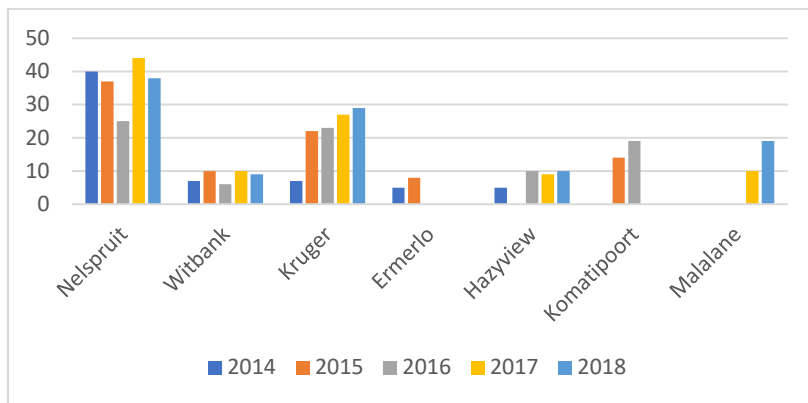


Figure 17: Mpumalanga Cities Visited (2014 – 2018)

Provincial Distribution of Domestic Visitors

The province receives on average of 11% of domestic tourists over the three years 2016 to 2018 rising from 8% in 2016 to 15% in 2018 (refer Figure 18 below). In a similar pattern to international visitors, domestic tourists largely travel to visit family and relatives with holidays being the second most popular reason for travel followed by business travel in third place.

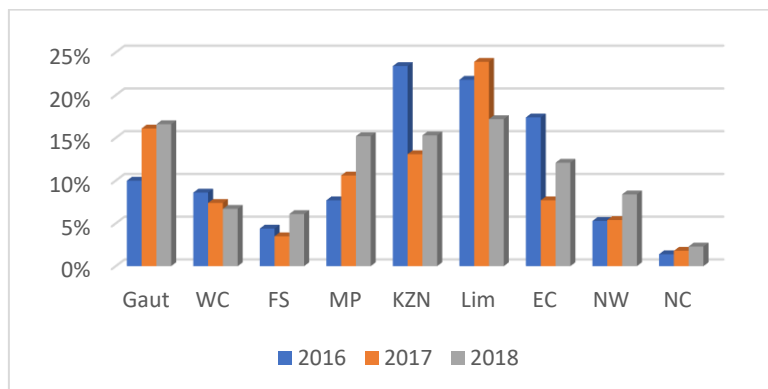


Figure 18: Provincial Distribution of Visitors (2016 – 2018)

Activities in the Province

The above graph represents the percentage of visitor participation in different activities in the province with most visitors taking part in shopping activities, however in more recent years there is greater participation in other activities related to the natural attractions and heritage of the area with 26% (2018) of visitors visiting cultural sites and 31% (2018) viewing wildlife as compared to 13% and 20% in 2014 respectively (refer Figure 19 below).

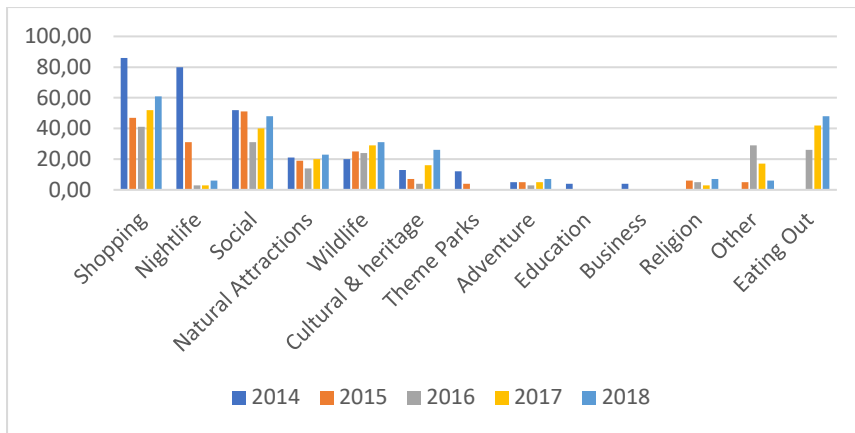


Figure 19: Tourism Activities in the Province (2014 – 2018)

STLM Tourism

Tourism data relating to STLM is fragmented and there is no one central repository that maintains materially complete data. We have reviewed existing literature and statistics that are currently maintained in assessing the demand and supply of tourism products in the STLM.

Demand for Tourism

Number of Enquiries at STLM Tourism Office

The local STLM Tourism Office (managed by the Middleburg Chamber of Commerce and Industry) maintains a record of all enquiries including walk in and telephonic enquiries, tabulated below are the total number of enquiries received. There are a large number for enquiries, however these are not necessarily related to tourism and related activities as the Office acts as an Information Centre for the local municipality and thus receives calls requesting general information, including enquiries from local residents. In addition to this, the website acts as an information portal for local historical sites and is used for research by local schools thus the average number of hits per month of 7000 does not necessarily reflect tourism related enquiries or interest.

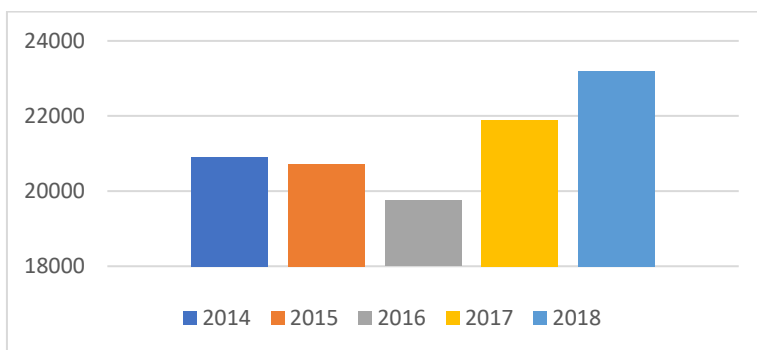


Figure 20: Number of Enquiries at STLM Tourism Office

2018 saw the highest number of enquiries at the office over the last 5 years (refer Figure 20 above), with 23,194 enquiries of which 20,873 were telephonic enquiries, 2,260 were domestic tourist walk-ins and were 61 international tourists walk-ins. In addition, the Tourism Office maintains a register of enquiries related to accommodation and the number of actual bookings, during 2018 they received 129 responses which converted to 36 bookings. This low number in booking could be attributed to the businesses being reluctant to pay a booking fee

General Indicators for Demand

Engagement of stakeholders and review of existing tourism product in the areas together with review of available literature, show the following with respect to existing demand for tourism in STLM

- There are currently some key events that attract tourism activity to STLM. These include (but not limited to)
 - The Loskop Marathon (approx. 5000 to 6000 entrants for this annual race that takes place during April each year)
 - The Middleburg Air Show (approx. 12000 to 15000 visitors to the show annually)
 - The Great Train Race (approx. 15 000 athletes during the 32nd running during 2018)
 - Loskop Kuper Fishing Bonanza (being held for more than 20 years)
- Olifants River Lodge hosts an average of 12000 to 15000 visitors (including day visitors) per month
- Between 50 to 60 tour busses passing Middleburg monthly on their way to Kruger National Park, with approximately. 5 operators stopping at Olifants River Lodge (monthly)
- The largest percentage of visitors enter the province to visit family and friends while the major activity engaged in is shopping. In recent years however the number of visitors engaging in activities related to nature, wildlife and cultural activities has increased, which bodes well for the STLM and the province as a whole, given the large number of attractions of this nature.
- The following key groupings/profile of tourists have been identified as visitors to Middleburg:
 - Domestic Visitors who visit the Kruger National Park (and stop in Middleburg)
 - Domestic tourists that visit Middleburg for conferences and events (both public and private sectors)
 - International tourists who stop in Middleburg on their way to Kruger National Park
 - Local residents that attend events and activities (including sports and leisure)
 - Groups such as church groups and school groups that visit heritage sites

Supply

Listed below are key indicators reflecting the tourism products and activities, which meets the current demand for tourists:

- Middleburg has several lodges and bed and breakfast establishments. The Middleburg Chamber of Commerce and Industry - Tourism Information Centre notes approx. 61 accommodation establishments in the town of Middleburg and approx. 57 accommodation establishments in surrounding areas. These establishments are between 2 to 4 stars (pricing varying from R500 per night to R1800 per night – average of R693 per night)
- Various conferencing providers with the key ones being (capacity shown in brackets):
 - Olifants River Lodge (650)
 - Rustique Boutique Hotel (400)
 - Middelburg Country Club (300)
 - Middleburg Chamber of Commerce and Industry (160)
 - Avelston Manor (100)
 - Nomndeni Zamabhele (75)
- Key tourism assets of the city are the Botshabelo Cultural Village/Precinct. Oliphant's River Lodge as well as the Middleburg Dam and Loskop Dam, respectively.
- Key tourism attractions and activities including the town's hosting of the Annual Middelburg Air Show which attracts up to 12,000 visitors. The town also plays host to several marathons. Surrounding the town are several resorts which cater for water activities and other outdoor activities including hiking and fishing.
- Approximate number of key tourism facilities within STLM. The table below (Table 16) lists the facilities available in the area which includes various outdoor activities and attractions as well as approximate number per facility.

Table 16: Approximate Number of Tourism Facilities/ Attractions within STLM

Tourism Facilities/ Attractions	Approximate Number
Camping facilities	50
4x4 and hiking trails and other sports activities.	16
Scenic routes for motorbike enthusiasts	8
Cultural attractions	5
Conference Facilities	26
Game farms	16
Nature reserves	2
Holiday resorts	53

- Number of Accommodation Establishments

Table 17 below lists the number of accommodation facilities located both within and outside Middleburg town, respectively, including bed numbers and numbers of staff

Table 17: Number of Accommodation Facilities, Beds and Staff Located within and outside Middleburg

Location	Type	Number	Number of Beds	Number of Staff
In town	B&Bs, lodges and resorts	61	901	225
Outside of town	Resorts and lodges	57	1 621	601
Total		118	2 522	826

The figure below (Figure 21) represents the demand (of the key activities which tourists engage in in the Municipality) vs supply (the current number of facilities/ attractions available) within STLM to meet the required demand.

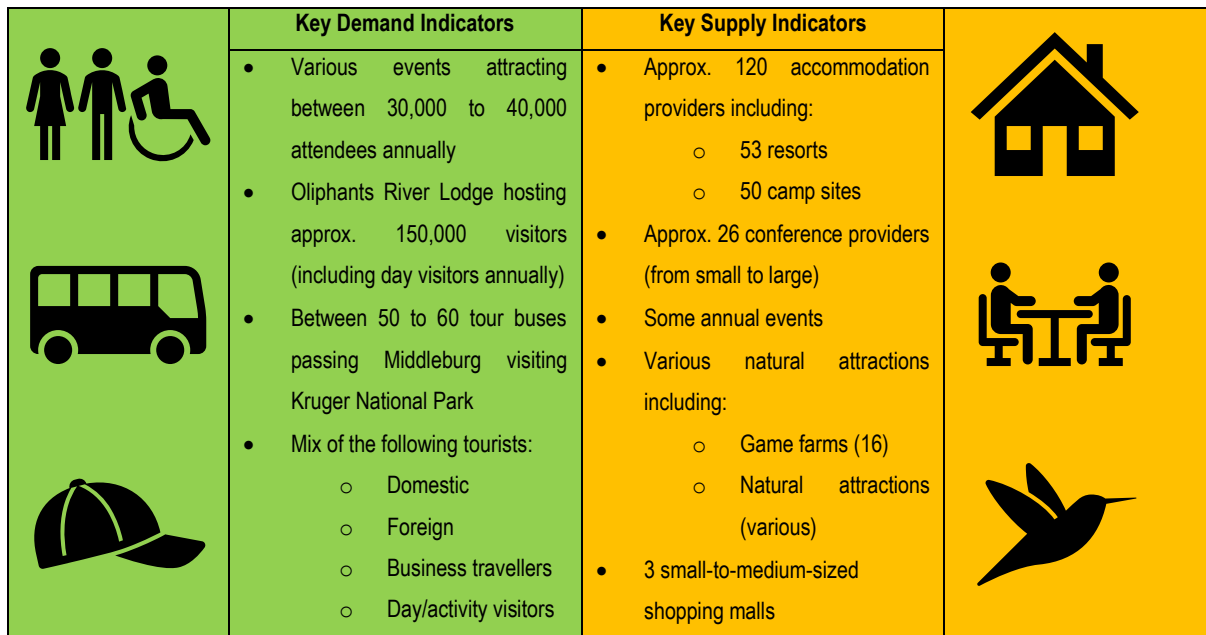


Figure 21:STLM Tourism Demand vs Supply

Summary Findings

- The province has steadily increased the number of visitors increasing from 12% in 2014 to 15,2% in 2018.
- The majority of visitors are to visit family and friends this appears to coincide with the origin of these visitors, who are largely from countries bordering the province, Swaziland and Mozambique.
- The largest percentage of people entering the province are to visit relatives and secondly to holiday this has an impact on accommodation establishments as many visitors stay with family and friends.
- The Tourism Information Centre reports on all enquiries received, which includes enquiries not directly related to tourism.
- The activities engaged in by visitors includes shopping however there has been an increase in recent years in other activities including activities related to culture and heritage as well as natural attractions and wildlife.
- The increasing trend towards natural attractions and cultural and heritage activities provides an opportunity for the STLM given the current tourism destinations
- There is a lack of localised data available in order to determine the exact number of visitors to the municipality and the various facilities and activities.
- Whilst there appears adequate supply from accommodation point of view, many of these facilities are old and in need of refurbishment
- The *Middleburg Hotel Feasibility and Valuation Study* (March 2019) done by *Buhler & Associates* also motivate the need for a Midscale Hotel, to cater for the burgeoning business and services sector within STLM
- Additionally, key STLM tourism features, such as the Middleburg Dam and Botshabelo Heritage Centre are not in their current state geared to attract either the international or domestic markets, respectively and would require an overhaul to be considered as part of the STLM tourism value proposition

STAKEHOLDER ENGAGEMENT FINDINGS



An integral component of this situational analysis phase was the engagement of key stakeholders (refer **Annexure A** for List of Key Stakeholders Solicited for Engagement) to better understand the tourism landscape of the STLM Municipality, including key strengths, weaknesses, opportunities and threats that impact tourism development in the STLM.



The following SWOT Analysis (Table 18) was compiled based on feedback from these key stakeholders (either via one-on-one interviews, focus group sessions or stakeholder engagement survey), using stakeholder engagement questionnaires.

Refer **Annexure B** for Stakeholder Attendance Register at FGD session.

Refer **Annexure C** for Findings from the Tourism Product Owners Stakeholder Survey (conducted online).

Table 18: SWOT Analysis from Key Stakeholder Feedback

	<p>Strengths</p> <ol style="list-style-type: none"> 1. Middleburg is a very clean town 2. Dam (some tourism activity) is owned by Municipality and licence permits recreational use 3. The Botshabelo precinct was a very popular tourism attraction for foreign tourism (when operated in the past) 4. There are some key events that already take place at STLM (Air show, marathon, great train race, motor cross) 5. Strong Ndebele culture as a foundation for heritage tourism 6. Opportunity to create a township tourism attraction
	<p>Weaknesses</p> <ol style="list-style-type: none"> 1. Fewer tourists visit Middleburg in recent years (decreasing number) - largely a result of the closure of Botshabelo Heritage site 2. Current tourism visitor information centre has decreasing numbers 3. Botshabelo is now a neglected product 4. Poor road infrastructure in some areas 5. Impact of crime on tourism 6. Few black empowered (and owned) tourism products in the area 7. Less tourism-related activities for the local residents (as well as for visitors) 8. Too few events for visitors and locals 9. No one person responsible for events coordination 10. Current events are not fully inclusive (transformation) 11. Tourism products need help with access to market and funding support (grant, commercial and developmental) 12. Current dam precinct (and infrastructure e.g. fencing, access control, facilities for tourism) is not adequate

	<ol style="list-style-type: none"> 13. Not enough tour operators 14. Youth have very limited knowledge of tourism 15. Inadequate marketing efforts of the destination (both Middleburg and the broader Municipal area) 16. Not enough partnership in tourism (between private sector and public sector) 17. No umbrella body to help champion challenges such as roads 18. Key tourism businesses do not attend the relevant tourism meetings/ fora 19. Not enough places of interest/ insufficient natural attractions 20. Water and sanitation infrastructure needs improving
	<p>Opportunities</p> <ol style="list-style-type: none"> 1. The development of the dam as a new tourism attraction to stimulate tourism. Could accommodate a variety of activities 2. Use of EPWP (Tourism and Water Affairs) funding to fund some of the Dam precinct enhancements (to be used as a tourism attraction) 3. The use of eventing (such as mining shows and trade shows, music festivals, picnics, river riding, park runs/ cycling, etc), to attract visitors to Middleburg 4. Growing the window period of events (greater economic impact) 5. Middleburg has a rich heritage which can be packaged into a tourism product 6. Music events and cultural festivals are a potential tourism product targeting domestic tourists and tourist enroute to the KNP 7. The revitalisation of Botshabelo (in the longer term) to continue to attract foreign tourists (focused on architectural and heritage (Ndebele and German) collateral of the Botshabelo precinct 8. Intention to make Botshabelo a Level 1 heritage site 9. The consideration of an enterprise development fund to support transformation and strengthening of the tourism value chain in Middleburg 10. Leveraging off large number of mines in the areas to catalyse tourism for Middleburg 11. Rebuilding of Little Elephant 12. Marketing of Middleburg (and STLM as a whole) so as to attract more visitors 13. Future-proof the local tourism industry (shift to 4IR and digitisation)
	<p>Threats</p> <ol style="list-style-type: none"> 1. Community infighting in the Botshabelo precinct is holding up the tourism potential of the area 2. The inability of the Botshabelo community to manage a tourism precinct effectively 3. Procurement of accommodation by mines are done by travel agents based in JHB – local tourism businesses have little control 4. Tourism attractions outside Middleburg are causing tour buses not to stop in the town any more 5. Competition with Witbank to attract visitors 6. Increase in crime that impacts tourism and safety of tourists

Key findings

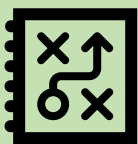
- Middleburg is centrally situated in the heart of South Africa, and is ideally positioned for being able to attract people to a common meeting zone
- The Botshabelo Precinct was popular in attracting visitors and holds potential as a tourism destination
- Middleburg has some key events annual -which attract between 30 000 to 40 000 visitors in total
- There is a strong tourism collateral around heritage and nature (that could be leveraged to strengthen the tourism sector)
- The tourism sector in Middleburg are faced with the following key challenges:
 - No one central tourism sector champion that is integrating the sectors efforts to allow for increased synergy and partnerships
 - Ageing tourism product
 - Low level of inclusivity and transformation
- Key tourism enablers are viewed as:
 - Eventing (immediate)
 - The Middleburg Dam Precinct (medium-term)
 - Botshabelo (long term)

SUMMARY KEY FINDINGS (WITH KEY THEMES)

In developing the tourism strategy, a detailed assessment of both the external and internal tourism environments of STLM was undertaken, and included the following:

- A desktop review of:
 - the key influencing economic plans, priorities and strategies (at national, provincial and local level,
 - a review of the tourism regulatory and legislative landscape,
 - global, national, provincial and local level tourism trends
 - the socio-economic profile of the Steve Tshwete Local Municipality
- Engagements with key stakeholders, both public sector (STLM representation) and private sector representation (Chamber, Tourism Forum members, local tourism product owners, Association representatives and other) using a range of engagement methods, including interviews, focus groups and online surveys
- Physical walk-through of key existing tourism products, in particular, the Middleburg Dam and Botshabelo Heritage Centre, respectively.

The detailed findings of the above review were used in crafting of the proposed tourism strategic model and strategy for STLM which can be found in subsequent section (Key Findings Report- which formed the first deliverable for this assignment). Summarised below are some of the key emergent findings/ themes from the assessment that has been used to influence and develop the tourism strategy for STLM.



1. Tourism is governed by a strong regulatory and legislative landscape and is considered a priority sector for growth of the country

- Strong legislative and regulatory framework governing (and prioritizing) tourism in the country
- Preservation of the environment and heritage are key economic agenda items
- Sector transformation (*Amended Tourism B-BEE Sector Codes*) and inclusivity (informal and rural economy focus, as well as designated groups) is a government imperative - *SONA 2020* unveiled the launch of a '*Tourism Equity Fund*'
- Job creation is the number one priority of the South African government
- Tourism is seen as a '*labour absorptive*' sector in the country

- STLM is currently aligned to the economic, job creation and tourism imperatives of provincial and national government, respectively, through their LED and IDP strategies



2. Need for further alignment of the strategy to key tourism trends

- Global tourism performance has seen steady growth
- Overall, growth in number of international tourists to SA, with numbers fairly consistent over last 5 years
- **Technology and social media are key enablers of tourism in particular with respect to travel logistics and accommodation bookings**
- SA tourism has shown significant contribution to job creation (with diversification from other industries)
- **VRF remains the most significant reason for international travellers to SA, with significant number of travellers from countries bordering the province i.e. Mozambique and Swaziland**
- Overall accommodation occupancy rates as at March 2019 was approximately 52%
- **There appears to be a shift to historical/cultural/heritage tourism as well as ecotourism experience by tourist's vs traditional tourism activities**
- Mpumalanga Province has seen an increase in international and local tourist travellers to the province.
- Key provincial tourism destinations/ attractions include **wildlife-related tourism and focus on outdoor activities** such as the Kruger National Park and Blyde River Canyon



3. Need for strategy to aligned to and consider key economic plans and influencers

- Coronavirus adverse impact on planned tourist travel to the continent and the country
- Electricity and water shortages hamper tourist travel and result in escalating costs for tourism businesses to arrange alternative supplies
- STLM has an unemployment rate of approximately 18,8% (still high but significantly lower than provincial (and national) unemployment rate of 29%),
- **STLM is a key economic hub** with a number of multinational corporates and government departments housed here

- **Majority of SMMEs (as per Township Economies Survey), are located in the Middleburg region** – this is in line with the town being a central nodal point for economic activity. Dominant SMME sector is services and trade. These businesses face a number of challenges, including high failure rate and limited business support.
- Mining is a key economic contributor to STLM GDP at approximately 38%, followed by manufacturing at approximately 13%, then trade (for which tourism is a part of) at approximately 10% (STLM IDP 2017-2022)
- According to SONA 2020, the President highlighted infrastructure development as a key priority to boost economic growth, including the set-up of an Infrastructure Fund
- Trade (including tourism), together with mining was the largest contributor to employment within STLM at a respectable 21% each
- **Tourism is a key sector to the STLM strategic objectives, owing to its contribution to employment/ high labour-absorptive rates**
- **High youth population** (but with limited knowledge of tourism)



4. Need to capitalise on strengths of STLM (including need for upgrade of current tourism infrastructure and attractions)

- Middleburg town holds appeal to visitors through its 'clean and neat' image and calm/ serene environment
- The town is ideally located central to the country and key economic nodes. In addition, STLM is only 90mins away from South Africa's (and one of Africa's) largest international Airports
- Middleburg and Emalahleni nodes are key infrastructure investment areas owing to their significant local economic activities
- Key tourism destinations and attractions include the Middleburg Dam and Botshabelo Heritage Centre.
- Other key tourism attractions include the Annual Middleburg Air show, Loskop Marathon and Great Train Race, and Cycad Hiking Trail to name a few
- Some of the areas need improved road infrastructure
- Other infrastructure investments planned by STLM include extending the tourism belt on N11 that links Limpopo with the CBD and planned hotel for Middleburg
- **Botshabelo Heritage Site**, steeped in very strong historical, cultural and religious significance, was once a popular tourist attraction appealing to foreign tourism market. The site still holds significant tourism potential owing to a growing market for heritage and cultural experiences, however, requires an overhaul with respect to its ownership and governance structure. This is important if the relevant investments and

support by the key role-players can be made for much needed upgrade of the Heritage site to attract tourists and bring in much needed revenue.

- **Middleburg Dam**, owned by the LM, has an attractive natural landscape and dam feature holds potential for increased outdoor activities including water sports, fishing and eventing. However, the current infrastructure requires upgrading and the value proposition strengthened to appeal to tourists, in particular, the local domestic tourism market
- There is a number of accommodation establishments such as lodge, B&Bs and guesthouses, however these are old and require investment in and upgrade of facilities/ refurbishments
- There are no hotel chains, nor adequate conference and meeting facilities within the STLM, hence the feasibility assessment for Midscale Hotel in the town, to strengthen the accommodation basket of offerings, especially to a growing business/ services sector
- The *STLM LED Strategy of 2016-2021* have/are further investing in strengthening marketing of key tourism destinations/attractions (such as profiling the Loskop Aventura Resort – noted as key component of the tourism belt on the N11 corridor)



5. Need for the tourism strategy to consider key issues around spatial planning

- Middleburg is the highest order activity node in the municipal area (is also one of the 5 Primary Activity Nodes in Mpumalanga Province). Key mining transport routes for bulk of freight movement in the municipal area. Routes converge in Middelburg Town in the Central Business District which holds the majority of economic and social activities and facilities in the municipal area.
- Hendrina and Kwazamokhule is the second order node in the municipal area, with the majority of the future incremental population (and housing development). It is on the N11 route from Middleburg thus potential tourism activities and products can be identified
- Mhluzi is one of the activity nodes and has a mall which is utilised for informal business. There is a plan in place to develop the mall to boost the local economy thus encouraging tourism. It is located across the ridge on the north-western side towards Botshabelo. It has cultural historic sites that need to be preserved and incorporated in a tourism route and products. Additionally, the *Mhluzi Township Tourism Development Strategy* has identified activities such as Shisanyama and Eskhathi Jazz, and Busy Corner Concept, respectively, to strengthen its tourism offerings:
 - Shisanyama and Eskhathi Jazz - The space along the Sasol Garage, (the Shisanyama at the corner and the Eskhathi Jazz Club) is envisaged to boost the township tourism and economy

through entertainment tourism with the potential for job creation, SMME development and key tourism industry areas around the township focusing on music, performing arts, curio and traditional foods. Partnerships and Franchise can be used as models to package high quality products and services.

- Busy Corner Concept - The space along the Sasol garage, provides an opportunity to establish an entertainment and tourist corner (for both the local and foreign visitors into the STLM). The proposed project has job creation potential and opportunity in the leisure and entertainment sector offering the 'Real Mhluzi' Cultural Experience, as well as the potential to attract women and youth entrepreneurs to set up tour operators and tourism facilities. The STLM is to provide support on partnership, packaging rezoning, installing signage, branding and marketing of the township

- Midleni Corridor (R555) between Middelburg Town and Emalaheni (Witbank) offers development opportunities which can be linked to tourism to boost the local economy and offer opportunities for local small enterprises
- There is a need for allocation of land and infrastructure for tourism development in key identified nodes/ areas, with focus outside of the Middleburg town
- Challenges relating to spatial development in STLM:
 - The highest population concentrations are recorded in and around Middelburg Town (73.0%).
 - Some areas within the municipality do not have piped water and sanitation which is a huge concern for tourism
 - Climate change has been impacting the municipality negatively as it affects agricultures and tourism activities
 - The transitioning to a green economy is a huge challenge as most of the infrastructure will need an upgrade especially coming up with alternative sources of energy to reduce the carbon footprint



6. Tourism demand vs supply

- There are very few tourism activities for both domestic and foreign tourists in Middleburg (as per the Tourism Product Owners Survey)

- There is limited local tourism sector knowledge that is being captured, stored and harnessed for the benefit of the sector (including planning)
- Tourist segments comprise both domestic tourists (locals form majority) and foreign. These can be further segmented into a growing number of business travellers and day (event) visitors
- Middleburg day visitor opportunities presented by bus tourists en route to Kruger National Park (is compelling)
- Whilst there are existing accommodation providers and natural attractions, however, most are old and need of upgrade
- There is a need for more unique tourism products/attractions (aligned to the needs of the targeted tourism)
- As per survey findings from local tourism product owners:
 - Middleburg has a rich historical heritage which can be packaged into a tourism product
 - Music events and cultural festivals are a potential tourism product targeting domestic tourists and tourist en route to the KNP
 - The Middleburg Dam has great potential to attract visitors if more activities are introduced at the dam
 - Safety and security are a major concern for product owners as it impacts on business (less visitors).
- There is a limited number of local tour operators
- There are a number of enquiries received at the STLM Tourism Office; however, these are not segmented by tourism/ other, hence is difficult to extrapolate tourism-related queries and reasons thereof. The Tourism Office's 2018 register of accommodation queries show that 129 enquiries were received in 2018, with a 28% conversion to bookings rate



7. Need for inclusive approach to tourism and enhancing transformation of the local tourism sector

- Sector transformation (both from a supply and demand) needs to be strengthened (aligned to national priorities)-with the local tourism ecosystem being more embracing to transformation
- There are fewer transformed/ black-owned tourism products in the area
- The need for greater levels of support and coordination for emerging tourism businesses
- Greater sector promotion (with regards to access to economic opportunities) to both employees and entrepreneurs is required
- Eventing holds strong tourism potential, but currently weak on inclusive approach to events



8. Need for strengthening stakeholder collaborations

- There is a need for strengthening relations (and coordination) between local government and the private sector
- There is currently a tourism forum in place that is responsible for the key tourism initiatives in the Municipal area. The forum comprises a range of public sector and private sector tourism representatives
- There is a need for a central or dedicated champion/ coordinator to drive local tourism initiatives
- There is need for more private sector involvement to strengthen local economic development initiatives, including tourism development in the Municipal area
- Stronger integrated partnerships with local, provincial and national stakeholders have the potential to strengthen the local tourism ecosystem



9. Need for central data/ knowledge repository

- There is currently no central repository for tourism statistics of the Local Municipality
- There is limited local tourism sector knowledge that is being captured and harnessed for the benefit of the sector (including planning)
- Need for stronger integration with national and provincial sector(tourism) knowledge (that is already currently available)
- Limited sector knowledge (with regards to access to economic opportunities) provides a barrier to transforming the sector
- The evolution of ICT, technology and the internet allow for the easier distribution/infusion of information and knowledge



10. Marketing





- Middleburg and STLM as a whole require marketing so as to attract more visitors (as per survey from local tourism product owners)
- There is a need for strengthening STLM's tourism value proposition, including its destination marketing efforts
- Marketing efforts of STLM need to be more integrated (in the eyes of the tourists)
- The evolution of ICT, technology and the internet allow for the easier marketing of the destination
- Marketing resourcing need to be prioritized and made available
- Existing stakeholder (both withing and external to the sector) need to be leveraged – in an effort to do more with less

The above 9 key finding areas/themes, which have been obtained from a review of key literature/plans/policies, engagements of key stakeholders and physical site visits/assessments- have been used as the foundational knowledge in crafting the tourism strategy for STLM. The interion of the plan is to best address the above in a coordinated /integrated manner- which would allow for higher impact.

SUMMARY SWOT DASHBOARD OF CONSOLIDATED KEY FINDINGS

Based on the previous findings, a high-level consolidated SWOT Analysis of key findings is reflected in Table 19 below. It is a combination of findings from the literature review, engagement of stakeholders and visiting of key sites. This dashboard has been used as the foundation for the consolidated findings (with preliminary proposed recommendations).

Table 19: Consolidated SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
<p style="text-align: center;">Strengths</p> 	<p style="text-align: center;">Weaknesses</p> 	<p style="text-align: center;">Opportunities</p> 	<p style="text-align: center;">Threats</p> 
<ol style="list-style-type: none"> 1. The town's central local is an important tourism strength 2. Strong economic base 3. Overall, the town is clean and well maintained for tourists (when compared to other towns) 4. There are some exciting catalytic tourism products already (Olifants River Lodge, Loskop Dam, etc) 	<ol style="list-style-type: none"> 1. No central champion/coordinator for the tourism sector (both public and private) 2. The need to renovate/maintain and improve older tourism products 3. Low levels of transformation and inclusivity 4. No central repository for tourism statistics 5. Limited business development support for local tourism businesses 6. Need to strengthen collective marketing efforts of the sector 	<ol style="list-style-type: none"> 1. The use of eventing to increase visitor numbers on a sustainable basis 2. The development of the Middleburg dam as a key visitor node (using activities) 3. The opportunity to strengthen the tourism sector via partnering to deliver approach 4. Developing Mhluzi Township as a possible tourism destination (targeting both domestic and foreign tourists) 5. Tourism growth to reduce unemployment (especially for unskilled and semi-skilled) 6. The development of the proposed Middleburg Hotel 	<ol style="list-style-type: none"> 1. The "long" delays incurred in making Botshabelo an operating tourism attraction again 2. Degradation of the environment 3. Some poor infrastructure

PROPOSED RECOMMENDATIONS MAPPED TO KEY FINDINGS/ THEMES

The following table (Table 20) represent a mapping of some proposed recommendations for the strategy, to the key findings to ensure a customised and needs based approach to developing the strategy.

Table 20: Some Proposed Strategy Recommendations Mapped to Key Findings

Key Findings/ Themes	Some Proposed Recommendations for STLM Strategy
<p>Legislation and Economic Plans/ Priorities</p> <ul style="list-style-type: none"> • Strong legislative and regulatory framework governing tourism in the country • Preservation of the environment and heritage are key economic agenda items • Sector transformation (<i>Amended Tourism B-BEE Sector Codes</i>) and inclusivity (informal and rural economy focus, as well as designated groups) is a government imperative • Job creation is the number one priority of SA government • Tourism is seen as one of the key '<i>labour absorptive</i>' sectors in the country • According to SONA 2020, the President highlighted infrastructure development as a key priority to boost economic growth, including the set-up of an Infrastructure Fund • STLM is aligned to the economic, job creation and tourism imperatives of provincial and national government, respectively, through their LED and IDP strategies. 	<ul style="list-style-type: none"> • Focus on transformation and inclusive growth of the local tourism sector • Opportunity to tap into planned <i>Infrastructure Fund</i> and <i>Tourism Equity Fund (SONA 2020)</i> • Focus on eco-tourism and heritage tourism given current tourism attractions of STLM and aligns with national focus
<p>Tourism Trends</p> <ul style="list-style-type: none"> • Global tourism performance has seen steady growth • Overall, growth in number of international tourists to SA, with numbers fairly consistent over last 5 years • Technology and social media are key enablers of tourism, in particular with respect to travel logistics and accommodation bookings • SA tourism has shown significant contribution to job creation • VRF remains the most significant reason for international travellers to SA, with significant number of travellers from countries bordering the province i.e. Mozambique and Swaziland 	<ul style="list-style-type: none"> • Strengthen focus on domestic tourism owing to global fears around coronavirus, which may hamper international visitor plans to the country/ province • Eventing as an opportunity to target the VFR market and to attract visitors to Middleburg

Key Findings/ Themes	Some Proposed Recommendations for STLM Strategy
<ul style="list-style-type: none"> Overall accommodation occupancy rates as at March 2019 was approximately 52% There appears a shift to historical/cultural/heritage tourism experience by tourist's vs traditional tourism activities Mpumalanga Province has seen an increase in international and local tourist travellers to the province. Key provincial tourism destinations/ attractions include the Kruger National Park and Blyde River Canyon, hence wildlife-related tourism and focus on outdoor activities 	<ul style="list-style-type: none"> Opportunity for STLM to create/ strengthen own value proposition around historical/ cultural/ heritage tourism as a differentiator to the provincial value chain focusing around wild-life related tourism
<p>Economic Outlook/ Profile</p> <ul style="list-style-type: none"> Coronavirus impact on planned tourist travel to the continent and the country Electricity and water shortages hamper tourist travel and result in escalating costs for tourism businesses to arrange alternative supplies STLM has an unemployment rate of approximately 18,8% (still high but significantly lower than provincial (and national) unemployment rate of 29%), being a key economic hub (with a number of multinational corporates and government departments) Majority of SMMEs (as per <i>Township Economies Survey</i>), are located in the Middleburg region – this is in line with the town being a central nodal point for economic activity. Dominant SMME sector is services and trade. These businesses face a number of challenges, including high failure rate and limited business support. Mining is a key economic contributor to STLM GDP at approximately 38%, followed by manufacturing at approximately 13%, then trade (for which tourism is a part of) at approximately 10% (<i>STLM IDP 2017-2022</i>) Trade (including tourism), together with mining was the largest contributor to employment at a respectable 21% each Tourism is therefore a key sector to the STLM strategic objectives, owing to its contribution to employment/ high labour-absorptive rates High youth population (but with limited knowledge of tourism) 	<ul style="list-style-type: none"> Strengthen domestic tourism market initiatives Factor in funding support for tourism product owners to leverage grant funding for eco/ greening initiatives and alternative energies Position the STLM as business/ economic hub to attract further investment Transformed and inclusive tourism SMME development and support in the STLM, including youth-owned tourism entrepreneurship initiatives Integrated development of township tourism initiatives Factor in tourism education and awareness at early (school-going age) to strengthen youth understanding of the tourism sector
<p>STLM Tourism Landscape Infrastructure and Attractions, including Demand vs Supply</p> <ul style="list-style-type: none"> Middleburg and Emalahleni nodes are key infrastructure investment areas owing to their significant local economic activities Middleburg town holds appeal to visitors through its 'clean and neat' image and calm/ serene environment Some of the areas need improved road infrastructure 	<ul style="list-style-type: none"> Strengthen the STLM tourism value proposition to attract tourists, through: <ul style="list-style-type: none"> Leveraging off Middleburg as an economic hub and mining precinct Leverage of the natural landscape

Key Findings/ Themes

- Other infrastructure investments planned by STLM include extending the tourism belt on N11 that links Limpopo with the CBD and planned hotel for Middleburg
- Key tourism destinations and attractions include the Middleburg Dam and Botshabelo Heritage Centre.
- Botshabelo Heritage site, steeped in very strong historical, cultural and religious significance, was once a popular tourist attraction appealing to foreign tourism market. The site still holds significant tourism potential owing to a growing market for heritage and cultural experiences, however, requires an overhaul with respect to its ownership and governance structure. This is important if the relevant investments and support by the key role-players can be made for much needed upgrade of the Heritage site to attract tourists and bring in much needed revenue.
- Middleburg Dam, owned by the LM, has an attractive natural landscape and dam feature holds potential for increased outdoor activities including water sports, fishing and eventing. However, the current infrastructure requires upgrading and the value proposition strengthened to appeal to tourist markets, in particular domestic tourism market
- Need for strengthening the STLM tourism value proposition, including its destination marketing efforts
- Other key tourism attractions include the Annual Middleburg Air show, Loskop Marathon and Great Train Race, and Cycad Hiking Trail to name a few
- There is a significant number of accommodation establishments such as lodge, B&Bs and guesthouses, however these are old and require investment in and upgrade of facilities/ refurbishments
- There are no hotel chains, nor adequate conference and meeting facilities within the STLM, hence the feasibility assessment for Midscale Hotel in the town, to strengthen the accommodation basket of offerings, especially to a growing business/ services sector
- The *STLM LED Strategy of 2016-2021* have/are further investing in strengthening marketing of key tourism destinations/attractions (such as profiling the Loskop Aventura Resort – noted as key component of the tourism belt on the N11 corridor)
- There are an overwhelming number of enquiries received at the STLM Tourism Office, however, these are not segmented by tourism/ other, hence is difficult to extrapolate tourism-related queries and reasons thereof. The Tourism Office's 2018 register of accommodation queries show that 129 enquiries were received in 2018, with a 28% conversion to bookings rate
- There are fewer transformed/ black owned tourism products in the area

Some Proposed Recommendations for STLM Strategy

- Creation of a significant tourism route
- Tourism packages that hold appeal and will extend tourist stay
- Strengthen investment in existing tourism infrastructure, including road, accommodation facilities and key tourism destinations i.e. Middleburg Dam and Botshabelo Heritage site – niche tourism
- Focused tourism product development/ revitalisation plans/ turn-around strategies for existing products such as Botshabelo Heritage site, Little Elephant
- Focus tourism initiatives on domestic tourism potential and VFR market segment
- Strengthen destination marketing efforts including eventing, profiling and marketing of key tourism attractions/ sites
- Inclusive approach to eventing
- Creation of an Enterprise Development Fund to support the transformation and strengthening of the local tourism value chain
- Increased efforts to strengthen tourism SMME development
- Strengthen local tourism data collection efforts that will be used to better inform key decisions around tourism development in the STLM
- Strengthen relations and collaborations between key tourism and other key role-players (public sector and private sector) in STLM – a “Partner for Delivery” approach

Key Findings/ Themes**Some Proposed Recommendations for STLM Strategy**

- Eventing holds strong tourism potential, but currently weak on inclusive approach to events
- Limited number of tour operators
- A tourism forum champions key tourism initiatives in the Municipal area, comprising a range of public sector and private sector tourism representatives

PART B – TOURISM STRATEGY (INCLUDING MARKETING STRATEGY)

The following proposed integrated strategic model and strategic focus areas (Figure 22 below) has been developed based on the key findings (as per **Part A** above) and forms the basis of the tourism strategy.

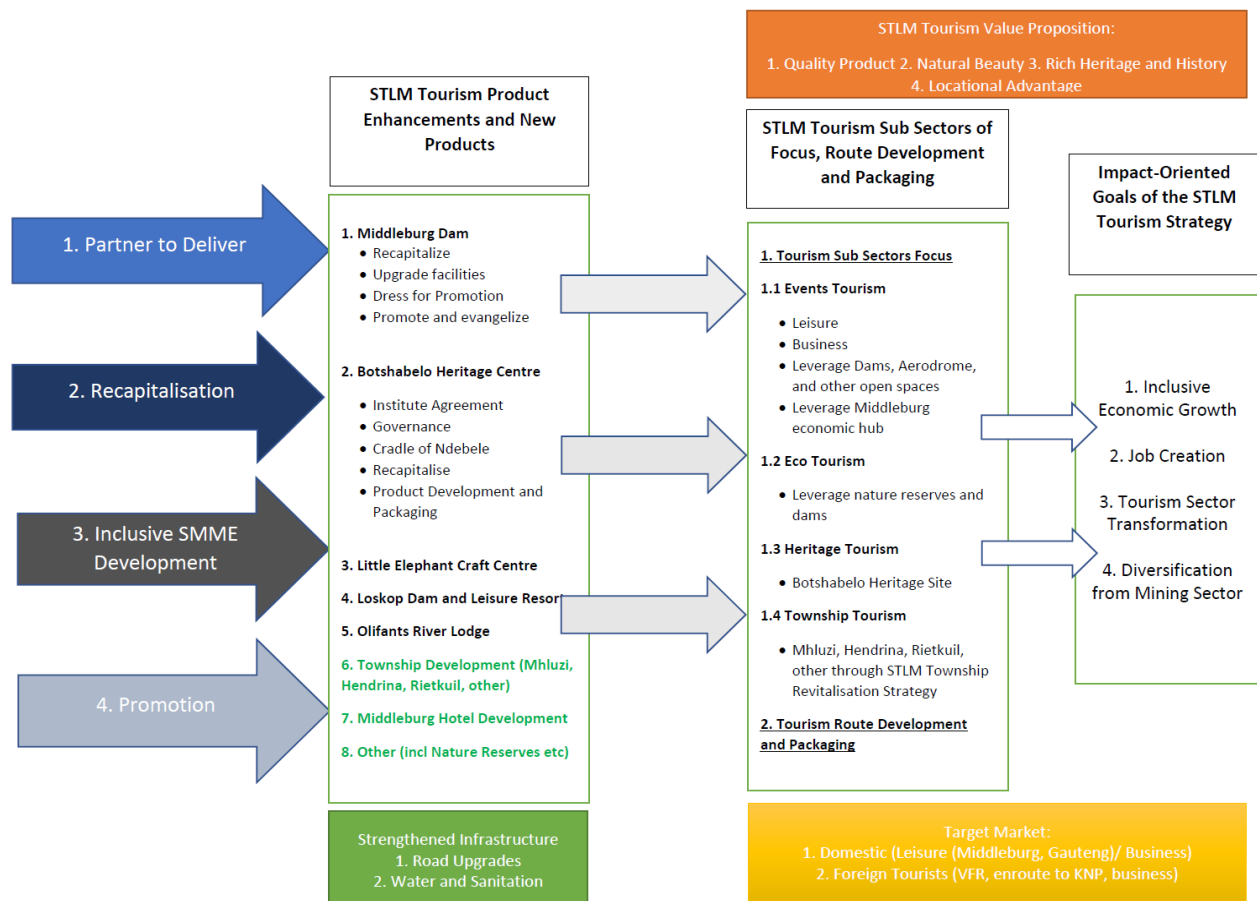


Figure 22: Proposed Strategic Model for the STLM Tourism Strategy

Central Theme of Tourism Strategy

The proposed integrated strategic model above has been developed around the need to leverage the current tourism attractions/ infrastructure in place and proposes the upgrade or enhancement of these current key tourism product facilities/ attractions. These include the Middleburg Dam and the Botshabelo Heritage Site, both of which have been identified (from the high-level assessments of these products, respectively), to hold strong tourism potential. The Little Elephant Craft Centre is the other key tourism that require upgrade and recapitalisation. This tourism ecosystem infuses other current tourism product offerings such as Loskop Leisure Resort, Olifants River Lodge and other accommodation facilities in and around Middleburg. Additionally, new products, such as the

planned Middleburg Hotel, are envisaged to further stimulate tourism development the Municipal area, once developed.

This custom-built model harnesses the tourism need from key strategic influences/themes (as reflected by the arrows on the left) - which include:

1. Partner to deliver
2. Recapitalisation
3. Inclusive SMME development
4. Promotion

These themes are applied to the proposed and existing key products (as the enablers)- whilst targeting key tourism sub-sectors of STLM to utilise these products (and the broader tourism ecosystem). The targeted subsectors (events, eco, heritage, township and route tourism) are leveraged by using the tourism value proposition of STLM (which includes):

1. Quality product
2. Natural beauty
3. Quality heritage and history and
4. Locational advantage

The model targets both domestic and foreign tourists, with a greater (overall) focus being placed on the domestic tourism (based on influencing themes). The integrated model presented above has been developed to result in impactful outcomes of:

1. Inclusive economic growth
2. The creation of jobs
3. The increased transformation of the tourism ecosystem in STLM
4. Diversifying the local economy

Key Strategic Focus Areas

With existing tourism product upgrades/ enhancement (and new product development) proposed as a central theme of this tourism strategy, this tourism strategy proposes four key strategic focus areas to help support the upgrade and development of tourism product in the Steve Tshwete Municipal area, as follows:



1. *'Partner to Deliver'*

This particular focus area is highlighted first as this tourism strategy is weighted on the development and upgrade of existing tourism products, which requires significant investment (both public and private sector). This would not be possible without key strategic partnerships and collaborations, in particular, the need for effective public-private partnerships (PPPs) to drive the required impetus for tourism.

Hence, a 'partner to deliver' model is suggested here. This strategic focus area considers the following key areas that require prioritisation:

- The need for a central coordinating champion to drive tourism development in the Municipal area (on a full-time basis)
- Unpacking the roles and responsibilities of the current Tourism Forum to align for delivery of the tourism strategy and its objectives
- Strengthening the relationship between STLM and Chamber/ organized business/other key tourism sector stakeholders (including provincial, national and international)
- The need for an integrated and well-coordinated approach to tourism development in the Municipal area including alignment and integration with the various local economic strategies of the Municipality (such as alignment with the STLM township revitalisation strategy) and the province. This will allow for a partnership bridge to the community of Mhluzi, allowing them to participate and benefit from the tourism value-chain (together with others)
- The need to identify key strategic partners (in particular, funding partners/ investors) to invest in the development of existing product facilities. In this regard both traditional and non-traditional models would have to be explored. An example of a non-traditional model would be the establishment of a tourism ED, SD fund – leveraging funding via the B-BBEE codes of good practice
- The need for the key Municipal departments (tourism/ LED, infrastructure) to work in a coordinated manner with respect to key tourism infrastructure development projects
- Partnering with key corporates and mining companies, etc to strengthen public-private partnership (PPP) development in the Municipal area.



2. Recapitalisation for Product Upgrades/ Development

Based on the assessment of the tourism products on Botshabelo Heritage Centre and Middleburg Dam, it is clearly evident that capital spend is required to upgrade current key tourism product facilities that will serve to strengthen the tourism value proposition of STLM. Hence, a detailed tourism product recapitalisation plan is recommended for key tourism facilities and attractions in the STLM, specifically the Middleburg Dam, Botshabelo Heritage Centre and Little Elephant Craft Centre.

a. Middleburg Dam

As per the findings here, the Middleburg Dam is recommended for further development and upgrade, owing to its strong tourism potential:

- Dam holds natural scenic beauty and tranquillity that is appealing to many people that want to escape the hustle and bustle of other busy tourist attractions
- Target markets include:
 - the Middleburg locals,
 - Domestic (day visitors) from Gauteng and Witbank,
 - domestic and international visitors en route to Kruger National Park
 - Visitors coming to the Municipal area for the weekend for key events (such as Airshow, Great Race, etc)
 - Adventure tourists
 - Overnight campers
- Key current and proposed new activities include:
 - Picnic facilities
 - Fishing
 - Water sports and water-based activities
 - Events (Fishing/ Conference/ Weddings/Musical/ other)
 - Flea Markets
 - Camping facilities (including innovative 'Camp in a Box' model)
 - Bird Watching
 - Hiking

Based on current (limited) visitor figures to the dam, the proposed additional activities and events would be expected to attract a broader tourist market, increase demand thereby generating much needed and increased income.

The additional dam activities are expected to increase the number of visitors by approximately 20 000 to 30 000 per annum, this is expected to have a significant impact on the local economy due to the increased spend. On the assumption that average bed nights cost is R 600,00 per night with a minimum stay of one night and additional general spending of at least R250,00 per visitor the estimated economic impact is tabulated below (Table 21 below):

Table 21: Estimated Economic Impact of the Additional Middleburg Dam Activities/ Upgrade

Tourists	Accommodation	Local Economy
5,500 (25% of total visitors)	R 3 300 000,00	
22,000 (average of R250 per tourist)		R 5 500 000,00

However, a high-level assessment of the Dam shows that the current infrastructure requires upgrading (such as fencing, access control and security) and the Dam would require new facilities for proposed new activities (such as a conference hall for eventing or camp in a box model, etc), if it is going to serve as a key tourism destination in the Municipal area.

A capital outlay of approximately R 14,115,350,00 has been estimated for upgrade of the Middleburg Dam, that includes costs for fencing, tarred driveway, ablution facilities, boma for eventing, bike trails, and other key upgrade requirements. which would require the identification of key partners that will invest in, to champion its upgrade/development. Funding for the proposed infrastructure should follow a hybrid model of public and private sector instruments and would have to be sourced from the Municipality as well as from outside funders, the potential funding sources are tabulated below (Table 22 below):

Table 22: Potential Sources of Funding for Middleburg Dam and Types of Support

Potential Funding Source	Support
National Empowerment Fund	<ul style="list-style-type: none"> • Grant funding
Department of Tourism	<ul style="list-style-type: none"> • Tourism incentive scheme • Grant funding and support for infrastructure and capacity building (EPWP) • Marketing and promotion
Development Financiers	<ul style="list-style-type: none"> • Subsidised loans • Grants
Private Sector Investor(s)	<ul style="list-style-type: none"> • Enterprise and Supplier Development

Potential Funding Source	Support
	<ul style="list-style-type: none"> • Socio-Economic Development • Equity
Donors	<ul style="list-style-type: none"> • Sponsorships
Steve Tshwete Local Municipality	<ul style="list-style-type: none"> • Equity • Grant funding

Key instruments for funding include:

- Debt: Loan finance from development financiers to be repaid over
- Equity: Capital contribution by the municipality towards the development of the dam
- Grant funding: Funding from government institutions towards the development that would not be repayable but may be subject to certain conditions specified by the funder
- In kind: Donor contributions from the local business and community members
- Also, to consider using income from the dam to further fund the promotion and development of the local tourism sector

This project could be seen as a potential ‘quick win’ for tourism development in the Municipal area, owing to its relatively low infrastructure development requirements and associated costs.

Economic Relevance of the Middleburg Dam Upgrade/ Enhancement

The proposed upgrade/ enhancement is expected to increase tourism activities with the following economic opportunities envisaged for the Municipal area:

- Improving the tourism value proposition of the Municipal area by promoting the Dam as a key tourism destination. This will motivate the STLM to strengthen destination marketing efforts
- The development of local tourism entrepreneurs and SMMEs (targeting designated groups i.e. women, youth black-owned businesses) that will benefit the local community. These opportunities are for businesses that can provide goods and services around the Dam precinct, including the hire of equipment such as bikes, canoes and other equipment as well as the supply of refreshments such as tuck-shops and a potential coffee shop. The introduction of a potential flea market will also provide an opportunity for the development of entrepreneurial activity in the municipality. These opportunities can be designed to benefit local youth and women enterprises as well as provide employment opportunities for youth and women.

- Stimulating growth of the local tourism sector - the increased tourism foot traffic will also benefit surrounding local businesses including accommodation related businesses and other businesses that provide services related to the tourism as well as businesses that are not directly related to tourism
- Job creation – providing job opportunities for the local communities (and targeting designated groups)
- Inclusive tourism (including township) development – providing opportunities for inclusive eventing approach at the Dam (bringing township culture to the heart of Middleburg through local cultural music/ dance extravaganzas and cultural food experiences and craft at the proposed flea market. Targeting the youth and school-groups can be targeted for events, day outings and other.
- Promoting the nature and eco-tourism experience that tourists are showing an affinity to

b. Botshabelo Heritage Site

Further to the high-level product assessment completed and given Botshabelo's proven ability (in the past) to attract tourists owing to the strong historic and religious significance attached to the precinct, Botshabelo still holds strong potential as a key tourism destination in Middleburg (in the medium-long term). With the appropriate leveraged capital, there are large tracks of land (and river cutting through) with the potential to offer additional tourism (or other) product and activities (such as agricultural potential).

However, in order to do so, it would need to overcome some significant hurdles with respect to the current long-standing governance and leadership issues amongst the community, that are affecting the heritage product. This issue requires interventions amongst the various key tourism role-players, including South African Heritage Council (SAHC) to resolve. Additionally, this issue has resulted in neglect and degradation of the current facilities, which is impacting the future heritage potential, including the opportunity to be a proclaimed heritage spot.

Once this key challenge has been resolved, and in unleashing the tourism potential of Botshabelo Heritage site, it has been identified that there the need for significant enhancements to the current product offerings which would require a significant capital outlay in excess of R50 million (depending on the level and extent of renovations that will be done, as well as which activities that will be prioritized and included) This project too, would require a recapitalisation plan, which given the significant investment required can be seen as a long-term infrastructure investment project for the STLM. Accordingly, the inclusion of Botshabelo precinct had been made in the medium to long term element of the tourism plan for STLM

Economic Relevance of the Botshabelo Heritage Site Upgrade/ Enhancement

The upgrade of the Botshabelo heritage precinct is envisaged to have the following economic benefits for the municipal area, and the province as a whole:

- Opportunity for Botshabelo to preserve this heritage site and become a proclaimed heritage site that will promote heritage and cultural tourism in the region
- Attractive tourism destination alternative targeting domestic markets (religious, school, leisure, other) and international tourist market (German, other foreign tourist en route to KNP)
- Promoting environmental conservation of the site and opportunity (based on size and environmental conditions) to support various type of game (via a potential nature reserve)
- Precinct provides the opportunity to catalyse the inflow of tourists for the benefit of the wider local tourism value chain (accommodation, eateries, tour guides, etc)
- Sustainable source of income for the Botshabelo (and wider) community through increased and diversified revenue sources (in the longer term)
- The potential to create employment through community and SMME development (that will target designated groups)

c. Township Tourism

The STLM Township Economic Revitalisation Strategy (2019) has indicated the following key requirements to boost township tourism:

- The need for STLM to develop and promote creative and cultural industries to boost tourism in townships in line with the NDP (These could be further supported through the *Comprehensive Rural Development Program (CRDP)* to strategically increase rural development through infrastructure and an economic and spatial enabler)
- The Mpumalanga Industrial Action Plan underlines the development of an integrated diversified industrial base (via spatial integration priorities) in the province to create links to the Tourism sector that can benefit many in the townships and rural communities.
- Projects similar to the *Ndlovu Encane*, Picnic and Braai Spots with recreational and ablution facilities are some of the quick wins that can be persuaded without incurring much if working in partnership with the affected communities.
- The recreational parks with gym facilities, container shops, shisa-nyama and My Spaza Concepts are some of the businesses that enhance township tourism. Quick win projects include the proposed *Mhluzi Township Tourism Development initiatives, in particular those relating to Shisanyama and Eskhathi Jazz, and Busy Corner Concept, respectively*
- Improving the quality and competitiveness of the STLM's and townships' tourism businesses in order to be market led and deliver consumer requirements
- Diversification of the product offering in townships including the struggle and/or history assets

- Branding and marketing the STLM's tourism products in a more effective and positive way as well as perception management.
- Improving tourism delivery and promotion – focused mainly on tourism infrastructure.
- Developing links with other economic sectors such as mining, agriculture, environment, arts, sports

The implementation of tourism strategy is critical and aligned closely to the National Tourism Sector Strategy. However, the following key consideration needs to be remembered, when implementing the tourism element of this strategy:

1. The development of township tourism requires a significant investment of resourcing- with long term impact
2. Safety of tourists will be an important focus area for both the industry and STLM
3. Tourism awareness will have to take priority for both potential businesses entrants (and employees) as well as residents of the township – to assist them in making tourists feel welcome (and also to manage expectations)
4. There will be a need to embrace informality, as traditional compliance requirements for tourism businesses would not be practical

Other Tourism Product Upgrades/ Enhancements and New Developments

Additionally, there are other key tourism products/ facilities on the Municipal area that are old or outdated or in urgent need for repair/ redevelopment and in some cases commercialisation (from start-up). These products include:

1. *Ndlovu Encane Little Elephant Craft Centre*
2. *Variance dam products*
3. *Various independent accommodation facilities*
4. *The proposed Middleburg hotel development*
5. *The N11 road infrastructure*

The capitalisation/recapitalisation of the above products/facilities including infrastructure will have to be funding via a combination of private and public sector funding, in this regard the following providers of capital are considered important:

1. Private capital (both debt and equity)
2. Development funders like the IDC
3. Transformation funding- like the Tourism Transformation Fund



3. Inclusive SMME Development

The proposed additional activities planned for the Middleburg Dam, Botshabelo Heritage Site and Township Tourism initiatives (such as Mhluzi Township Tourism Development) will create opportunities and a potential “enabling” ecosystem for the development of tourism-related entrepreneurs and SMMEs, such as:

- Cultural and heritage tour guides and storytellers
- Tour operators,
- Food outlets and tuck shops,
- Equipment hire (picnic, braai, camping, fishing, leisure and water sport-related),
- Entertainment (such as musicians and storytellers)
- Arts and craft,
- Sports and swimming apparel,
- Event planners,
- Catering companies
- Other

In addition, there is also a need to grow and develop SMMEs from the designated groups (i.e. women, youth and black-owned business). A key finding was the limited number of black-owned tourism products and SMMEs, as well as relatively slower pace of transformation of the local tourism industry.

Concurrent to the above, there are concerted efforts by local government to grow the economies of local townships (Mhluzi, Hendrina, etc) with township tourism development identified as a key economic enabler of the local Municipal area. Additionally, emergent and existing tourism entrepreneurs and tourism SMMEs require support and strengthening such that they are able to graduate into and integrate with the mainstream economy of STLM.

It is proposed that the development of tourism SMMEs be prioritised and using an approach that is inclusive in nature and one that will ensure the sustainability of tourism enterprises. The tourism development value chain is an extensive one, which requires significant resourcing. In this regard we recommend that STLM use the partner to deliver approach in implementing this focus area. Key partners that have been identified include (but not limited to:

1. *NDT*
2. *SAT*

3. *Sanparks*
4. *MPA*
5. *Department of Economic Development*
6. *SEDA*
7. *IDC/ SEFA*
8. *Tourism and other incubators*
9. *Various enterprise development programs for mining houses*
10. *Global tourism and development partners like PUM and SES*



4. Packaging and Promotion

It was found (during the key findings phase) that there is a need to strengthen destination marketing efforts of the municipal area. However, the quality of tourism products in question first need to be significantly improved (as detailed in previous section), before the Municipality invests significantly in destination marketing and promotional activities. However, in the interim, a tactical promotional approach should be geared for products that are already market ready.

Additionally, the proposed core tourism offerings need to be packaged in an integrated manner (with other product offerings) based on the visitor profile (type, needs/ wants, length of stay and affordability and pricing). Marketing and promotional activities must be aligned to the proposed tourism offerings/ packages within the Municipality.

The use of technology, ICT and social media are considered effective tools for marketing, where marketing resources are limited. This will have to be a prioritized channel for STLM and local tourism champions and entrepreneurs will have to be adequately trained to use these platforms.

Refer Marketing Strategy Section below for more details.

Tourism Value Proposition

The tourism value proposition for STLM is proposed as per Figure 23 below. It provides a consolidation of tourism value added, based on past tourism activities as well as the planned activities and priorities for the sector. In addition, it takes into account local spatial considerations like the environment and location:

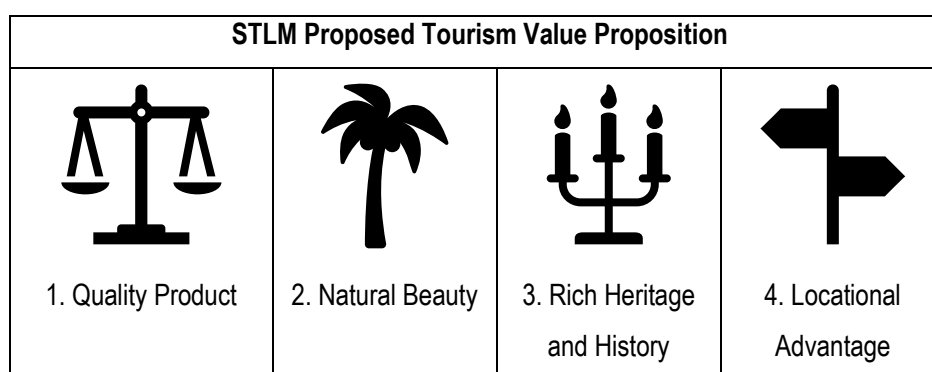



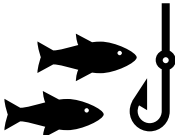
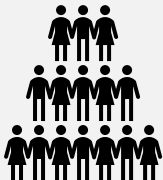

Figure 23: STLM Tourism Value Proposition

1. A Quality Product offering - strengthening of existing product offerings and development of new product is key to attracting potential tourists to the Municipal area. Hence, the focus of this tourism strategy is on the upgrade/ enhancement of existing products that exhibit tourism potential. These include (primarily) the Middleburg Dam and the Botshabelo Heritage Site, as well as the revitalisation of the Little Elephant Craft Centre, and the upgrade of current accommodation facilities in the Municipal area.
2. Natural Beauty – Middleburg comprises and is surrounded by many large open spaces of natural scenic beauty, such as the Middleburg Dam, Botshabelo Heritage site, Olifants River, Loskop Dam and Nature Reserve. This makes for an attractive, tranquil tourism destination and opportunity for boosting eco-tourism in the area
3. Rich Heritage and History – The religious and historical significance of Botshabelo Heritage site makes for an alternative tourism destination experience for tourists – there are global trends indicating a new inclination in tourist behaviour from traditional tourism experiences to experiences that are more authentic, including heritage and cultural tourism experiences.
4. Locational Advantage - The Municipality is strategically well located in terms of the national N4 and N11 corridors (visitors en route to Kruger National Park), together with regional rail linkages to Maputo and Richard's Bay traversing the municipal area creating vast potential tourism products and infrastructure that can be developed as per the municipality's Spatial Development Framework. This creates visitor influx to Middleburg and opportunities to develop the tourism offerings to potential visitors. Midleni Corridor (R555) between Middelburg Town and Emalahleni (Witbank) provides further visitor influx to Middleburg and creates further opportunities for local tourism development.

STLM Tourism Sub-Sector focus

Based on the key findings (**Part A** section of this document), there is a need to align the focus of this tourism strategy to the existing STLM product offerings (*'leveraging off what's there'*), based on location advantages, as well as to align to the trends and behavioural patterns of the discerning tourist/ traveller. Subsequently, the following key tourism sub-sectors (Table 23 below) have been identified as core for tourism development in the STLM:

Table 23: Key Tourism Sub-Sectors of Focus

Tourism Sub-Sector	Proposed STLM Tourism Offerings/ Opportunities
1. Events Tourism 	<ul style="list-style-type: none"> • Eventing segmented by the leisure, business tourist (private sector and government worker travellers) • Events by industry and type (e.g. music, arts and craft, sporting, etc) • Leverage Middleburg being economic hub (use of conference venues) • Leverage Dams, Middleburg Airfield, and other open spaces as venues • Events in the townships (Mhluzi, etc) • Eventing by age groups (e.g. schoolkids and youth)
2. Eco Tourism 	<ul style="list-style-type: none"> • Leverage existing open green spaces such as nature reserves and dams: <ul style="list-style-type: none"> - Olifants River Gorge - Middleburg Dam - Loskop Dam - Loskop Nature Reserve - Botshabelo Heritage site - Other natural attractions
3. Heritage Tourism 	<ul style="list-style-type: none"> • Botshabelo Heritage Site and Ndebele Village • Crafting and clothing • Other heritage sites
5. Township/ Cultural Tourism 	<ul style="list-style-type: none"> • Align to the STLM Township Revitalisation Strategy to develop tourism within the townships of Mhluzi, Hendrina, Rietkuil • This will include restaurants, tours as well as homestays • Includes crafting and clothing

PROPOSED STRATEGIC OBJECTIVES FOR THE TOURISM STRATEGY

Based on the above strategic model and focus areas, the following four key strategic objectives have been formulated (refer Table 24 below) with the intended impact-oriented goals:

Table 24: Proposed STLM Strategic Objectives and Impact Oriented Goals of the Strategy

STLM Tourism Strategy				
Strategic Objectives (SO)	Impact Oriented Goals			
SO 1: To employ a 'Partner to Deliver' approach for improved, coordinated tourism development	1. SMME Development	2. Job Creation	3. Tourism Sector Transformation	4. Inclusive Economic Growth
SO 2: To develop and implement a recapitalisation plan for upgrading existing (and developing new) tourism product offerings				
SO 3: To create, nurture and sustain tourism SMME development in an inclusive manner				
SO 4: To package and promote tourism product offerings that will stimulate tourist arrivals and investment in the local economy				

SO 1: To employ a 'Partner to Deliver' approach for improved, coordinated tourism development

In delivering this strategic objective, the following key initiatives are proposed:

- There is a need to prioritise engagement with potential funding partners required for capital upgrade projects identified in this strategy. capital investment for the strategy implementation would not be sustained purely on commercial merits. Accordingly, the proposed implementation (including identification of primary partners) has focused on development and grant funding with partner organisations. A Stakeholder Matrix of the Top 5 key funding partners (such as Department of Tourism) have been identified, with an elaboration of proposed area for engagement. Refer to Part D (Top 5 Stakeholder Engagement Matrix). stakeholders
- There will be a need for updating a customised stakeholder engagement plan, that will include:
 - Identifying the key tourism stakeholders across the value chain (public sector, private sector, academia and community) and the roles each expected to play in tourism development

- Develops and strengthen PPPs (including roles and responsibilities, leveraging ED/SD funding, CSI initiatives)
- Includes Stakeholder Engagement sub-plans that will identify key stakeholders, including roles and responsibilities and requirements for:
 - *Tourism product enhancement (Middleburg Dam, Botshabelo Heritage Centre, other products and facilities)*
 - *Tourism SMME development (focus on black-owned enterprises)*
 - *Tourism skills development (involvement with TVET colleges/ other)*
 - *Tourism innovation and entrepreneurship*
 - *Funding/ recapitalisation of existing and new products*
 - *Township and community tourism (including youth and schools' awareness and mobilisation)*
 - *Linkages with other sectors e.g. mining, agriculture, environmental conservation, etc*
 - *Engagement with Traditional Councils/ Authorities (land issues, etc)*
 - *Other*
- Development of a tourism sector structure/platform to champion this tourism strategy and tourism development in the STLM including:
 - Strengthening of the existing tourism forum structure– including roles and responsibilities redefining and aligning
 - Creation of Tourism Sub-Committees for:
 - *Middleburg Dam,*
 - *Botshabelo Heritage Centre,*
 - *Township Tourism,*
 - *Tourism Sub-sectors (Eventing, Eco-tourism, Heritage and Cultural Tourism, etc),*
 - *Tourism SMME Development,*
 - *Tourism Skills,*
 - *Project Funding*
 - *Tourism Risk Management (dealing with load-shedding, water crises, community protests, tourist safety, coronavirus, etc)*
 - *Land Ownership/ Management*
 - *Other*
 - Increased representation from private sector (in particular, corporates in the area)
- As a priority, the need for facilitation of institutional agreements and governance structure management for Middelburg Dam and Botshabelo Heritage Centre to kick-start both projects
- Implement tangible, impact-driven targets for effective stakeholder engagements (funding commitment, potential jobs to be created, resource savings for the Municipality, etc)

SO 2: To develop and implement a recapitalisation plan for upgrading existing (and developing new) tourism product offerings

In delivering strategic objective 2, the following key initiatives are proposed:

- Identify a specialist Commercial Manager/ Business Development Manager to:
 - develop feasibilities/business plans/ concepts for funding requirements (to access grant funding for various)
 - identify key funders/ potential investors (including working with the Mpumalanga Investment Promotion Agency to develop)
- Based on significant capital outlay requirements (as detailed in previous sections), the development of detailed recapitalisation plans for the following government-owned and/ or private sector owned products:
 - Middleburg Dam upgrade (partly completed as part of the assessment)
 - Botshabelo Heritage Site upgrade
 - Other tourism product enhancements
 - Infrastructure improvements

These high-level plans (as shown in previous sections) will require approaching various funders (to access a mix of funding instruments) to invest in

- The recapitalisation plans are required to take into account the support infrastructure requirements (such as roads, water and sanitation, ICT)
- There is a need to incorporate alternative energy solutions (solar, hydro, etc) in the recapitalisation of these above-mentioned projects given the current electricity instability in the country
- Recapitalisation of existing products are at the heart of this strategy, hence, key impact driven targets for implementation here include *Rand value of funding secured, potential jobs to be created, potential and secured investment leads*

SO 3: To create, nurture and sustain tourism SMMEs in an inclusive manner

In delivering strategic objective 3, the following key initiatives are proposed:

- Create and implement a Tourism SMME Development Plan for STLM that comprises the following:
 - Targeting tourism SMMEs for development based on needs of STLM (i.e. based on the new activities/ products identified in this strategy)
 - Targeting designated groups of SMMEs (black, youth, women-owned, disabled)

- Cultural and Township Tourism SMME development (aligned to and integration with the STLM Township Revitalisation Strategy) and eventual graduation into the mainstream economy
- Development of SMMEs aligned to the key identified tourism sub-sectors i.e. eventing, eco-tourism, heritage and cultural tourism
- Innovative entrepreneurship development (focused in innovation and technology in the tourism value-chain)
- Business development plan for capacitating tourism SMMEs (from early-stage to established business) that includes formalising key partnerships for collaborative and integrated development
- Set up of a well-coordinated Tourism SMME development structure/ committee to drive tourism SMME development initiatives
- The development of a funding plan for tourism SMME development (from early stage to established business) that includes:
 - Ring-fenced funding support for black-owned tourism SMME development (including accessing the newly launched *Tourism Equity Fund*)
 - Development of an ED/ SD model to access private sector funding for black tourism SMME development
 - Formalise partnerships with key funding agencies (such as SEDA, SEFA, etc)
- The implementation plan to include impact-driven performance targets for tourism SMME development i.e. job creation, business turnover, designated groups
- Baselining current and new SMME's so that impact and size of sector can be measured. In addition, to include the collection of tourism data and maintaining in a central repository

SO 4: To package and promote tourism product offerings that will stimulate tourist arrivals and strengthen investment in the local economy

In delivering strategic objective 4, the following key initiatives are proposed:

- As product packaging will become an imperative once existing product offerings have been strengthened/ enhanced and that quality products are the proposed value proposition of STLM tourism, there is a need to identify an experienced product packaging and promotional specialist to champion for STLM
- The Marketing Strategy below unpacks the proposed core tourism product offering, together with secondary products, and proposed tourism packages
- A detailed tourism destination marketing and promotional plan is recommended aimed at stimulating tourist arrivals into the Municipal area that includes:
 - Multi-channel methods of promotion of STLM, including by tourism product/ package targeting key tourism markets (domestic and international)

- The implementation plans to include impact driven performance targets for tourist arrivals into the Municipal area
- Partnering with other key partners like MPA, trade promotion agencies, etc to promote the destination in an effective manner

Impact of the STLM Tourism Strategy

Based on the above proposed strategic model, focus areas and strategic objectives, this tourism strategy envisages the following impact to STLM (Figure 24 below) that are aligned to provincial and national economic imperatives.



Figure 24: Impact-Oriented Goals of the Proposed STLM Tourism Strategy

1. SMME Development – the opportunities for tourism-related SMME development and growth are envisaged via proposed additional tourism activities and new tourism developments for STLM. Additionally, opportunities as presented by township/ cultural tourism (and as outlined in the STLM Township Revitalisation Strategy) need to be considered here as part of integrated tourism SMME development
2. Job Creation – this tourism strategy that proposes additional activities and products to drive tourism, is expected to create additional job opportunities
3. Tourism Sector Transformation – this tourism strategy prioritises the development and inclusion of designated groups including black-owned enterprises, women, and youth) across the tourism value chain of STLM
4. Inclusive Economic Growth – stimulating local economic growth in an integrated and inclusive manner is a priority element of this tourism strategy. This tourism strategy is intended to direct and strengthen tourism development efforts in STLM (in addition to mining), a sector which is shown to be a significant contributor to GDP and employment within the STLM.

TOURISM MARKETING STRATEGY

A key requirement for success and impact of this tourism strategy is the need for a clearly defined and customised marketing strategy. The following marketing strategy has been devised around the following key elements (refer Figure 25 below).



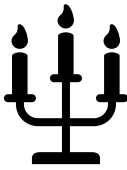
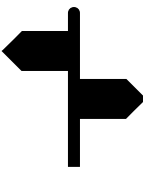


Figure 25: Key Focus Areas for STLM Tourism Marketing Strategy

1. Value Proposition

As per previous section, the proposed value proposition for STLM is quality product, natural beauty, the rich heritage and history, and locational advantage of STLM. A description of the STLM tourism value proposition is outlined in Table 25 below. This will form the core foundation of all the marketing efforts.

Table 25: Description of Proposed STLM Tourism Value Proposition

STLM Tourism Value Proposition	Description
<p>1. Quality Product</p> 	<p>Offers upgraded/ enhanced product offerings and new products for improved quality and memorable visitor experience</p>
<p>2. Natural Beauty</p> 	<p>Offers rolling natural landscapes, dams and greenery provide a tranquil environment for a visitor 'getaway' experience</p>
<p>3. Rich Heritage and History</p> 	<p>Provides for an enriched visitor experience through heritage and cultural.</p>
<p>5. Locational Advantage</p> 	<p>Easily accessible and conveniently located "central" destination (across south Africa)</p>

2. Product

The proposed product offering of STLM is segmented into the core tourism offering (those products that are essentially that captivate the STLM tourism value proposition, and secondary product offerings (that could be packaged with the core offering) as per Figure 26 below:

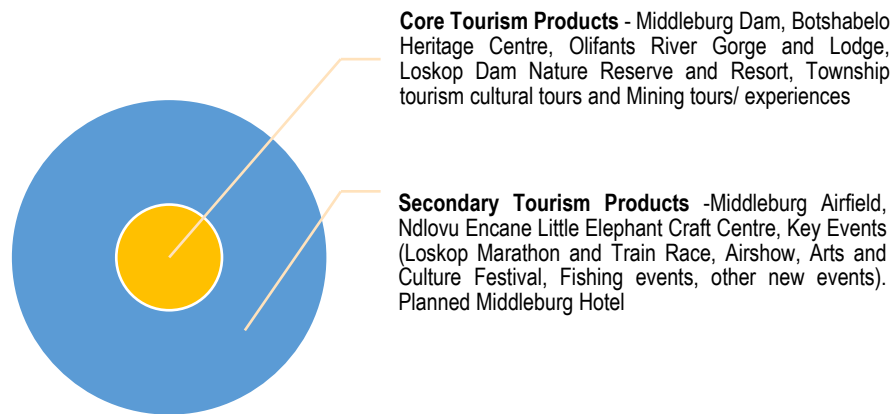


Figure 26: STLM Proposed Tourism Product Offerings (split into Core and Secondary Products)

a. Core Products

The core products tabulated below (Table 26) lists current activities/ offerings as well as proposed additional activities/offerings. The introduction of new/ improved facilities will help strengthen the value proposition of the tourism product.

Table 26: Proposed New Activities of Core Tourism Products and Target Markets

Core Product	Current Offerings	Proposed New Activities	Target Market
1. Middleburg Dam	Outdoor activities (limited)	Outdoor activities <ul style="list-style-type: none"> • Hiking • Bike trails • Bird watching • Miniature golf • Fishing • Picnicking 	<ul style="list-style-type: none"> • Nature enthusiasts • Adventure enthusiasts • Tourists (domestic and international) visiting friends and relatives (VFR) • Families (from local/ Witbank/ Gauteng) for day outings • Youth and school groups • Corporates and government for business events/ meetings Foreign tourists en route to KNP
	Camping and caravanning (limited)	Camping and caravanning	
	-	Non- motorised water sports <ul style="list-style-type: none"> • Canoeing • Sail boating 	
	Boating	Motorised water sports <ul style="list-style-type: none"> • Water skiing • Power boating • Jet skiing 	
	-	Eventing: <ul style="list-style-type: none"> • Weddings • Conferences • Other 	
2. Botshabelo Heritage Centre	Outdoor Activities/ Backpackers – on hold	Outdoor Activities/ Backpackers <ul style="list-style-type: none"> • Hiking • Bike trails • Bird watching • Picnicking • Camping • Cultural/religious sites 	<ul style="list-style-type: none"> • Backpackers • Local school groups • Youth • Religious/ church groups

Core Product	Current Offerings	Proposed New Activities	Target Market
	Accommodation facilities – on hold	Accommodation facilities <ul style="list-style-type: none"> Existing lodge upgrade Youth hostel 	<ul style="list-style-type: none"> Adventure and nature enthusiasts Volunteer tourists
	-	Volunteer tourism <ul style="list-style-type: none"> Community clinic Counselling centre Skills training centre Agri tourism 	<ul style="list-style-type: none"> Foreign tourists en route to KNP Corporate and government events/ meetings
	Eventing- on hold	The refurbished church and surrounding buildings can be used for: <ul style="list-style-type: none"> Weddings Conferences Events Farmers market 	
3. Olifants River Lodge	Accommodation Eventing Team building Spa	Accommodation Eventing Team building Spa Partner to improve experience for tourists (linking with smaller priority groupings such as tourism entrepreneurs), such as: <ul style="list-style-type: none"> Partner with local storytellers for around the fire/ boma storytelling Partner with Local musicians/ jazz artists Partner with local tour operators to offer package linked with township tourism experience) Partner with local environment education officers to strengthen eco-tourism offerings (environmental educational talks, targeting youth, etc) 	<ul style="list-style-type: none"> Business traveller - corporate and government events/ meetings Nature enthusiasts Adventure enthusiasts Tourists (domestic and international) visiting friends and relatives (VFR)
4. Loskop Dam Nature Reserve and Leisure Resort	Water sport Fishing Accommodation Events	Water sport Fishing Accommodation Events	<ul style="list-style-type: none"> Business traveller - corporate and government events/ meetings Nature enthusiasts Adventure enthusiasts Tourists (domestic and international) visiting friends and relatives (VFR)
5. Township Tourism	Limited at current (Mpumalanga Heritage Route experience (visiting	Develop cultural tours/ experiences (people, place, food and entertainment experience of	<ul style="list-style-type: none"> Domestic and International tourists

Core Product	Current Offerings	Proposed New Activities	Target Market
	<p>14 different towns including Hendrina as part of a cultural/ heritage tourism experience).</p>	<p>local townships) in different towns, using a Soweto style approach to Township Tourism</p> <p>Potential Arts and crafts centre,</p> <p>Central shops offering clothing (specially made),</p> <p>Route through township displaying local art and special attractions</p> <p>Alignment with initiatives proposed as per the STLM Township Economic Revitalisation Strategy including the following Mhluzi Township Tourism Development project initiatives:</p> <ul style="list-style-type: none"> • Shisanyama and Eskhathi Jazz • Busy Corner Concept) <p>Offer of Homestays (extends sharing of residence in the township) to allow tourists to feel and experience local culture and traditional foods). This will help to change perceptions and a mindset change to improve township/ cultural tourism</p> <p>Linking with other industries (mining, manufacturing, agriculture, etc) that will stimulate flow of tourism into and out of the townships (such as volunteer tourism for those volunteering at township-based community food gardens (sponsored projects)</p> <p>Bicycle/ Tuk-tuk Township Tours</p> <p>Graffiti art to brighten certain township landmarks (such as Soweto cooling towers)</p>	<ul style="list-style-type: none"> • Business traveller - corporate and government events/ meetings

b. Secondary Products

The following table (Table 27) tabulates the current and proposed new activities of secondary tourism products

Table 27: Current and Proposed New Activities of Core Tourism Products

Secondary Product	Current Offerings	Proposed New Activities
1. Little Elephant Arts and Craft Centre	None – facility was burnt down (limited activities)	Re-develop centre to include production and sales of craft Cultural experience
2. Middleburg Airfield	Limited – Annual Air show	Increased Air show events Other events
3. Offering of local tours	None	Tours through mines, braaiing/ picnic facilities at old mine spots Packaging tourism products as day tours
4. Middleburg Hotel	None	Planned development offering accommodation and conferencing facilities

Many of the above products (core and secondary) proposed above however will first require significant enhancements or upgrades before it can be promoted.

c. Tourism Product Packages (Core and Secondary Products) And Tourism Routes

Tourism Product Packages

The following table (Table 28) provides a high-level picture of proposed tourism product packages/ offerings (core coupled with secondary products) for STLTM. The following tourism packages can be offered as a core offering to tourists that are visiting Middleburg specifically for various reasons (e.g. business, VFR) or could be part of a secondary experience for visitors (foreign and domestic) that are passing by such as stop-over visit to those visiting Kruger National Park or Blyde River Canyon.

Table 28: Proposed Tourism Product Packages/Offerings

Core Tourism Product Offering	Secondary Activity/ Packaged Offerings
1. Middleburg Dam (Nature/ Eco-tourism/ Adventure tourism) – and as part of Loskop Leisure Route	1. Couple with another Core Product Visit 2. Visit to Little Elephant Craft Centre (cultural/ creative) 3. Mining Tour Experience (historical tourism experience) 4. Event (business/ leisure) (Events tourism)
2. Botshabelo Heritage Centre (Heritage/ Cultural Tourism/ Nature/ Eco-tourism/ Adventure tourism) – include as part of Loskop Leisure Route once product is sufficiently developed	
3. Olifants River Lodge (Nature/ Eco-tourism/ Adventure tourism) – and as part of Loskop Leisure Route	

Core Tourism Product Offering	Secondary Activity/ Packaged Offerings
<p>4. Loskop Dam Nature Reserve and Leisure Resort (Nature/ Eco-tourism/ Adventure tourism) including as part of the Cultural Heartlands Route and as part of Loskop Leisure Route</p>	
<p>5. Township tours as part of collective <i>Mpumalanga's Heritage Route</i> via several targeted towns), add to Loskop Leisure Route Using a Soweto-style approach to township tourism, that include developing cultural tours/ experiences (people, place, food and entertainment experience of local townships) in different towns that focus on</p> <ul style="list-style-type: none"> • Developing a potential Arts and crafts centre (with homegrown artists – focus on youth and women entrepreneurs), including strengthening township culture 'look and feel', such as local graffiti artists/ youth to brighten certain township landmarks (such as the iconic Soweto cooling towers) • Clothing specially made (by local entrepreneurs) using cultural designs sold via local retailers/ Mhluzi Mall) • Develop a route through township displaying local art and special attractions (Soweto-style) that incorporates Mhluzi Township Tourism initiative i.e. Shisanyama and Eskhathi Jazz, and Busy Corner Concept, Bicycle or Tuk-Tuk tours, visit to Arts and Craft Centre, • Offer of Homestays(extend sharing of residence in the township) to allow tourists to feel and experience local culture and traditional foods). This will help to change perceptions and a mindset change to improve township/ cultural tourism • Linking with other industries (mining, manufacturing, agriculture, etc) that will stimulate flow of tourism into and out of the townships (such as volunteer tourism for those volunteering at township-based community food gardens (sponsored projects) 	

Tourism Routes

The following tourism routes of which the Municipal area is part of, require further development (both upgrading of facilities as well as better packaging and stringent marketing). These include:

- **Loskop Leisure Route** – This ‘route’ is more a collection of key attractions and/ or events in and surrounding Middleburg that the leisure tourist can choose to indulge in, including:
 - *Middleburg Dam*
 - *Middleburg Airfield and Airshow*
 - *Forever Loskop Marathon*
 - *The Great Train Race*
 - *Loskop Dam Nature Reserve*
 - *Botshabelo Heritage Site*
 - *Olifants River Lodge*
 - *Piensaardam Leisure Resort*
 - *Loskopdam a Forever Resort,*
 - *Mbidi Resort & Animal Sanctuary*
 - *Isiyala a Forever Lodge*
 - *Waterfall Safari Lodge A Forever Lodge*
 - *Amanzi, A Forever Lodge*
 - *Forever Resort, Loskop Dam*
 - *Middleburg Country Club*
 - *The Great Train Race*
 - *Cycad Hiking Trail*
 - *Other*
- **Loskop Dam Route** – Loskop Dam (largest dam in the Southern Hemisphere) built around the Olifants River Gorge, is approximately 30km long, within the Loskop Dam Nature Reserve on 23,000 hectares of bushveld. Abundant birdlife, 70 species of mammal on the Reserve, the Big Five, Game Viewing by boat, Hiking Trails, fishing at the Dam (various fish species and major attraction where 1500 anglers take part in the Light Tackle Boat Fishing competition), Horse-riding and Paintball at the Reserve, other
- **Maputo Corridor Route** – Connecting the landlocked regions of Kingdom of eSwatini and South Africa to the Mozambique and the Port of Maputo, the Maputo Development Corridor is a transportation corridor, comprising road, rail, border posts, port and terminal facilities. The Corridor runs through the most highly industrialized and productive regions of Southern Africa. The lion's share of the Maputo Corridor runs through Mpumalanga, as the latter contains the bulk of South Africa's electricity generating coal fired power stations. The Maputo Corridor also passes through vast industrial and primary production areas such as those in the Nkangala District Municipality, comprising amongst others of the cities and towns

of Delmas, Witbank and Middelburg, important centres for South Africa's coal, vanadium and stainless steel mining and production as well as being principal areas of maize production in the province's agricultural sector. The Corridor provides the primary means of access to the breathtakingly beautiful Highlands Meander, escarpment and Lowveld region of Mpumalanga, which are considered a major national and international tourist destination.

- **Mpumalanga Heritage Route experience** –Visiting 14 different towns across Mpumalanga, including specific townships around Middleburg as part of a cultural heritage tourism experience, steeped in rich historical significance
- **Other Heritage site attractions - Middleburg Cemetery** – Tombstone of key historical figures/ soldiers such as the son of Louis Trichardt involved in the ill-fated Trichardt Trek (during the Voortrekker migration), memorial of 26 British soldiers (Annexation by Great Britain), *Garden of Remembrance* – dedicated to Imperial Soldiers during the Anglo Boer War, 17 Australian soldiers killed at the battle of Wilmansrust, and other tombstones of other soldiers during historical battles.
- **The Cultural Heartlands** – also known as the '*Gateway to Mpumalanga*', the route targets visitors from Gauteng and Limpopo, and promises a mix of cultural diversity, history, wildlife and adventure, rolling grasslands and dams, including the endangered '*Woolly Cycad*'. Kraanspoort, Middleburg and the Loskop Dam feature significantly as part of this route.

There will be a need to infuse township tours Shisanyama and Eskhathi Jazz, and Busy Corner Concept,

The above tourism routes are not exhaustive – the development of new routes is dependent on the quality and upgrade of existing product offerings.

5. Place

Each of the products lists above are located in close proximity of each other (i.e. within a 0-60km radius of the Middleburg town) hence, can be packaged in a way that is flexible to meet the needs of the different traveller types and depending on the duration of their stay (including those that are visiting/ staying for a short period (including < 24 hours). Additionally, the economic hub status and strategic location of Middleburg is such that it casts the net over a broader volume of potential tourists/ visitors, as follows:

Middleburg is strategically located and easily accessible with respect to its planned target market (as detailed in Table 26 above) and given the right promotions, will be able to increase its visitor numbers to the province.

6. Promotion

The following key destination marketing and promotional activities are proposed to develop and further tourism growth of the STLM:

- Promotion of STLM's tourism value proposition through an extensive and inclusive awareness campaign using tourism ambassadors/ champions and social media campaign. However, existing marketing material for the destination will have to be updated and aligned to this strategy
- Align marketing efforts to platforms best suited for the target markets (and segments) identified above
- Tourism departments (*STLM, Nkangala District Municipality, Mpumalanga Tourism*) and *Mpumalanga Investment Promotion Agency* to market and promote STLM as a key destination at various international and domestic tourism and trade shows, respectively. Consideration should be given to the concept of pooling of marketing resourcing- to avoid duplication and to increase impact
- Development of customized product promotional plans that initially target the 'quick-win products' such as existing quality product, and using a multi-channel approach for promotion
- Using the 'partner to deliver' approach for effective communications delivery to strengthen destination marketing efforts. Some of the key include:
 - *Middleburg Chamber and Tourism Information Desk*
 - *Steve Tshwete Local Municipality*
 - *Nkangala District Municipality*
 - *Mpumalanga Tourism and Parks Agency*
 - *Mpumalanga Economic Growth Agency*
 - *Mpumalanga Department: Economic Development and Tourism*
 - *Department of Tourism*
 - *South African Tourism*
 - *Department of Environmental Affairs*

KEY CONSIDERATIONS AND SUCCESS FACTORS FOR AN IMPACTFUL TOURISM STRATEGY

The following are key considerations and success factors for meeting of impact-oriented goals of the tourism strategy

SPATIAL CONSIDERATIONS INCLUDING ACCESS AND TRANSPORT

- A positive is that Nkangala District Municipality have initiated Road Access Management Plans along major activity routes to facilitate the required mobility levels and facilitate access to surrounding land uses (Source: Middleburg Hotel Feasibility).
- There are opportunities to leverage off the broader provincial tourism routes
- There is a need for allocation of land and infrastructure for tourism development. such as:
 - *Mhluzi Shisanyama/ Ezikhathi Jazz Club and Busy Corner concept*
 - *Mhluzi Arts and Craft Centre (potential)*
 - *The Middleburg Dam precinct – with greater focus on recreation and possible residential in long-term*
 - Other
- Tourism development planning around nodes that evolves from Middleburg (as the highest order activity node in the municipal area and also one of the 5 Primary Activity Nodes in Mpumalanga Province to other key developmental nodes, including the townships of Hendrina and Kwazamokhule (the second order node in the municipal area, with the majority of the future incremental population (and housing development). It is on the N11 route from Middleburg thus potential tourism activates and products can be identified. Mhluzi is one of the activity nodes and has a mall which is utilised for informal business. There is a plan in place to develop a expand the mall to boost the local economy thus encouraging tourism. It is located across the ridge on the north-western side towards Botshabelo. It has cultural historic sites that need to be preserved and incorporated in a tourism route and products
- Midleni Corridor (R555) between Middelburg Town and Emalaheni (Witbank) offers potential development opportunities which can be linked to tourism to boost the local economy and offer opportunities for local small enterprises, including:
 - Tour operators
 - Food outlets
 - Crafters
- Challenges relating to spatial development in STLM
 - The highest population concentrations are recorded in and around Middelburg Town (73.0%).
 - Some areas within the municipality do not have piped water and sanitation which is a huge concern for tourism

- Climate change has been impacting the municipality negatively as it affects agricultures and tourism activities
- The transitioning to a green economy is a huge challenge as most of the infrastructure will need an upgrade especially coming up with alternative sources of energy to reduce the carbon footprint

SKILLS RESOURCING CONSIDERATIONS

There is a need for consideration of the following with respect to tourism skills development, both for the strategy implementation and the broader tourism community, including tourism SMMEs:

- Ensuring the right skill set to deliver on this tourism strategy (commercial managers, product packaging specialists, destination marketing and promotional specialists, investment specialists)
- The proposed tourism structure to comprise competent tourism and other industry specialists for effective championing (such as a commercial resource with development experience)
- Increasing awareness of the tourism industry as a potential career choice for the youth (tourism awareness training)
- The need to engage and work closely with academia, in particular TVET colleges, to produce technical skills that are currently scarce e.g. cultural guides, chefs, conservation specialists, hotel and facilities managers, front office staff, tour operators etc
- The need for future-proofing the tourism skills base of the STLM on key skills such as data analysts, digital marketing experts, etc
- Using the ‘Partner to Deliver’ approach for an integrated approach to strengthening the tourism skills base/ capital of the Municipal area
- The proposed tourism SMME development plan to incorporate plan for enhancing the tourism and business skills of entrepreneurs and business owners
- The following table provides a high-level summary of the key skills required for tourism development (but not limited to) in the municipal area (Table 30 below):

Table 29: Summary of Key Skills/ Training Requirements for Tourism Development in the STLM

Area	Skills/Training Requirement for Tourism Development
Tourism Strategy Implementation	<ul style="list-style-type: none"> • Commercial/ funding specialists • Product packaging and destination marketing • Investment specialists • ED/SD specialists • Tourism Industry specialists (key areas of conservation, cultural heritage, agri-tourism, etc)
Tourism SMME business development	<ul style="list-style-type: none"> • Business acumen of owners • Financial Management and Literacy • Marketing skills • Pricing and Packaging
Future-proofing tourism development skills	<ul style="list-style-type: none"> • Data Analysts • Digital Marketing experts

Area	Skills/Training Requirement for Tourism Development
Technical Tourism Skills	<ul style="list-style-type: none"> • Cultural guides, • Chefs, • Conservation specialists, • Hotel and Facilities Managers, • Front office staff, • Tour operators
Youth Development	<ul style="list-style-type: none"> • Youth tourism awareness

FINANCIAL RESOURCES

- This tourism strategy is built around product enhancement to improve product quality, which as shown, require significant financial resourcing. Hence, funding requirements (via recapitalisation plans) for product upgrades/ new developments and new product investments
- Additionally, to attract the required visitors to the STLM, there is a need for an investment into the proposed destination marketing and promotional efforts as per this strategy.
- Using the 'Partner to Deliver' approach for an integrated approach for strengthening financial resourcing for tourism development initiatives proposed in this strategy
- Ring-fenced funding and consideration of Enterprise Development and Supplier Development opportunities (elements of the B-BBEE scorecard) to access business development support aimed at capacitation of black-owned tourism SMMEs
- Consideration of the newly launched *Tourism Equity Fund* (by the President in February 2020) as a potential opportunity to assist with the local tourism transformation agenda and initiatives. This fund is a new fund that is intended to focus on financial support for black investors and communities investing in capital projects in the tourism sector. This fund will need to be further explored by STLM to identify potential tourism opportunities thereof
- Consideration of the newly launched *Presidential Infrastructure Fund* as an opportunity to leverage funding support for key infrastructure projects/ requirements in the STLM

PART C - HIGH-LEVEL TOURISM STRATEGY IMPLEMENTATION PLAN (INCLUDING PROPOSED QUICK WINS)

The following table (Table 31) represents the high-level implementation plan comprising key outputs per strategic objective, timeframes, resourcing requirements, and responsible person/ organization. 'Quick wins' (QW highlighted in green i.e. 0-6 months), Short-Term (ST) is within 1 year, Medium-Term (MT) is 1 to 3 years and Long-Term (LT) is 3 years and beyond

Colour Code	Quick win (QW)	Short-term (ST)	Medium-term (MT)	Long-term (LT)
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Table 30 High-Level Implementation Plan for the Tourism Strategy

Strategic Objectives	Outputs	Timeframe (QW/ST/MT/LT)	Resourcing Requirements	Responsibility
SO 1: To employ a 'Partner to Deliver' approach for improved, coordinated tourism development	1.1 Development of a tourism structure to champion the tourism strategy and its implementation. This is to include:	QW	1 dedicated resource (senior)	STLM/ GIZ
	1.1.1 Strengthening of the existing tourism forum structure including redefined ToR for the forum	QW		STLM/ GIZ
	1.1.2 Creation of Tourism Sub-Committees to champion the following key projects/ initiatives: <ul style="list-style-type: none"> - Middleburg Dam Upgrade - Botshabelo Heritage Centre Upgrade - Township Tourism Development (Mhluzi Township Tourism Project) - Tourism Sub-sectors (Eventing, Eco-tourism, Heritage and Cultural Tourism, etc), - Tourism SMME Development, - Tourism Skills, - Project Funding - Tourism Risk Management (dealing with load-shedding, water crises, community protests, tourist safety, coronavirus, etc) - Land Ownership/ Management - Other 	QW	Tourism/ Industry Specialists	Tourism Structure/ STLM
	1.2 In addition to the Top 5 Stakeholder Plan (as per Part D here), development of a customized comprehensive stakeholder engagement plan including:	ST		STLM
	1.2.1 Identification of key stakeholders, areas for engagement/ partnership and roles and responsibilities	ST		STLM

Strategic Objectives	Outputs	Timeframe (QW/ST/MT/LT)	Resourcing Requirements	Responsibility
	1.2.2 Development of stakeholder engagement sub-plans for: <ul style="list-style-type: none"> - Tourism product enhancement (Middleburg Dam, Botshabelo Heritage Centre, other products and facilities) - Tourism SMME development (focus on black-owned enterprises) - Tourism skills development (involvement with TVET colleges/ other) - Tourism innovation and entrepreneurship - Funding/ recapitalisation - Township and community tourism (incl youth and schools' awareness and mobilisation) - Linkages with other sectors e.g. agriculture, environmental conservation, etc - Engagement with Traditional Councils/ Authorities (land issues, etc) - Other 	ST		STLM
	1.3 Facilitation of institutional agreements and governance structures for Middleburg Dam . This will focus on key issues such as who would be responsible for operations/ management, who would the beneficiary organisation/ structure be, roles and responsibilities, etc	Q/W	Community Facilitator Legal specialists	STLM/SAHRC
	1.3 Facilitation of institutional agreements and governance structures for Botshabelo Heritage Site This will focus on key issues such as who would be responsible for operations/ management, who would the beneficiary organisation/ structure be, roles and responsibilities, etc	M/T	Community Facilitator Legal specialists	STLM/SAHRC
	1.4 Develop a performance plan linked to this strategic objective with targets of funds committed/ secured, potential jobs to be created, resource savings for the STLM	S/T		STLM
	1.5 Implementation of stakeholder engagement plans	S/T to L/T		STLM/ KEY STAKEHOLDER PARTNERS
	1.6 Review progress of stakeholder engagements, against performance plans	QUARTERLY		STLM
SO 2: To develop and implement a recapitalisation plan for upgrading existing (and developing new) tourism product offerings	2.1 Identify and recruit a specialist Commercial Manager/ Business Development Manager	S/T	Commercial Specialist	STLM
	2.2 Develop an overall funding plan for the initiatives of the tourism strategy	S/T		Commercial Specialist
	2.3 Development of recapitalisation plans for:			Commercial Specialist
	2.3.1 Middleburg Dam upgrade	Q/W		Commercial Specialist
	2.3.2 Botshabelo Heritage Site upgrade	S/T		Commercial Specialist
	2.3.3 Other relevant tourism product enhancements (as per this strategy)	S/T		Commercial Specialist
	2.4 Development of funding plans for new product developments	M/T		Commercial Specialist
	2.5 Identification and securing of funding to recapitalise Middleburg Dam upgrades	S/T-M/T		STLM/ Key Funding Partners
	2.6 Identification and securing of funding to recapitalise Botshabelo Heritage site upgrades	M/T-L/T	Funding	STLM/ Key Funding Partners
2.7 Identification and securing of funding to recapitalise other tourism product upgrades	M/T-L/T	Funding	STLM/ Key Funding Partners	

Strategic Objectives	Outputs	Timeframe (QW/ST/MT/LT)	Resourcing Requirements	Responsibility
	2.8. Facilitate access to finance support for privately owned product enhancements/ developments	M/T		Commercial Specialist/ Key Funding Partners
	2.9 Develop a performance plan linked to this strategic objective with targets of potential and secured investment leads, Rand value of funding secured/ facilitated, potential jobs to be created	S/T		STLM
	2.10 Review progress of funding initiatives, against performance plan	QUARTERLY		STLM
SO 3: To create, nurture and sustain tourism SMME development in an inclusive manner	3.1 Create a customised, practical yet impactful Tourism SMME Development Plan for STLM that: <ul style="list-style-type: none"> - Targeting tourism SMMEs for development based on needs of STLM (i.e. based on the new activities/ products identified in this strategy) - Targeting designated groups of SMMEs (black, youth, women-owned, disabled) - Incorporates Cultural and Township Tourism SMME development (aligned to and integration with the STLM Township Revitalisation Strategy) - Aligns to the key identified tourism sub-sectors i.e. eventing, eco-tourism, heritage and cultural tourism - Unpacks areas of Innovative entrepreneurship development - Business development plan for capacitating tourism SMMEs (from early-stage to established business) that includes formalising key partnerships for collaborative and integrated development 	S/T	Approx. R 800 000	STLM
	3.2 Set up of a well-coordinated Tourism SMME development structure/ committee to drive tourism SMME development initiatives	S/T	Tourism/ Business/Community Development Specialists	STLM/ TOURISM FORUM/STRUCTURE
	3.3 Implementation of the Tourism SMME Development Plan	S/T		STLM/ TOURISM FORUM/STRUCTURE/ TOURISM DEVELOPMENT COMMITTEE
	3.4 The development of a funding plan for tourism SMME development (from early stage to established business) that includes: <ul style="list-style-type: none"> - Ring-fenced funding support for black-owned tourism SMME development (including accessing the newly launched Tourism Equity Fund) - Development of an ED/ SD model to access private sector funding for black tourism SMME development - Key partnerships with funding agencies (such as SEDA, SEFA, etc) 	S/T-M/T		STLM/ Commercial Specialist/ TOURISM DEVELOPMENT COMMITTEE
	3.5 Implementation of the funding plan initiatives	M/T	Funding	Commercial Specialist/ Key Funding Partners
	3.6 Develop a performance plan linked to this strategic objective with targets of no. of tourism SMMEs developed (and by designated groups as well as township enterprises), no. of tourism SMMEs supported, business turnover, employment numbers	S/T		STLM

Strategic Objectives	Outputs	Timeframe (QW/ST/MT/LT)	Resourcing Requirements	Responsibility
	3.7 Review progress of tourism SMME development initiatives, against performance plan	QUARTERLY		STLM
SO 4: To package and promote tourism product offerings that will stimulate tourist arrivals and investment in the local economy	4.1 Implement key initiatives from the Tourism Marketing Strategy that includes:			STLM
	4.1.1 Identify and recruit an experienced tourism product packaging and promotion specialist for the STLM	S/T	Tourism Product Packaging and DM Specialist	STLM
	4.1.2 Development of a comprehensive destination marketing and promotional plan (including product/ package-specific) aligned to the tourism marketing strategy	M/T		Tourism Product Packaging and DM Specialist
	4.1.3 Implementation of the initiatives of the destination marketing and promotional plan/s	S/T	Funding	Tourism Product Packaging and DM Specialist/ STLM/ Key Partners/ TOURISM FORUM
	4.2. Develop a performance plan linked to this strategic objective with targets of tourist arrivals (segmented by local area, including township), Rand value invested	S/T		STLM
	4.3 Review progress of marketing and promotional initiatives, against performance plan	QUARTERLY		STLM
Other	1. To undertake a Baseline Audit of tourism in the STLM that includes: <ul style="list-style-type: none"> - Number of tourism SMMEs in the STLM area (and by designated groups) - Number of tourism products in the STLM (including number and type of upgrade required) - Current level of support for tourism development initiatives in the STLM - Other <p>This will be used as the basis for measurement of impact of this tourism strategy via its implementation.</p>	S/T		STLM
	2. To conduct a Quarterly (and) Annual Review of STLM Tourism Strategy progress (against baseline)	QUARTERLY AND ANNUAL		STLM
	3. To conduct an Annual Tourism Business Survey amongst key tourism stakeholders (including product owners). This survey will serve as a basis for decision-making and lobbying and will be aimed at strengthening quality of product offerings	ANNUAL		STLM

PART D – KEY STAKEHOLDER ENGAGEMENT MATRIX

The following table (Table 32) lists five of the top key stakeholders that STLM would need to approach to leverage resources, in particular funding for infrastructure upgrades but also key partners to engage for capacity-building support to the STLM and possible ESD/ CSI support for enterprise development

Table 31: Top 5 Stakeholders to Engage to Leverage Potential Funding/ Other Capacity-Building Support During Implementation

No	Area of Engagement	Stakeholders to engage and for what (and how)	Contact Person	Comments
1	Middleburg Dam Development	<p>Department of Tourism: Working for Tourism</p> <ol style="list-style-type: none"> 1. Approach for making the Dam an EPWP project and to fund the capital costs and create temporary employment. Items to request funding include as per assessment: <ol style="list-style-type: none"> a. Perimeter fencing (at R2200 a metre x 3 kms) b. Access Control and guard station c. Event/Wedding Boma (250m2) d. Braai facilities (10 x braai stations) e. Boat jetty (2 X 9M2 floating jetty) f. Bird watching platform (X 4)(3m x 1,5m) g. Ablution facility – camping (1 x single story with 6 flushing toilets) h. Ablution facility – caravan park (2 x single story with 6 flushing toilets) i. General abluion facility (1 x block with 4 flushing toilets) j. Camp in a box (10 X 2 sleeper) k. Canoes (x 5) l. Miniature golf m. Hiking pathway (400m x 1m wide gravel) n. Bike trials (600m x 1m wide gravel) o. Outdoor theatre (Open air 200m2) p. Car park (30 gravel parking bays) q. Tarred driveway access (500 metres) (2m x 3m lane) r. Bins and waste disposal (30 bins with bin depot) s. Kiosk/Coffee shop (30m2 fitted) 2. Once introduction done and DT have visited (and like the product)- them a motivation needs to be done to them through the District (normal protocol) 	<p>Jonga Kuhlane (Mr) Department of Tourism</p> <ul style="list-style-type: none"> • Director: Tourism Programmes (PEP), • CD: Working for Tourism, • Tel: +27 (0) 12 444 6474 • Fax: +27 (0) 444 7074 • Cell: +27 (0) 834060326 • Email: JKUHLANE@tourism.gov.za 	<ol style="list-style-type: none"> 1. Sigma International can do an introduction to Mr Kuhlane once the strategy is adopted
2	Middleburg Dam Development	<p>Department of Environmental Affairs</p> <ol style="list-style-type: none"> 1. Same approach as per above however request them to see what water and environment related infrastructure (leaning towards the environment)- which they will consider funding. This could include (but not limited to): <ol style="list-style-type: none"> a. Perimeter fencing (at R2200 a metre x 3 kms) 	<p>Luvuyo Mliilo (Mr) Department of Environmental Affairs</p> <ul style="list-style-type: none"> • Chief Director: Environmental Protection and Infrastructure • Tel: +27 (0) 12 3999644 	<ol style="list-style-type: none"> 1. Sigma International can do an introduction to Mr Mliilo once the strategy is adopted

No	Area of Engagement	Stakeholders to engage and for what (and how)	Contact Person	Comments
		<ul style="list-style-type: none"> b. Access Control and guard station c. Boat jetty (2 X 9M2 floating jetty) d. Bird watching platform (X 4)(3m x 1,5m) e. General ablution facility (1 x block with 4 flushing toilets) f. Hiking pathway (400m x 1m wide gravel) g. Car park (30 gravel parking bays) h. Tarred driveway access (500 metres) (2m x 3m lane) i. Bins and waste disposal (30 bins with bin depot) <p>2. Once introduction done and DEA have visited (and like the product)- them a motivation needs to be done to them through the District (normal protocol)</p>	<ul style="list-style-type: none"> • Cell: +27 (0) 845815437 • Email: lmililo@environmental.gov.za 	
2	Product enhancement via business coaching and skills training and coaching (using global senior industry technical experts)	<p>1. Apply to the PUM and SES programs for technical training support for key product groupings e.g. Accommodation</p> <p>2. The proposed assistance will be made up of a combination of multiple missions and clustering of businesses. The envisaged items below would address the skills and coaching need local industry at no cost:</p> <ul style="list-style-type: none"> a. One-on-one onsite assessments and coaching (visiting each of the businesses for approximately half to one day – reviewing product and service quality and completing and check lists of gaps and training staff where possible). So, a typical products visit will include b. Walk through of the product and operations c. A quick gap analysis focused on easier to change items d. Coaching staff and owner on gaps identified e. A team huddle at the end of the visit with owner and staff on the overview of the visit and any new ideas for the business (in general) f. Collective classroom training (where the combined businesses attend together and focus on collect topics). The fact that the training is after the visit it can be customized to the local environment (in a manner the expert best deems fit). g. An industry fireside chat on trends in the accommodation industry globally (this will be for the various business owners as well as industry stakeholders. This is not a requirement, but we believe would be a great value-add to the mission 	<p>1. PUM Netherlands senior experts</p> <ul style="list-style-type: none"> • Bezuidenhoutse weg 122594 AV The Hague P.O. Box 93078 2509 AB The Hague The Netherlands • Tel +31(0)70 349 0555 • Mobile NL +31(0)653 730 919 • Mobile SA +27(0)835 228 650 • Email ed.heinen@pum.nl • Web: www.pum.nl <p>2. Isabel Plaßwilm SENIOR EXPERTEN SERVICE International Projects Department Project coordinator Africa</p> <p>Stiftung der Deutschen Wirtschaft für internationale Zusammenarbeit GmbH Non-profit Corporation Buschstraße 2, 53113 Bonn, Germany</p> <ul style="list-style-type: none"> • Tel: +49 (0) 228-26090-134 • Email: i.plasswilm@ses-bonn.de • Web: www.ses-bonn.de 	<p>1. Sigma International has already secured 8 mission for STLM (on the SES Program)</p> <p>2. Sigma International can do an introduction for PUM</p> <p>3. We also able to process all applications for both these programs</p>
3	Hotel development Prioritisation	<p>1. Engagement of DT for helping to prioritise the development in terms of lending support for incentives to be attached to the hotel development and championing the promotion amongst their engagement and stakeholders</p> <p>2. This will include their endorsement of the development and would make the investment more compelling to investors</p>	<p>1. Stephen Pearce (Department of Tourism) Chief Director: Destination Planning & Investment Coordination</p> <ul style="list-style-type: none"> • Tel +2712 444 6587 	<p>1. We have introduced and they will be making contact</p>

No	Area of Engagement	Stakeholders to engage and for what (and how)	Contact Person	Comments
4	Sanparks for adoption of Botshabelo Project	<ol style="list-style-type: none"> To meet and present the Botshabelo project. The approach would be to pitch as a SED project that has a core park potential product (in time) 	<ul style="list-style-type: none"> Mobile +27799671079 <ol style="list-style-type: none"> Hilda Mthimunye South African National Parks Senior Manager: Community Investment and Development <ul style="list-style-type: none"> Tel: 012 426 5173 Mobile: 0835824800 Email: hilda.mthimunye@sanparks.org Web: www.sanparks.org 	<ol style="list-style-type: none"> Sigma International can do an introduction to Mr Kuhlane once the strategy is adopted
5	Retired Experts from local tourism industry to be seconded/funded by Mining houses	<ol style="list-style-type: none"> Identify a possible retired tourism person (with all the relevant experience and passion) in the province and get one of the mining companies to second- pay for this person for a year to champion the strategy Engage with the mining houses that have a presence in the area and share the strategy when done Then request Mining companies' assistance to pay for a full-time retired. It would be a pitch request for assistance that has the potential to be a catalytic project for the area Align to the SMME ED strategy that is being developed 	TBC	

PART E - MONITORING & EVALUATION

Traditionally the monitoring and evaluation of tourism strategies are based on certain key variables:

1. Adopting targeted measurement indices for the strategy (e.g. jobs to be created, new businesses to be established, etc)
2. Meeting of planned milestones
3. Quantitatively measuring impact using a select few measurement indices like jobs created, increase in turnover/economic activities
4. Using qualitative impact assessment tools such as case studies, etc

In this regard we envision that the monitoring and evaluation of the effectiveness of the implementation of the tourism strategy for STLM will be a combination of the above (in the form of a toolkit). In order to practically measure the economic impact, a baseline needs to be created of all (or key) tourism businesses (direct and indirect). The base line should be completed in month 1 of the implementation of the strategy. This baseline should include as a minimum:

1. Permanent jobs
2. Temporary jobs
3. Estimated turnover (either monthly or annually)

A quarterly (and annual) business survey/ index should be conducted (electronically) obtain the above as well as qualitative comments and indicators. Impact of strategic interventions have a delayed impacted on the sector depending on a variety of factors which include (but not limited)

1. The type and size of business
2. The maturity of the business
3. The speed and adoption and use of the development intervention
4. The local conditions (including economic cycle)

PART F- CHANGE MANAGEMENT FRAMEWORK

Kotter's 8-step model to change management (Figure 27 below): is proposed for the successful implementation and transformational change of the tourism strategy by STLM.



Figure 27: Kotter's 8-step Change Management Framework (Source: Dr John Kotter - Leading Change, 2012)

1. Creating Urgency and Buy-In

There will be a need for the following actions to create a sense of urgency and obtain buy-in such that the tourism strategy is able to achieve its intended impact (transformation, job creation and inclusive economic growth):

- A workshop on the draft tourism strategy with key stakeholders (STLM, Tourism Forum representatives, etc). This will allow for feedback from the relevant stakeholders in crafting their tourism strategy.
- The need for identifying the tourism strategy champion (to be appointed by STLM)
- The need for STLM to identify tourism ambassadors, including targeting the youth to become ambassadors to create awareness around tourism and helping to implement the initiative of the strategy
- Implementing the stakeholder engagement plan urgently that targets all the relevant groups of stakeholders as identified in this plan, including the private sector and township communities, etc

This step/ phase is the initial phase in the change management process and required to be implemented by STLM immediately.

2. Form a powerful coalition

- Once the tourism champion has been identified, he/ she is required to facilitate the set-up of the tourism structure (with key representatives) to oversee and drive the initiatives of the strategy (once it has been adopted). This structure could be an updated version of the current Tourism Forum. The terms of

reference of the Tourism Structure/ revised tourism forum to be aligned to the needs of the tourism structure.

- The above Tourism Structure is proposed to comprise Tourism Sub-Committees (such as SMME, Skills, Innovation and ICT, etc) as identified in this strategy, to ensure targeted impact in the key areas identified for tourism development.
- It is necessary that this Tourism Structure is heavy weighted on private sector representation, that includes representation by key local corporates. This will (at inception) include (but not limited to) senior product representation from:
 - *Olifants River Lodge*
 - *Piensaardam Leisure Resort*
 - *Forever Resorts*
 - *Loskop Dam*
 - *Middleburg Airfield*
 - *Other*

3. Create a Vision for Change

- This tourism strategy (once adopted) will be seen as the new tourism vision for change for STLM. It is to incorporate the proposed value proposition for the Municipal area so as to inculcate a message/ vision of quality product, strong heritage, natural scenic beauty and location advantage, respectively.

4. Communicate the Vision

- This tourism strategy incorporates a Marketing Strategy, that will allow the roll out of the new vision and value proposition for STLM tourism (from the current approach to tourism development). An incremental approach to marketing to be employed, focusing on quick-win projects, and then fully integration marketing strategy, once tourism products have been upgraded/ development for markets.
- The newly devised STLM tourism strategy is required to reach all key stakeholders across the local tourism value chain. This is critical to ensure stakeholder buy-in, as well to ensure the successful implementation of the '*Partner to Deliver*' approach proposed here
- A Tourism Product Packaging and DM (Destination Marketing) Specialist is required to be identified and recruited to assist to drive the change initiatives (that includes implementation of the Tourism Marketing Strategy)
- The tourism ambassadors are also envisaged to assist with spreading awareness of the STLM tourism strategy

5. Empower Action

- There will be a need to provide an enabling platform to change to ensure that key stakeholders responsible for tourism strategy implementation are afforded the right tools and resources (including upskilling where required) for successful delivery.
- As this tourism strategy has an intended high-impact performance driven approach to delivery, there is a need for performance-linked rewards/ incentives to further drive good performance. The KPIs and performance plan need to target driven for the dedicated resourcing. This needs to be practical (e.g. set a capital-attracted target that will measure performance and if possible remunerated accordingly if target has been achieved)

6. Create Quick Wins

- There is a need to generate and make visible success tourism efforts aligned to the strategy. Subsequently, 'quick win' initiatives/ projects have been identified (as highlighted) in this strategy.
- But those quick wins are not limited to those identified in this strategy, it is required of all the key tourism stakeholders, including STLM and the Tourism structure/ updated Forum to identify quick win projects to stimulate tourism development efforts on the journey to the intended goals (transformation, job creation and inclusive economic growth)

The quick win projects need to be tackled immediately to gain the necessary momentum on strategy implementation and build confidence amongst all stakeholders.

7. Build on the Change

- As the implementation of key projects/ initiatives of the tourism strategy gain momentum, there will be a need to continue building on and adding more projects and resources. It is envisaged that by using the "Partner to Deliver" approach, initiatives such as funding, skills development and SMME development can be strengthened (using a doing more with less approach)
- The STLM Tourism strategy champion is expected to be responsible for the activities of the strategy
- Monitoring and evaluation of implementation (including annual business survey review) will be key to taking stock and ensuring alignment to the strategy and its objectives

8. Make it stick

- There will be needed to reinforce cultural systems and values for all new resources brought into the fold of the project/ strategy, to ensure its effective delivery. This needs to be led by example by the person that is responsible for the strategy implementation. In addition, there is a need for tourism ambassadors within STLM to have an instilled culture of passion and high energy (almost competitive) for the tourism industry and infuse this culture amongst all stakeholders that they meet/ engage. This will help to build confidence and strengthen STLM as a tourism destination.

WAY FORWARD

This strategy has been intended to be a practical strategy which has been developed after engaging with tourism stakeholders, reviewing key literature. In this regard key to its implementation and effectiveness would be the following next steps as illustrated in Figure 28 below:

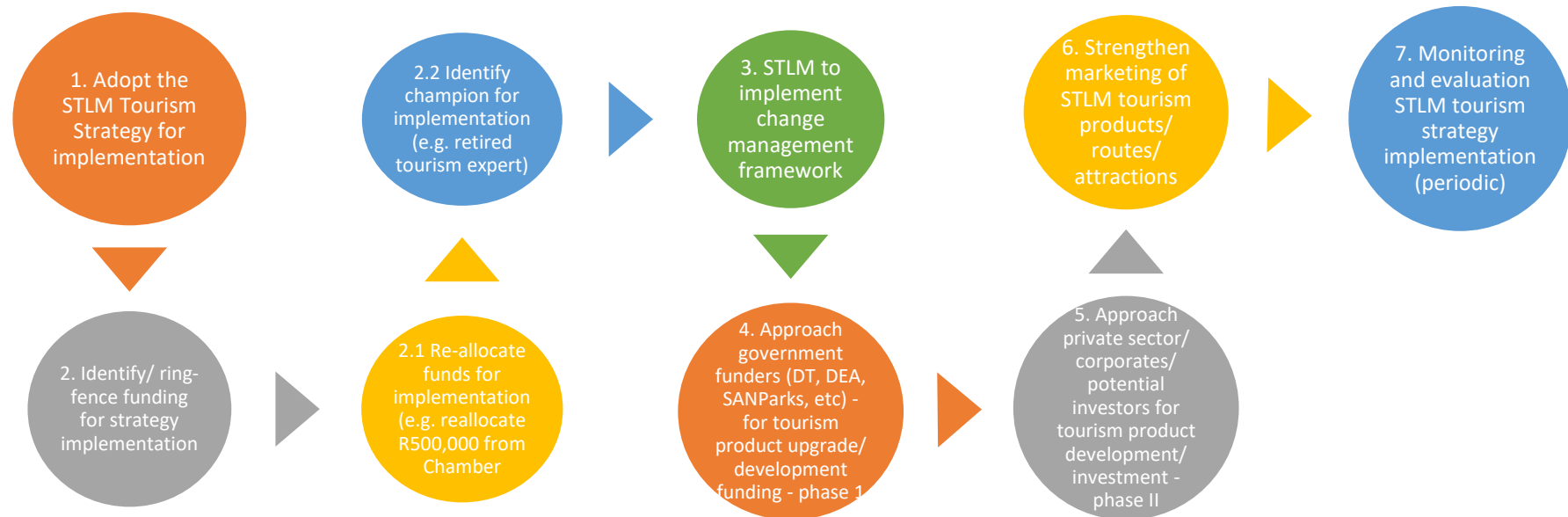


Figure 28: Way Forward Roadmap (Illustrative)

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ANNEXURES

ANNEXURE A – LIST OF KEY STAKEHOLDERS SOLICITED FOR INTERVIEWS/ FOCUS GROUP ENGAGEMENT

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	Mmbatho	Chamber staff	132432253	info@middelburginfo.com
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12	Nkosazane Machete	Botshabelo Heritage Centre	082 907 7267	nmachete@sahra.org.za
13	Accommodation Product	Alveston Manor	132 431 308	res@alvestonmanor.co.za
14	Accommodation Product/Dumsile manager	Pari Guest	132432808/0824677715	reservationpari@gmail.com
15	Accommodation Product	Middelburg Country Club	132 826 176	lodge@midgolf.co.za
16	Tour Operator	Uhuru Tours	829 507 924	uhuru.tours@gmail.com

ANNEXURE B – FOCUS GROUP DISCUSSION (FGD) ATTENDANCE REGISTER

Refer separate document

ANNEXURE C – FINDINGS OF TOURISM PRODUCT OWNERS SURVEY

Refer separate document