



MAKING A BUSINESS CASE FOR TOURISM IN THE IDP

Context



Developmental Local Government

- Promoting local economic development
 - Promote social Integrating and coordinating
 - Encourage involvement of community organisations in local governance
 - Maximise social development and economic growth
 - Provision of basic household infrastructure and services
 - Creation of liveable, integrated cities, towns and rural areas
- (Section 152 of Constitution, 1996 sets out Objectives, Section B of the White Paper on Local Government, 1998)

Local Economic Development

A municipality must structure and manage its administration, budget and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.

(Section 153 of the Constitution)

Integrated Development Planning

All municipalities must produce an IDP outlining the activities of municipality in the medium term.

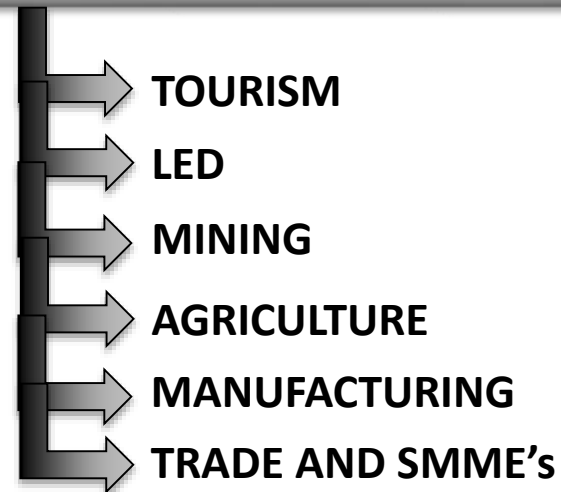
Importantly, the IDP represents the prioritised resource allocation in line with community priorities to fulfil stated local objectives (Section 25 of the Municipal Systems Act)

Integrated Development Plan (IDP)

Municipal Performance is measured in terms of the following four broad mandate groups:

1. **Service Delivery**
2. **Integrated Development Planning**
3. **Municipal Finances**
4. **Human Resources**

Integrated Development Planning



Integrated Development Plan (IDP)



**Sector Plans
Priority Projects**

Integrated Development Plan (IDP)

**Service Delivery and Budget
Implementation Plan (SDBIP)**

Council Approval

Implementation

Tourism Planning – A Business and a Joint Responsibility

- Tourism development is a **joint responsibility** of **local government** with the **private sector**.
- It is predominantly a **private sector business** whilst **public sector facilities, services and amenities** are **complementary to successful tourism**.
- The role of local government is therefore to **attract investors** with their **capital, undertake planning** and **provide leadership** while the **private sector's** is to **attract customers** with its **capital** and the **quality of its tourism offering**.
- It is also important to note that **tourism is not a community service**, but rather a **commercial industry** with a clear intent to attract visitors so that they spend their money at destination businesses and services.
- It is also a highly **competitive industry**, and customers have to be attracted

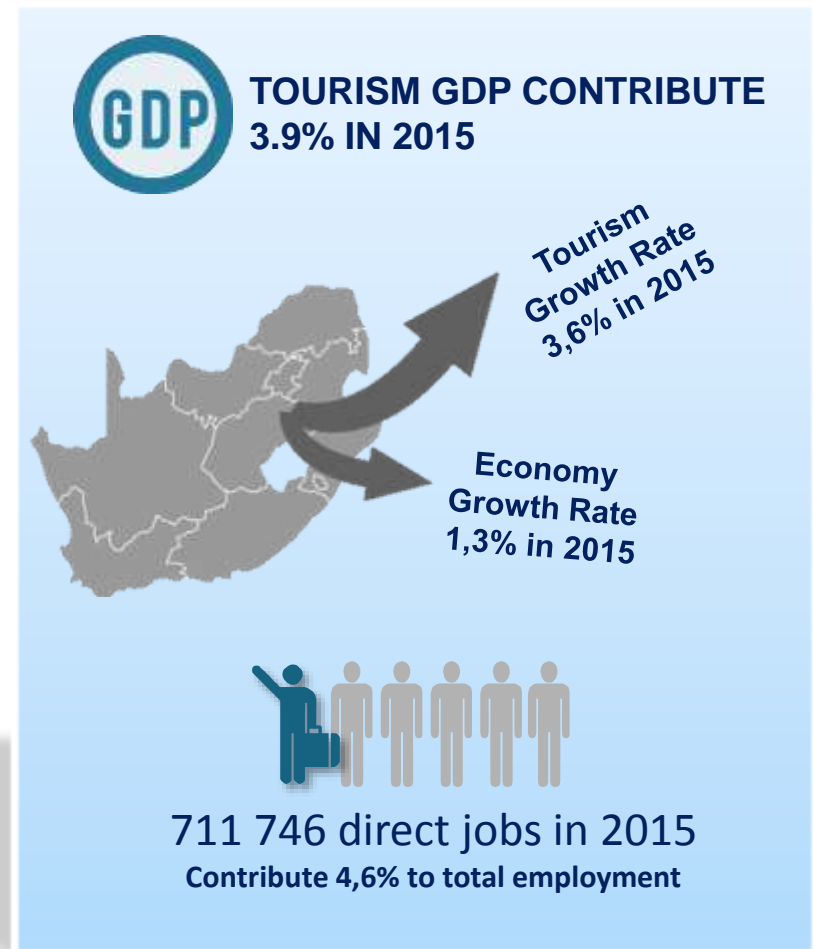
The importance of local government in Tourism

“As providers of social services, builders of economic infrastructure, regulators of economic activities and managers of the natural environment; local government has many direct instruments to influence the direction of local tourism development.”



Value of Tourism

- **Tourism is one of the largest and fastest** growing economic sectors in the world
- Despite recent global challenges, **tourism continues to grow** exponentially
- Tourism Sector holds high potential for **sustainable development and transformation** in South Africa
- Tourism is especially **important for smaller areas that are outside** of the traditional economic hubs
- **Destination image** creation and improved attractiveness of a destination
- Tourism can play a **supportive role in stimulating local development**
- **Catalytic tourism projects** can be targeted to affect job creation, small business development, local value chains and capital investment.



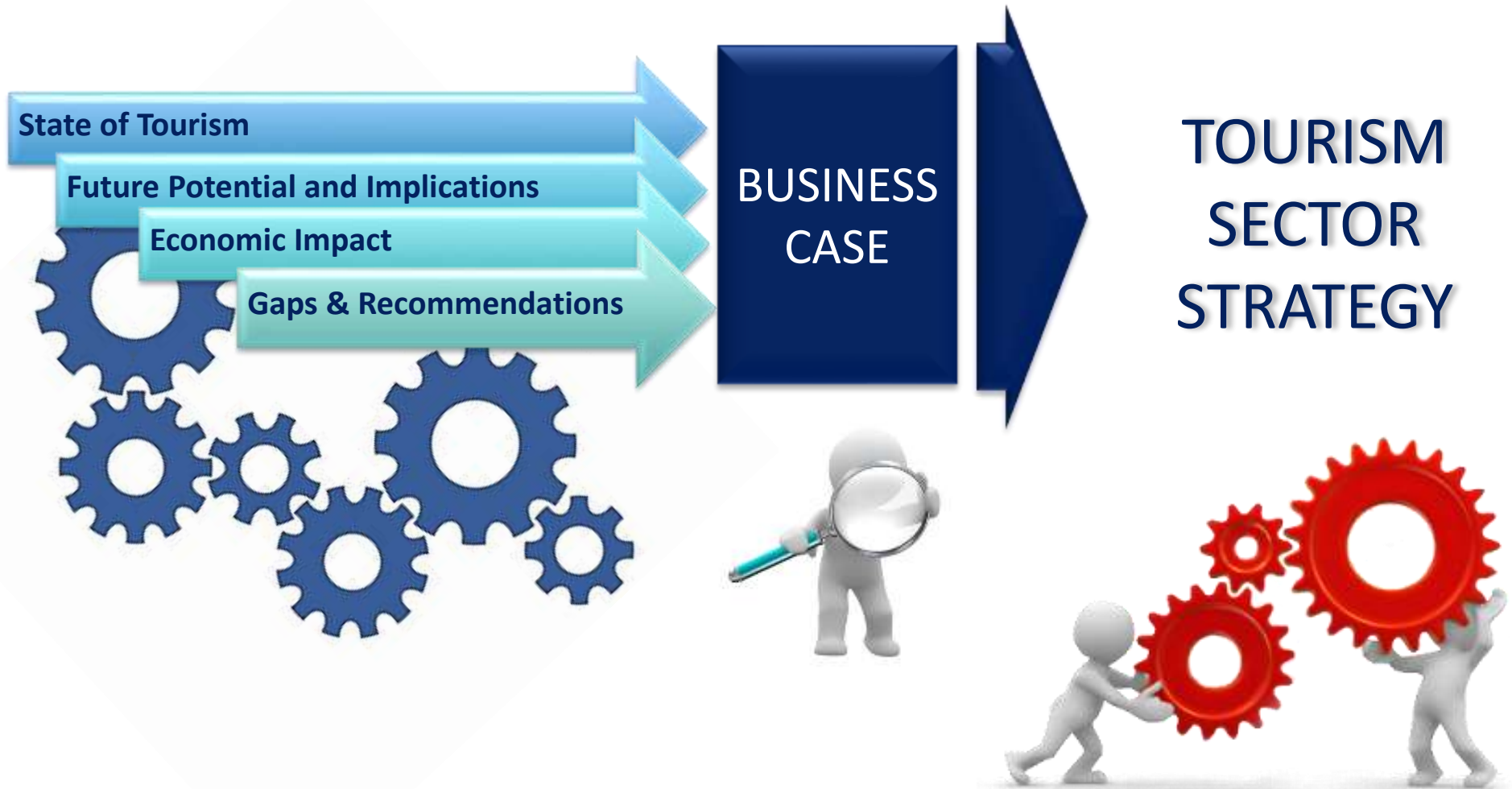
Challenges

- Tourism should be taken seriously and be **included in the IDP**
- Tourism continues to be viewed as an **unfunded mandate** (yet it is a constitutional mandate)
- Competing needs **at local government disfavours tourism** (Service delivery vs Tourism),
- Tourism is recognised as a component of the local economic development (LED)
- **Tourism too wide and touches on too many other sectors** to break it down to determine its actual impact;
- **Roles and responsibilities between district and local government is not clearly articulated;**
- Tourism officials seem not too convinced and often fail to explain/ **convince political principals;**

How should the Business Case be expressed

- Recognise tourism as a **joint responsibility**, one which requires a multipronged approach;
- Tourism is a numbers game, demonstrate the **value of tourism in the region**;
- **Develop and promote tourism** in pursuance of regional economic development goals;
- **Prioritise tourism in the Integrated Development Plan (IDP)** and must find expression in other policy plans e.g. SDF;
- Tourism must find **articulation in other sector plans**
- **Engagements to create platforms to learn from one another** - collaboration is key- provide the link between national, provincial and local government;
- **Ensure conducive environment for business to thrive** through provision of basic infrastructure services i.e. water, electricity, maintenance of parks;
- **Tourism planning** – create a guide for future scenarios
- **Scenario building** – what needs to happen to make tourism work for the region

Inform your Tourism Planning



Who should make sure the Business Case is made in the Municipality?

