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REGIONAL TOURISM ORGANISATIONS (RTO) AND LOCAL TOURISM ORGANISATIONS (LTO)

ON THE COLLABORATION WITH

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM (DEDT), MPUMALANGA TOURISM AND PARKS AGENCY (MTPA) AND MUNICIPALITIES

COOPERATION BETWEEN

FOR
FRAMEWORK

1. DEFINITIONS

"The Framework" refers to this document or any relevant part thereof.

"Municipality" means both district and local municipalities that have municipal executive and legislative authority as described in section 155(1) of the Constitution of the Republic of South Africa.

"Department"/ "DEDT" means Mpumalanga Department of Economic Development and Tourism.

"MTPA" means Mpumalanga Tourism and Parks Agency.

"Regional Tourism Organisation/ Association (RTO) means Regional Tourism Organisation/ Association established in terms of this framework.

"Local Tourism Organisation/ Association (LTO)" means Local Tourism Organisation/ Association established in terms of this framework. Every recognised LTO is represented herein by the relevant RTO whom they are affiliated to.

"Stakeholders" All the parties signatory to this document (all those included under the definitions of Municipality, Department / DEDT, MTPA, RTO and LTO.

2. INTRODUCTION

Mpumalanga has a vibrant tourism industry which currently holds the number four position as the preferred province by international tourists (number of arrivals), but only fifth position for domestic travellers (number of trips taken). There is great tourism potential in the province and as a destination it is comprised of a very large number of distinctively different and diverse vacation destinations, attractions and experiences. The province is also endowed with all-year-round warm weather which complements the attractions provided. Tourism development is one of several economic development strategies available to communities.

Most communities concerned with economic development will want to consider tourism along with such strategies as local economic development, business development and expansion efforts. Some communities have real potential for expanded tourism whereas others have limited potential. It is clear that more effective communication and cooperation between tourism stakeholders in the province is essential to achieving successful development of tourism and maximum exploitation of limited resources.

Therefore, during October 2015, a task team comprised of DEDT, MTPA, District Municipalities, Local Municipalities and all the RTO's in the province developed a framework on collaboration of tourism activities. The Framework is a vehicle to organise and equip local businesses, communities, including those in defined poverty areas, to service the tourism industry and generate benefits for themselves. The benefits of creating an

association or partnership are many and varied, including strengthening tourism business development, responsible tourism marketing and preserving physical and cultural heritage.

3. OBJECTIVES OF THE FRAMEWORK

The overall objectives of the framework are:

- To ensure coordination of tourism marketing and publicity activities at a local, regional and provincial level.
- To facilitate equal access to tourism opportunities by local communities.
- To ensure alignment with the provincial destination marketing strategies.
- To establish linkages between communities, private sector and government.

4. STATUS QUO

Mpumalanga province is constituted by three district municipalities and has three RTOs and a number of Local Tourism Organisations which are established and governed by product owners. These organisations are sometimes isolated institutions which do not have any formal relationship with their local, district municipalities, the Provincial Destination Management Organisation (MTPA) and the Provincial Department of Economic Development and Tourism (DEDT). The lack of provincial framework facilitating the relationship of RTOs and LTOs with government causes the marketing of local destinations to be disjointed.

There is a lack of coordination and common vision between stakeholders, resulting to resources often being duplicated for the same purpose.

5. LEGAL FRAMEWORK

The concept of RTOs and LTOs is advocated by the Whitepaper on the Development and Promotion of Tourism in South Africa (1996), as well as Mpumalanga Tourism Growth Strategy (MTGS). Section 195(1)(e) of the Constitution of South Africa, which states that people's needs must be responded to, and public must be encouraged to participate in policy making, captures the importance of public participation. The South African Constitution furthermore mandate both national and provincial spheres of government to facilitate public participation as well as municipalities through IDP processes.

The Intergovernmental Relations Framework Act of 2005 was enacted to specifically ensure ongoing cooperation between the various spheres of government and the private sector. The Act formalizes the intergovernmental structures for the National, Provincial and Local Governments to facilitate co-ordination and implementation of policy, legislation and other government priorities.

The Principle of Co-operative government and Intergovernmental Relations establish or provide for structures and institutions to promote and facilitate intergovernmental relations; and also provides for appropriate mechanisms and procedures to facilitate settlement of intergovernmental disputes.

The White paper on the Development and Promotion of Tourism, 1996 proposes the following values for responsible tourism in South Africa:

- Tourism will be private sector driven
- Government will provide an enabling environment
- Effective community involvement
- Cooperation and close partnership among stakeholders

Section 78(3) of the Local Government Municipal System Act of 2000 allows a municipality to establish and fund an external mechanism such as RTO to render local tourism destination marketing, centralized booking and information services. Tourism is highlighted as a responsibility of district municipality in the Municipality Structures Act, Section 84 (M). The above pieces of legislation emphasize the importance and need for public participation, cooperation to ensure sustainable development and promotion of tourism. Intergovernmental relations and stakeholder engagement therefore remain a necessary and critical part of the delivery of the tourism mandate.

6. INSTITUTIONAL ARRANGEMENTS

The LTOs and RTOs are autonomous organisations, established by private sector and are self-governed and act independently.

6.1 Membership

The LTOs and RTOs must prepare a Constitution which spells out its purpose of establishment and other related organizational structures requirements, inviting membership, including all the tourism establishments in the area, such as lodges, hotels, B&Bs, tour operators and tourism support establishments, such as restaurants, craft manufacturers, etc. It is noted that most LTOs and RTOs only represent formal businesses, and not the informal sector.

6.2 LTOs and RTOs Structures

The members of the LTOs and RTOs must prepare a constitution, with all standard organogram portfolios, to meet the requirements of a legal entity, whether it is a registered company or a formal association. The governing body may then elect technical sub-committees which will look at specific mandate, such as marketing, events and coordination of tourism related issues.

The RTO must be established as a district / regional overarching structure with a Constitution, mandated to advocate, coordinate and participate at local, regional and provincial level, on issues relating to tourism of the entire district / region. RTOs must be recognised by the district municipality and MTPA.

The district municipality and MTPA will recognise the RTO, if it is formally constituted and representative of LTOs in the district / region. The district municipality and MTPA will partner with the RTO with relevance to both technical and financial implications.

6.3 Visitor Information Offices (VIC's)

Visitor information offices provide an information/assistance service to tourists in an area and should be viewed as necessary tourism infrastructure which contributes to an enhanced travel experience in any destination. They are not meaningfully income-generating as tourists do not expect to pay for information, thus VIC's need to be funded. MTPA, District Municipalities, Local Municipalities, RTO's and LTO's should identify locations of VIC's according to a set of criteria, for example, a key tourist attractions, gateway locations, points of entry, strategic tourist locations, busy tourism towns, etc. Once locations are identified, each site should be funded by the relevant government agency/department/municipality as per the National Tourism Sector Strategy (NTSS), while managed and operated by competent operators. RTO's or LTO's can operate these in the region as it is one of their core competencies on a not-for-profit basis, subject to predetermined criteria as set out in addendum to this document.

6.4 Brand Ownership

The Local/Regional brand must be aligned, as a sub-brand, with the provincial marketing brand and owned by the tourism sector. All marketing and correspondence of the RTO must bear the local brand as agreed by the tourism sector through brand alignment process.

6.5 Collaboration Structures

The chairperson or nominated representative of the RTO must represent the RTO and LTO's in their district / region, in the following coordinating structures:

- District Tourism Forum must meet quarterly
- Provincial Tourism Sector Forum

The chairperson or nominated representative of the LTO must represent their members at local level in the following coordinating structures, together with the assigned senior tourism official(s) at the local municipality:

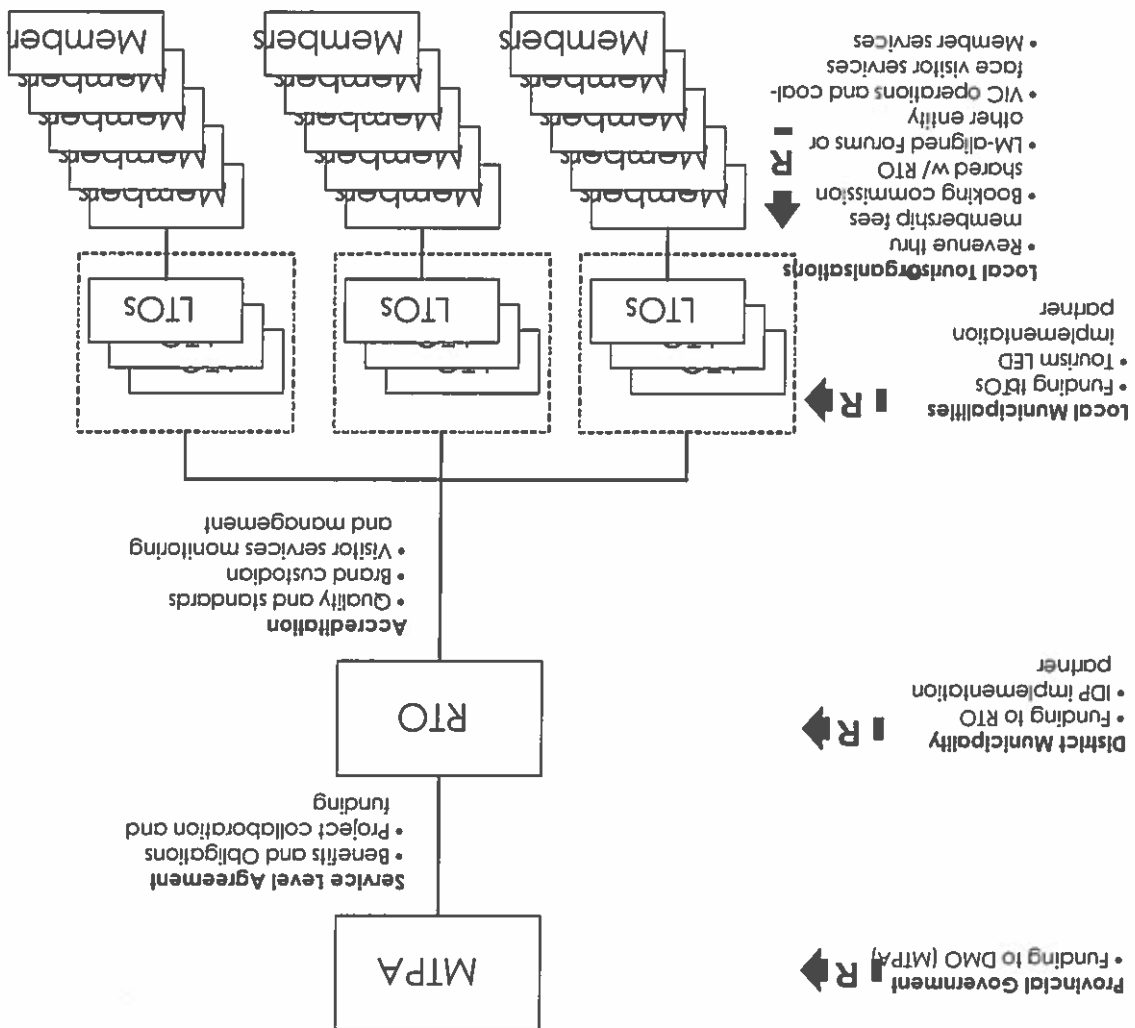
- Local Tourism Forum must meet quarterly

The chairperson or nominated representative of the Local Tourism Forum, will represent the private sector of a local municipal area in the following coordinating structures, together with the assigned senior tourism official(s) at the district municipality, as well as the chairperson or nominated representative(s) of the RTO:

- District Tourism Forum must meet quarterly

The chairperson and / or nominated representative(s) of the Regional Tourism Organisation will represent the private sector of a district / region in the following coordinating structures, together with the assigned senior tourism official(s) at the district municipality, the MTPA and DEDT.

- Provincial Tourism Sector Form, must meet in accordance with the agreed terms of reference (see diagram below)



7. FUNDING MODEL

The LTO and RTO as a community owned organisation, is a non-profit making organisation that can conduct economic activities and generate income through activities initiated to benefit all the affiliated members. The recommended ways of sourcing funding to sustain the activities of the LTO/RTO will depend on the size and extent of activities conducted by the LTO/RTO. The funding mechanisms are:

7.1 Funding by Government Institutions

Government institutions will partner with RTO/LTO to develop and promote tourism. Funding will be granted to RTO/LTO by Government institutions once the programmes are registered on their IDP's. Approvals for possible funding will be a concurrent decision between relevant

partners/parties involved, subject to predetermined criteria as set out in an addendum to this document.

7.2 Other Recommended Methods

- **Merchandising:** The RTO/LTO may sell souvenirs and other tourism-related items that promote the destination.
- **Events:** The RTO/LTO may organise and host events to generate income.
- **Exhibitions:** The RTO/LTO may organise and/or participate in exhibitions by buying/supplying space and encouraging members to participate on a pay-to-play basis.
- **Advertising:** Advertising opportunities can be made available to members on a pay-to-play basis.
- **Other Platforms:** The RTO/LTO may undertake fundraising initiatives, such as golf days to fund their activities.
- All the members of the LTO/RTO may be required to pay a minimum registration fee as determined by their governing body or constitution.

8. ROLES OF STAKEHOLDERS

Different key role players shall play particular roles to ensure sustainability of the Local Tourism Organisations/ Regional Tourism Organisations:

8.1 Role of the Department of Economic Development and Tourism (DEDT)

- Formulate, publish, legislate and monitor provincial tourism policy and strategy
- Provide funding for tourism promotion and development, and monitor the application of the funds.
- Work with national safety and security departments and bodies to address tourism safety and security.

8.2 Role of the Mpumalanga Tourism and Parks Agency (MTPA)

The role MTPA will be to:

- Guide and lead the implementation of the provincial tourism marketing policy and strategy
- Cooperate with SAT in generically marketing the province globally as a key part of the South African tourism product.
- Coordinate marketing activities and branding in partnership with RTOs.
- Work with RTO's to package new themes, routes and experiences.
- Establish an integrated provincial tourism information system together with the RTOs.
- Initiate provincial initiatives to raise awareness and understanding of tourism among the population or communities.
- Attend meetings of the Provincial Tourism Sector Forum.
- Provide information on all marketing opportunities and ensure maximum participation.
- Provide advice on marketing issues and engage on marketing activities.
- Ensure that visitor statistics and current trends are communicated.

8.3 Role of the Municipalities

Municipalities should ensure that:

- Viable tourism projects are incorporated into the IDPs and provincial tourism plan.
- They partner with RTO/LTO on relevant projects with both technical and financial assistance.
- Establish and provide financial support to the LTOs/ RTOs, as and when budgeted for.
- Upkeep and development of public tourist attractions (e.g. historical, cultural and environmental)
- Assist with the provision of public infrastructure
- Provide public amenities, such as parking, ablution facilities and public transport, in support of the tourism industry.
- Assist in planning and provisioning of local road signs.
- Maintain the general safety, upkeep, cleanliness and beautification of the local area.
- Initiate local, regional and provincial initiatives to raise awareness and understanding of tourism among the population or communities.

8.4 Role of RTO's & LTO's

The White Paper on the Development and Promotion of Tourism clearly spells out of the role of the LTOs and RTOs as follows:

- Manage the information office(s) of the local area, and feed into the provincial information system.
- Receive and channel applications for local road signs from members to the municipality.
- Encourage tourists to visit the destination and experience what it has to offer thus benefiting the community economically.
- Encourage and develop ways in which a community can be more aware of and skilled in tourism so that members of the community treat tourists suitably.
- Represent their members and encourage product owners to join organised RTO's and LTO's with the view to create a co-ordinated point of dialogue and to realise the economic benefits that tourism can bring to a locality as well as ensuring inclusiveness in the sector.
- Are in touch with, input into and are represented in local, district and provincial tourism planning, e.g. through IDP process and Provincial Tourism planning processes.
- Are part of processes where tourism projects are agreed, including but not limited to rejuvenation/upgrading of public tourism attractions/sites, poverty alleviation projects and capacity building.
- Assist with the establishment of new LTO's where required.
- Develop virtual networks and other methods to disseminate tourism information about the destination.
- Play a meaningful role in destination marketing, events promotion, etc. for the locality.
- Create and maintain relationships with other RTO's, LTO's, industry associations/organisations, local and district municipalities and provincial government.

- Keep a general watch over tourism development requirements, statistics and tourism product/plant in their region and share it with government as and when requested.

8.5 Role of DEDT to Municipalities

The department will ensure that municipalities:

- Get technical support and advice on tourism issues.
- Are represented at Provincial Tourism Sector forum and Provincial Intergovernmental Forum on quarterly basis.
- Partner with the department on relevant projects with both technical and financial implications.

9. CONCLUSION

Mpumalanga has many enduring strengths which will continue to form the basis of its distinctive character and appeal as a tourist destination. There are also unique opportunities that can be realised and diverse challenges which need to be confronted and overcome to ensure the successful promotion and development of the destination. Mpumalanga has limited resources for investment and marketing. If the development potential is to be realised, stakeholders will need to work collectively and effectively together to meet identified goals and objectives.

The Framework sets out recommended partnership based action in response to the major strategic challenges which face the destination. Stakeholders are to lead and co-ordinate many of the recommendations within the Framework. No entity is unilaterally responsible for the implementation of projects/programmes. The implementation of the Framework will require effective long term working partnership

Only through a broad approach in the identified areas will significant improvement in collaboration be achieved and ultimately cause tourism to thrive. A long term vision in combination with cleverly identified projects will enable Mpumalanga to become a truly competitive province. Stakeholders within each region are thus suggested to compile an addendum to this framework termed "Action Plan" on an annual basis that is to include all viable projects and options for collaboration in order to ultimately reduce the duplication of resources for similar projects being implemented by both public and private sector.

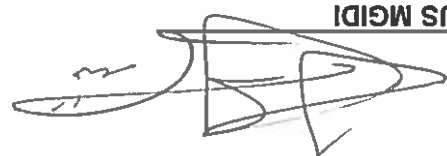
This framework is officially adopted by DEDT, MTPA, Municipalities and the LTO's represented by the RTOs, in the province to guide the province towards positioning Mpumalanga as a world class tourism destination.

10. WHOLE AGREEMENT & VALIDITY

This document supersedes and replaces any other agreement of this nature between the signing parties, including the Framework document of July 2012. The Framework will act as preamble, guiding principles and terms of reference for any other agreement between Stakeholders.

The Framework document will also be subject to annual review by the stakeholders and any changes will be added as an addendum hereto, and signed by all the stakeholders signatory to this document.

Implementation will commence upon date of signature and this document will be valid for five years from date of signature. This document will be replaced with a new agreement between the stakeholders and shall be drafted and signed after proper consultation as stipulated herein and contain the additions documented in the relevant addendums agreed upon from time to time.

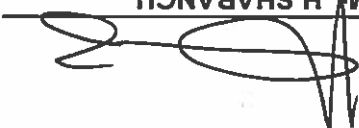


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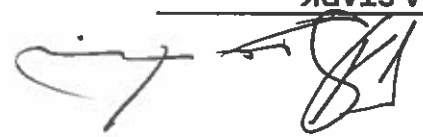


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