

MINISTERIAL FOREWORD

It gives me great pleasure to introduce the Annual Report of the KwaZulu-Natal Tourism Authority for the 2002/2003 financial year.

Tourism KwaZulu-Natal has once again continued to deliver on its core mandate and I am proud to be associated with its achievements. With the important role that tourism plays in our provincial and national economies, I firmly believe that the funds allocated to this Public Entity is money extremely well spent.

The 2002/2003 financial year has also obviously been a year of considerable change for Tourism KwaZulu-Natal. The amendments to the KwaZulu-Natal Tourism Act were gazetted in 2002 and the year saw the establishment of the new Board in terms of the Act by my predecessor. I am very happy to observe that the new Board has settled into its tasks and responsibilities rapidly and that the transition has been particularly smooth.

As I only assumed office in December 2002, I was determined to ensure that there was continuity in those areas of the economic and tourism portfolio that were already running effectively. Tourism arrivals to both the province and country continued to rise at a phenomenal rate during the year under review. This growth however needs to be nurtured as international arrivals can dry up very rapidly due to circumstances that are well beyond our control.

For this reason I am heartened to note that Tourism KwaZulu-Natal has continued to put a significant amount of effort into marketing domestically on the one hand, and in securing funds for the development of new products that will hold us in good stead for the future.

Finally I would like to thank all Board members, past and present, and the management of Tourism KwaZulu-Natal for the hard work and time that they have put into making Tourism KwaZulu-Natal into what is increasingly being recognised as the leading tourism promotional agency in the country.

Mr Roger Burrows

Minister for Economic Development and Tourism- KZN

CHAIRPERSON'S REPORT

Following the end of the previous Board's term of office the new Board, appointed in terms of The KwaZulu-Natal Tourism Amendment Act of 2002, held its first meeting on 6 December 2002. One of the first tasks of the Board was the revision of Tourism Strategy 2000 - 2003.

The achievements of the previous Board, through Tourism Strategy 2000 – 2003 must be acknowledged and the new Board has recognised the need to maintain the basic principles of this strategy, whilst honing certain focus areas for the next three years.

The Board finalised a first draft of Tourism Strategy 2003 –2006 at its meeting on 24 January 2003 before embarking on a stakeholder participation process for the refinement of this document. At its subsequent meeting in March 2003, the Board adopted Tourism Strategy 2003 – 2006.

Whilst the fundamental principles of the original Tourism Strategy are still embodied, the new framework aims to provide what we believe is an improved impetus for provincial tourism marketing initiatives and programmes.

The new strategy focuses on the importance of understanding the interrelationship between the tourism product and the organisation's marketing efforts with a focus on how the organisation behaves in addition to the services that it delivers. It deals with the "what" and "how" we deliver.

In reviewing the past year it is encouraging to note the achievements of the organisation in respect of Tourism Strategy 2000 – 2003 in relation to the goals set for this period. These are outlined under the section on "Goals and Targets" in this report.

While we are currently riding the crest of a good season, it is imperative that we have a sustainable plan of action that will allow us to grow while also impacting positively on GDP growth, job creation, redistribution and transformation within the province. The Board is confident that Tourism Strategy 2003 – 2006 is the vehicle, and The KwaZulu-Natal Tourism Authority (KZNTA) the conduit, through which this can be achieved.

It is also pleasing to note the in-roads that the organisation has made to monitor and improve service levels within the tourism industry in the province. A dedicated Customer Care Co-ordinator, a well structured internal and external Customer Care programme and an innovative incentive system are indicative of Tourism KwaZulu-Natal's commitment to service excellence both within the organisation and within the industry.

The strides that have been made in the pursuit of direct international charter flights into the province through Durban International Airport bring promise of improved international visitor arrivals.

As the KwaZulu-Natal Tourism Authority turns another corner in its history with a new Board, a revised Tourism Strategy, an aligned action plan, and a motivated management team and staff, I have no doubt that, together with our stakeholders and partners, we will all win!

Ms Anitha Soni

Chairperson: The KwaZulu-Natal Tourism Authority

STATE OF TOURISM

Tourism KwaZulu-Natal commissioned a fifth study in 2002 to determine the nature and extent of the province's domestic and foreign tourism markets. A decision was however made to curtail the foreign component of this study, due to the fact that South African Tourism is now conducting detailed monthly foreign tourism departure surveys. Tourism KZN thus only conducted one foreign departure survey in February 2002

The Domestic Tourism Market

The domestic component of KZNTA's provincial tourism survey involves a quarterly survey of a representative sample of 900 South African adults living in urban areas. These studies have revealed that this province still has the dominant share of South Africa's domestic urban tourism market. Furthermore, urban domestic tourism flow to the province improved in 2002 largely as a result of an increasing South African urban population and aggressive marketing.

According to the research that has been undertaken it is possible to estimate that in the order of 8.4 million urban domestic adult tourists from outside or within this province travelled to one or more destinations within KwaZulu-Natal, in 2002. The primary factors that attract tourist to this province are its beaches and family and friends. KwaZulu-Natal's core tourism market is derived from within its borders. It is important to note that this is a common phenomenon in South Africa, with other key domestic tourism destinations such as the Eastern Cape and the Western Cape displaying similar trends.

Gauteng is this province's core external source market as has historically been the case. However, when this province's market is analysed in terms of holidaymakers only, Gauteng is its most important market. The key destinations, visited by domestic tourists in this province are the Durban Central area the South Coast, the Midlands and the North Coast. The domestic surveys have revealed that the average adult domestic tourist who visits a destination in this province spends in the order of R1000 a trip, thus implying that KZN's domestic tourism market is worth approximately R8 billion per annum, in terms of consumer expenditure.

The International Tourism Market

KZNTA and South African Tourism's international surveys for 2002 revealed that approximately 29% of all South African foreign air arrival tourists visit this province. It is estimated that approximately 2.1 million overseas and African air arrival tourists visited South Africa in 2002. This was significantly higher than 2001 year largely as a result of the marketing efforts of the country and the fact that South Africa was perceived to be a 'relatively safe destination' after the 11 September 2001 'bombing' incidents in the USA. Roughly 616 000 of these tourists visited KwaZulu-Natal.

These tourists originated mainly from the following markets.

United Kingdom 24%
Germany 13%
USA & Canada 10%
France 8%

Africa 8%
The Netherlands 6%
Australia 4%

Source: SA Tourism 2002 Airport Departure Surveys

They visited KwaZulu-Natal primarily for holiday purposes (68%). Approximately 9% did so to visit family and friends and 17% came to the province on business (including conferences and shopping) and 6% for other purposes.

The core KZN destinations visited by foreign air arrival tourists were:

Durban 73%
Drakensberg 36%
Zululand/ Maputaland +30%
Pietermaritzburg & Midlands 30%
North Coast 27%

Key attractions were:

Durban Beachfront 73%
Zulu Villages 38%
Drakensberg 36%
KZN Game Parks 32%
Valley of 1000 Hills 20%

Source: SA Tourism 2002 Airport Departure Surveys

Foreign air arrival tourists who visit this province spend an average of +/-R1 300 per person per day during their stay. The majority stay in the province for 5 nights or less thus spending in the order of R6 500.00 during their stay in the province. This implies that this component of the province's foreign tourism market is worth an estimated R4 billion per annum in terms of consumer expenditure.

South African Tourism's surveys revealed for the first time that KwaZulu-Natal is visited by at least 10% of the foreign land arrival market this equates to roughly 400 000 tourists per annum. This implies that KwaZulu-Natal total foreign tourism market is in the order of 1mn arrivals per annum. Land arrival tourists spend in the order of R7 000 (+/- R1000 per day for an average of 7 nights) whilst in this province, which implies that KwaZulu-Natal's land arrival market is worth approximately R3 bn per annum. This provinces total foreign market is worth in the order R7bn in terms of direct tourism expenditure.

Overall Performance

KwaZulu-Natal's total tourism industry was thus worth approximately R 15 billion in terms of consumer expenditure in 2002. The total impact of tourism on the economy, if an estimated multiplier of 1.42 is applied, was R21bn. Its contribution to the Gross Geographic Product (GGP) of this province is estimated to be in the order of 10%. This industry employs directly or indirectly approximately people. This is based on the estimate that 13 jobs are sustained or created from about R1 million of direct tourism expenditure.

Key Conclusions

KZNTA studies have revealed that the primary factor that threatens KwaZulu-Natal's share of both the domestic and international tourism markets is the perception of crime and grime. It is however important to note that perceptions of safety and security are improving. Furthermore, it appears that this province needs to market the diversity of its tourism product optimally.

On the whole however, tourists tend to enjoy their stay in the province and are likely to return, as well as to recommend it to friends and relatives. The surveys have revealed the tremendous influence that word-of-mouth communication has on influencing the decision of tourists to visit destinations in this province. A creative marketing strategy needs to be developed in order to optimise this medium of communication. Marketing activities should be focused on the residents of Gauteng and KwaZulu-Natal, particularly the members of Living Standard Measurement Groups 7,8, 9 and 10. Furthermore, it should be directly and aggressively aimed at these potential tourists. The focus in terms of international marketing should be the residents of the United Kingdom, Germany, other European countries, particularly France and the Netherlands, certain African countries and the USA.

GOALS AND TARGETS

MACRO GOALS AND TARGETS

Tourism KZN in collaboration with the KwaZulu-Natal tourism trade had set the following macro targets to be achieved by the beginning of 2003:

Measure	Goals and Targets
Growth in domestic urban tourist arrivals	From at least 8mn urban adult tourists in 1998 to 8.1mn in 2003
Growth in foreign tourism arrivals*	From 459 000 in 1998 to 557 000 in 2003
Growth in direct tourism spending	From R6.8bn to R9.6 bn in 2003
Total impact on GGP	From R9.7bn in 1999 to R13.7bn in 2003
Total impact on employment	From 122 482 in 1999 to 132 450 in 2003
Growth in average length of stay	To increase the typical length (mode) of stay from 3 nights in 1998 to 4 nights in 2003 and the stay of domestic tourists from 5 nights in 1998 to 6 in 2003.

*That arrived in South Africa by air.

TKZN's achievements in meeting these targets were as follows:

- Some 8.4 million urban adult domestic tourists visited the province during 2002;
- Approximately 616 000 foreign tourists arrived in South Africa by air during 2002;
- Direct tourism spending was measured at R12 billion;
- Approximately 153 000 annual jobs were sustained in 2002;
- During 2002, the average length of stay for domestic visitors was 5.4 nights and foreign tourists stayed in the province an average of 6 nights.

MICRO TARGETS

These are specific targets against which the performance of KZNTA is measured. In addition, more detailed targets are set in annual action plans against which the Board monitors progress.

Consumer Response

Measure	Goals and Targets
Brand recognition	Foreign - from 7% in 2000 to at least 13% in 2003. Domestic - from 34 % of urban adults or 4mn in 2000 to at least 60% or +/-7mn urban adults in 2003.

Use of web site	To increase the hit rate and user rate of the TKZN web site by at least 50% per annum to the year 2003.
E-Mail, telephonic, mail enquiries and walk-in enquiries	To increase the rate of walk in enquiries to TKZN's main office by at least 10% per annum. To grow the number of e-mail enquiries by which TKZN's information service deals with on an annual basis by 30% per annum. To increase the number of telephonic and fax enquiries that TKZN deals with on an annual basis by 20%.
Brochure distribution	To ensure that all SA Tourism Offices and SA Embassies in KZN's key markets are constantly stocked. A monthly e-mail will be sent to these agencies in order to ascertain what their current stock levels are.

Trade Response

Measure	Goals and Targets
Recognition of slogan	To increase local trade awareness of slogan from 80% in 2000 to 95% in 2003.
Awareness of campaigns	To increase local trade awareness of TKZN campaigns from 32% in 2000 to 75% in 2003.
Perceptions of performance	To increase the 32% of local trade who stated that TKZN is performing above average or significantly above average with respect to similar organisations in 2000 to 55% in 2003.
Registration Rate	1 500 registration by end March 2001. 4 000 registrations by end March 2003. 6 000 by end March 2004.

Tourism KZN's achievements in terms of micro-targets:

Consumer Response

Brand Recognition 21% foreign; 35% domestic.

Use of website – 162% growth in 2002.

E-Mail, telephonic, mail enquiries and walk-in enquiries – Main Office – walk-ins +50%, Telephone & Fax +20%, e-mail 0%.

Trade Response

Recognition of slogan – 89% recognition.

Awareness of campaigns – 87% awareness.

Perceptions of performance – 46% regard TKZN's performance as above average or significantly above average with respect to similar organisations.

Registration rate – 2 600 by March 2003.

CHIEF EXECUTIVE OFFICER'S REPORT

STRATEGIC MARKETING FRAMEWORK

INSTITUTIONAL ALIGNMENT

In the year under review Tourism KwaZulu-Natal continued to strive to align its activities with its key partner institutions at local government, provincial and national government levels.

Provincial government co-operation

Department of Economic Development and Tourism

During the year under review a much closer working relationship was forged between the Provincial Department of Economic Development and Tourism (DEDT), Tourism KZN, and the Public Entities which report to the MEC for Economic Development and Tourism.

Monthly meetings were held between the Head of Department of the DEDT and the Chief Executive Officers' of Trade and Investment KZN, Ithala Development Finance Corporation and the CEO of Tourism KZN. In addition the CEO's of the KZN Philharmonic Orchestra and the KwaZulu-Natal Sharks Board were also invited to attend some of these meetings.

Two larger workshops of the management teams during the year helped to cement this relationship and two additional co-ordinating mechanisms ensured greater co-ordination around financial and communication matters. These were the:

- Communications committee (Corporate Affairs Managers)
- Financial committee (Meetings of Chief Financial Officers)

Ezemvelo KZN Wildlife

The newly established Eco-tourism and Marketing Division within Ezemvelo KZN Wildlife assisted in forging closer co-operation between Ezemvelo KZN Wildlife and Tourism KZN. The already close working relationship between the organisations around participation in trade and consumer shows was extended into joint promotional campaigns, research and the provision of synergistic branding opportunities. Regular meetings were held in the course of year to facilitate co-operation and ensure that there was no duplication of effort.

Trade and Investment KZN (TIK)

Whilst there was not a great deal of progress with TIK regarding the initiation of joint investment promotion with Tourism KZN in the year under review, the two organisations ensured that there was no duplication of effort. Tourism KZN presented its 12 key

development projects to the management and Board of TIK and initiated discussions on how these could be promoted in order to secure investment.

Amafa KwaZulu-Natali

The relationship between Amafa KwaZulu-Natali was primarily around co-operation in the implementation of the tourism project at the Emakhosini Valley.

Other Departments

Tourism KZN has continued to co-ordinate its efforts with other provincial government departments, more especially the Department of Transport and the Department of Education and Culture in the programmes which it initiated during the 2002/2003 financial year.

National Government

Tourism KZN continued to align its their activities behind those of national government particularly with regard to international marketing and the funding and facilitation of tourism development projects through the Poverty Relief Fund.

Tourism KZN was represented on the following structures, which met regularly in the year under review to facilitate synergy between the national government and provinces.

- Minister and MEC's Tourism Meeting (Tourism MINMEC);
- MINMEC Interprovincial Technical Committee (Tourism MIPTECH);
- Provincial CEO's meeting with SA Tourism;
- National Tourism Research Working Group;
- Tourism Development Working Group;
- Tourism Transformation Forum.

These meetings were held once a quarter and attended by Management staff from Tourism KZN.

Provincial and Local Government Co-ordination

Formal co-ordination structures between the province and local government did not work as effectively as they should have during the year under review although there has been a high degree of co-operation in the implementation of joint programmes and projects.

Part of the difficulty encountered was due to the fact that the amended legislation was being finalised and led to a vacuum with regard to co-ordinating structures. A workshop was however held during 2003 with District Councils, Tourism KZN and the Department of Economic Development and Tourism to discuss the approach to implementing the requirements of the amended legislation.

Despite this situation, co-ordinating structures with Local government managed by Tourism KZN did meet during the year and included:

- Marketing Liaison Committee;

- Research and Information Systems Liaison Committee.

Ad hoc co-ordination

In addition to the establishment of formal co-ordination structures highlighted above, there was effective co-operation and synergy established between Tourism KZN and national government in the implementation of the following programmes and projects:

- Tourism Month;
- National Schools Competition;
- ETEYA Small Business Awards;
- World Cricket Cup;
- Indaba 2003; and
- World Summit on Sustainable Development.

At provincial level Tourism KZN co-operated with a number of different provincial government departments in exhibiting at the Liege Fair in Liege in Belgium.

PROVISION OF MARKETING PLATFORMS

Marketing Material

Tourism KZN continued to produce a range of marketing material during the course of the 2002/2003 financial year to profile the different destinations of the province. In addition to the various advertising opportunities which Tourism KZN pursued within different publications, and editorial is was able to secure through media guest programmes, Tourism KZN produced and distributed the following marketing collateral in partnership with local government and private sector partners.

The Kingdom of the Zulu – Travel & Tourism Guide 2002/3	60 000 copies
Provincial Road Map	100 000 copies
A Guide to Conference Venues in the Zulu Kingdom	30 000 copies
A Guide to Golf in the Zulu Kingdom	30 000 copies
A Guide to Hotels and Game Lodges	30 000 copies
A Guide to Self-Catering, Bush Camps & Caravan Parks	30 000 copies
A Guide to Bed & Breakfasts and Guest Houses	30 000 copies
A Guide to Self-Drive in the Zulu Kingdom	30 000 copies
A Guide to World Heritage Sites in the Zulu Kingdom	5 000 copies
A Guide to Township & Cultural Tourism in the Zulu Kingdom	5 000 copies
A Guide to Hiking in the Mweni Area	3 000 copies
Brew Route – Introducing KZN's Brew Route	5 000 copies
Tel-I-tourist – Introducing TKZN's Tel-I-tourist facility	50 000 copies
Lilani Hot Springs	3 000 copies
Isithumba Adventure	3 000 copies
A Guide to Safety Tips for Tourists	15 000 copies
Tourism Investment Guide 2002	5 000 copies
Research Report Catalogue 2002	3 000 copies
Tourism Partnership Brochure 2002/2003	3 000 copies
Kingdom of Adventure	30 000 copies

Discover the Zulu Kingdom – An Audio Guide
The Theme Park of South Africa – KZN video

500 copies
On request

Whilst a number of these brochures were funded from Tourism KZN funding, by providing registered tourism suppliers and partners the opportunity to advertise in these materials the organisation was able to generate just under of R1 million in revenue.

These materials were distributed through tourism information offices, SA Embassies, SA Tourism offices, TKZN international representatives and at travel trade and consumer shows within South Africa and internationally.

BRAND STRATEGY AND MERCHANDISING

The 2002/2003 financial year was an exciting year in the development of the Zulu Kingdom brand. The period witnessed the finalisation of an extensive brand review process which had been launched in the previous financial year.

Based upon extensive research undertaken by TKZN, the brand review process recommended that the logo of the “Kingdom of Zulu” be redesigned, and a change of name to “Zulu Kingdom”. In addition it was recommended that greater emphasis be placed upon the marketing of specific destinations within the province. This would enable TKZN to target specific market segments to visit particular destinations within the province.

This will be interpreted into revised marketing collateral and programmes to be rolled out in the 2003/2004 financial year.

The 2002/2003 financial year also saw the establishment of a pilot programme around merchandising in a lifestyle store at Musgrave Centre called “Zulu Legends” in partnership with the private sector. This lifestyle store combined food, a coffee shop with home décor, fashion, tourism information and delicatessen and events in a unique shopping experience. The purpose of the pilot was to identify best practice and systems that could be used in the establishment of a wider range of stores across the country and eventually internationally.

The lessons from this pilot operation will be drawn up into an operations manual for further roll out in the 2003/2004 financial year.

INFORMATION SYSTEMS AND DATABASE MANAGEMENT

Tourism KZN has continued to develop, manage and maintain a dynamic, relevant and accessible tourism information management system and research programme for the province.

Website

In achieving its world-class efficiency in this regard, the Tourism KZN continued to develop its website and other computer-based tools during the period under review.

The www.zulu.org.za site was developed in 1997, and has grown in use and content ever since. In the period under review, the Tourism KZN continued with its programme to overhaul the site, in keeping with relevant technology and design trends. The objective of the endeavour is to ensure that it is the most comprehensive source of tourism information on the province and that it is a site that ranks amongst the best tourism sites in the world. The site has developed into a network of regional, sub-regional, routes and experiential sites that provide comprehensive information on the following destinations:

- The Battlefields
- The Drakensberg
- The South Coast
- Zululand
- The North (Dolphin) Coast
- Greater Durban area
- East Griqualand
- Pietermaritzburg and Midlands

It also provides information on the following sub-regions or routes:

- Howick
- Nottingham Road
- Boston Bulwer Beat
- Midlands Meander
- The Amble
- Hibiscus Coast
- 1000 Hills
- Sugar Coast
- Umdoni Coast and Country (Greater Scottburgh area)

The performance of the TKZN website in terms of hit and unique user rates has been as follows:

Hit Rate

Months	1999	2000	2001	2002	2003
January	44924	151796	149203	966 004	2 337 996
February	41977	115789	140709	1 159 090	2 309 835
March	55962	130133	122482	1 010 500	2 694 754
April	58 130	124 172	193 032	983 914	
May	62 424	137 658	165 116	1 320 362	
June	65 507	111 577	174 427	1 113 453	
July	67 474	120 595	207 504	1 961 153	
August	65 871	125 467	329 669	1 770 590	
September	51 789	129 600	319 561	1 492 291	
October	86 697	151 628	439 845	1 912 494	
November	102 813	99 426	592 734	1752251	
December	77 612	123 099	528 694	1 786 790	
TOTAL	499 831	841 994	2834282	17228892	

Unique Visitors

Months	1999	2000	+(%)	2001	+(%)	2002	+(%)	2003	+(%)
Jan.	1594	4609	189	5643	22	19 941	253	28191	41
Feb.	1580	4333	174	7321	69	20 284	177	27857	37
Mar.	2086	5301	154	6112	15	19 513	219	31132	60
Apr.	2 354	5 038	114	7 602	51	18 340	141		
May	2 261	5 903	161	6 556	11	25 265	285		
Jun.	2 258	4 607	104	7 232	57	17 123	137		
Jul.	2 196	5 980	172	7 699	29	22 707	195		
Aug.	2 228	6 259	181	8 171	31	22 347	173		
Sep.	1 978	5 974	202	8 262	38	20 924	153		
Oct.	3152	6931	120	10 477	51	26 845	156		
Nov.	3 650	4 643	27	13 473	90	24 220	80		
Dec.	2 935	6 070	107	10 703	76	22 750	113		
TOTAL	28 272	61 183	116	99251	62	260 259	162		

Tourism KZN's website has performed satisfactorily in growth in terms of both hits and unique visitors. The growth in terms of unique visitors was 162 % in 2002, far more than the expected rate of 50%.

Tourism KZN's network of websites is currently ranked as 59 000 out 16mn websites by alexa.com. This implies that it is amongst the top 1% of most popular websites on the

World Wide Web (www).

Tourism Registration System

Tourism KwaZulu-Natal launched a voluntary registration system for the tourism industry in July 2001. Its aim is to ensure that greater benefits accrue to tourism stakeholders.

In addition to the fax-on-demand service, those registered are given access to the extensive Tourism KZN database and inclusion in trade and travel guides.

In addition to which members receive an automatically-generated and hosted web page that displays details of the establishment, hyperlinks to its e-mail, formal website and booking service facilities, photographs and branding of the establishment. The registered establishment is also able to edit and upload its own content on the site, which is a component of the Tourism KZN homepage.

It also affords members access to Tourism KZN's partnership programme, the receipt of regular updates on developments in Tourism KZN and the industry through its Corporate Affairs division, while also devolving the right to be referred to as "A registered KZN tourism establishment".

To date more than 2 600 tourism services have registered with Tourism KZN.

Fax on Demand

During the 2002/2003 financial year Tourism KZN continued to develop its Fax on Demand service, with a host of new services being added onto the already comprehensive list, including the manifold attractions of the province, which is also available in French, German and Spanish.

Approximately 26 000 individuals used the service during the period under review.

TeliTourist

During the period under review Tourism KZN launched South Africa's first TeliTourist facility. This service is based on cellular phone voice message technology to provide audio clip information on the core attractions, themes and regions of this province. It is the first tourism information service of its kind to be launched in Africa. Vodacom, a core partner in this project has also indicated that it is one of the largest Interactive Voice Recording (IVR) systems of its kind on this continent.

There are more than 10 million owners of cell phones in South Africa. This is almost five times the number of internet users in this country. It is also important to note that these owners are spread across a broad band of individuals who belong to Living Standards Measure (LSM) groups 4 -10. Cellular phone technology is thus an exciting opportunity for tourism marketing communication. It was as a result of an understanding of this fact that when KZNTA was approached by Travelphone at the beginning of 2002 to establish a TeliTourist facility, that it embraced this opportunity'.

Similar services of this kind have also been launched in New York and London, the only other locations globally to offer such services.

The initial service provides more than 150 voice clips of KwaZulu-Natal Regional Information, Durban and Pietermaritzburg core attractions and thematic information (e.g. golfing, restaurants) and useful tourism tips and emergency information. These are accessed by dialling a Telitourist number and a specific service

Some examples of this service are:

- Durban Central City Walk - dial 082 239 2410 and when prompted dial 2501
- Mitchell Park Zoo - dial 082 239 2410 and when prompted dial 3010
- Inanda Tour - dial 082 239 2410 and when prompted dial 2518
- Pietermaritzburg City Walk - dial 082 239 2440 and when prompted dial 2515
- Fishing permits Information - dial 082 239 2440 and when prompted dial 3000.
- Tourism KZN has begun to promote this service through a special brochure, which is distributed through its information offices. In the case of attractions and walks, special signs with the relevant Telitourist number will be erected at those attractions.

Tourism KZN intends expanding this service during the 2003/2004 financial year by including information on other core provincial tourism attractions and translating it into German, French, Spanish and Zulu.

Tourism Asset Database

Established in 1997, the Tourism Asset Database is the most comprehensive tourism asset register in the country, providing information on more than 10 000 tourism assets across the province. With the introduction of the Tourism Registration System during the period under review, the asset database is developing even further and today provides an even greater service. The advent of new information gleaned from the Tourism Registration System will be incorporated in the update and editing process that began during the period under review.

MARKET RESEARCH

Nature and extent of KwaZulu-Natal's foreign and domestic markets

Tourism KZN commissioned a fifth series of in-depth surveys to determine the nature and extent of KwaZulu-Natal's foreign and domestic tourism markets. The study was specifically designed to provide relevant strategic data for the various regions of the province.

Measuring the impact of Tourism KZN's actions

During the course of the 2002/2003 financial year, Tourism KZN continued to measure the performance of its marketing activities. The organisation has established systems to monitor variables such as unique user rate and hit rate of the website, the number of e-mail inquiries generated by the website, numbers of a particular brochure that were distributed, the number of contacts made at trade and consumer shows and the usage level of the fax-on-demand service. The tracking survey to assess the impact of Tourism KZN's public relations activities also continued.

Visitor Books

KZNTA published a common visitor book for Community Tourism Organisations and core attractions in KwaZulu-Natal. The data collected from these books is utilised to gauge the nature of the KwaZulu-Natal tourism market. More than 150 youth hotels, CTOs, museums and other tourism facilities have the books.

Key Stakeholder Interviews

KZNTA continues to gauge core tourism stakeholder opinion of the performance of the market. Interviews with a panel of leading provincial tourism decision-makers are held on a monthly basis.

Cruise Tourism

KZNTA commissioned a study to determine the nature and extent of the global, South African and KwaZulu-Natal Cruise Tourism industry. The purpose of this study was to develop a strategy for KwaZulu-Natal to more effectively engage the Cruise Tourism Market. This was the first study of its kind to be conducted by a tourism agency in South Africa.

Trends Brochure and Catalogue of Research Reports

It has become practice at KZNTA to disseminate research findings via the regular publication of domestic and international tourism market trends in brochure form. This is made available to all stakeholders and also to schools, tertiary education institutions and on the website.

The research reports cover themes from tourism development research to economic forms of tourism to market research and tourism statistics.

The German Beach and Charter Tourism Market

In the period under review KZNTA commissioned the German Arab Tourism Organisation (GATO) to specifically investigate the feasibility of KwaZulu-Natal engaging the German Beach and Charter Tourism Market. This particular research has assisted KZNTA in developing a strategy to engage this key market.

Incentive Tourism Market

In the 2001/2002 financial year KZNTA developed a practical strategy to engage the Incentive Tourism Market. During the 2002/ 2003 financial year a decision was made to action one of the core recommendations of the strategy, which was to hold a series of workshops in the Province in order to:

- inform product owners of the concept of incentive tourism and the results of the study
- brainstorm to begin to develop incentive products in the various regions of KZN – particularly domestic incentive and motivational segment and small foreign incentive groups.

Two of the core objectives of this process were:

- The development of a manual for South African corporate businesses, to educate them about the concept of incentive tourism and the incentive options which KwaZulu-Natal can offer. This manual could also be used to create awareness amongst foreign incentive tourism organizers of potential KwaZulu-Natal incentive packages or product.
- The development of a manual for local operators.

The intention is to publish these documents and distribute them in an effective manner in the forthcoming year.

Comrades Marathon, 2002

KZNTA together with the Economic Development Unit of the Ethekeeni Municipality co-funded a study to measure the economic impact of the Comrades Marathon, 2002.

The Economic Impact of Tourism Investment in KwaZulu-Natal

This study was commissioned by KZNTA towards the end its 2002/ 2003 financial year and will be completed in the 2003/2004 financial year. A representative sample of all categories of tourism is being used to determine the level and impact of tourism investment in the province over the past 3 years.

The Feasibility of establishing a regional airport in Northern KwaZulu-Natal

KZNTA, together with the Development Bank of South Africa and Umkhanyakude District Municipality have mobilised an study to determine the feasibility of establishing a regional airport in the Maputaland/Hluhluwe-Umfolozi area of KwaZulu-Natal. This study will be completed in mid 2003.

Information Resource Centre

The information resource centre established in the previous year houses all KZNTA's's information resources such as research reports and articles, media reports, reference books, international journals, slides, CD Roms and videos. It hosted more than 2000 visitors in the period under review. The Tourism Information Services division constantly monitors international and domestic market trends through the sources:

- World Tourism Organisation Reports
- World Travel and Tourism Council Reports
- The Tourism Industry Intelligence Publication
- Annals of Tourism Research
- SA Tourism's International Market Surveys
- Statistics SA Releases
- Special reports outlining the latest international and domestic market trends are published and updated.

Tourism Research Network

Tourism KZN maintains a strong relationship with its more than 60-strong network of researchers in the province, all of whom have experience in various fields of tourism research.

TOURISM INFORMATION OFFICES

During the year under review, Tourism KZN continued to mobilise its Tourist Information Office Strategy which was approved by the Board in the 2001/2002 financial year. In terms of outputs for the year, the following progress was made in implementing the strategy:-

- A tourist information office was established at the Capetown V & A waterfront (national presence)
- A gateway tourist information office was established at Kokstad (South Gateway office)
- Tourism KZN's flagship tourist information office was relocated from the first floor, into a more spacious and easily accessible office on the ground floor of the Tourist Junction building in Pine Street, Durban.

The performance of Tourism KZN's flagship information office and the information office at Durban International information offices has been as follows:

Main Information Office

Month	Tel. & Fax Enquiries			Walk-Ins			Email Enquiries		
	2001	2002	%	2001	2002	%	2001	2002	%
Jan	*	1540	*	*	763	*	*	552	*
Feb	*	1710	*	*	526	*	*	691	*
March	*	2234	*	*	809	*	*	517	*
April	721	920	28	371	689	86	374	555	48
May	740	3374	356	191	1425	646	329	583	77
June	669	868	30	200	616	208	261	571	119
July	860	1050	22	178	800	349	327	592	83
August	1005	1566	56	249	850	241	515	542	5
September	992	2392	141	300	646	115	356	571	60
October	626	1716	174	169	1011	498	603	580	-4
November	1106	1154	4	288	870	67	591	154	-74
December	941	1403	33	355	1006	65	538	141	-74
Total	9661	14443		2301	7913		3894	4289	

* Information not collected at that time.

Month	Telephone	Counter	Email	Overall
November (2001)	31	2197	7	2235
December	100	2155	4	2259
January (2002)	83	2291	8	2382
February	80	1792	1	1873
March	79	1645	5	1729
April	32	568	5	605
May	73	1541	0	1614

June	70	1947	0	2017
July	116	2147	0	2263
August	87	1835	0	1922
September	75	1565	0	1640
October	112	1907	0	2019
November	92	1779	21	1892
December	119	1634	9	1762
Total	1018	20651	49	21718
Average	85	1721	4	1809

TOURISM SIGNAGE

KZNTA provided funding to enable the following District Municipalities to meet certain of their signage needs:

District municipality	Description
Uthungulu	Nkandla welcome, hiking and directions signs
Ilembe	Information Lapa's for North Coast area.
Umzimyathi	Information Lapa's
Uthukela	N3 Signage for Drakensberg World Heritage Site and Battlefields Route
Ugu	N3 Scottburgh Information Office Signage, improved signage for Oribi Gorge
Mgungundlovu	Tourism signage for Howick area
Umkhanyakhude	Info Lapas for St Lucia, Phelendaba, Mkuze and Mkuze Information Office Sign.
Zululand	Vryheid, Nongoma and Paulpietersburg tourism signage
Amajuba	Newcastle, Utrecht and Dannhauser tourism signage
Sisonke	Two Rivers Tourism Signage

CUSTOMER CARE PROGRAMME

Tourism KZN launched its Customer Care Programme in April 2002. This programme is based on the promotion of a toll free number to enable tourists to lodge complaints or compliments regarding a particular tourism service.

Tourism KZN has appointed a dedicated co-ordinator and trained all of its tourism information officers to record these incidents. The Customer Care Co-ordinator investigates these incidents and attempts to find an amicable solution to these problems. During this reporting period this co-ordinator also has the support of inspectors from the broader customer care programme of the province, co-ordinated through the Department of Economic Development and Tourism.

In the event of repeat offenders which are registered with KZNTA, the right is reserved for Tourism KZN to deregister that particular service, which would imply that it would lose access to all incentives provided through registration.

Tourism KZN also has a programme to improve the level of service delivery of its employees

KZNTA realises that it is essential to aggressively promote a customer care programme. Progress made to heighten awareness of this programme during this reporting period has been:

- a dedicated advertising campaign was run in the SAA in-flight magazine Sawabona.
- all KZNTA marketing material e.g the website, travel guides etc. referred to this service;
- thousands of “business type cards” were developed and are handed out to tourists at tourist information offices and core attractions;
- posters were displayed at libraries, information offices, museums and other core attractions to heighten awareness of this programme.

During this reporting period an incentive programme was developed to encourage service excellence in tourism service providers. The inaugural Zulu Kingdom Awards programme was launched and marketed and culminated in the following awards being presented at a gala dinner held in March 2003:

- Tourism Information Office of the Year
- Tourism Event of the Year
- Community-based Tourism Project of the Year
- Special Judges Award for an individual or company’s contribution to tourism in KwaZulu-Natal

It has since been resolved that the categories of the Zulu Kingdom Awards would be revised in the coming year to be more focussed on tourism service delivery within particular tourism sectors, e.g Accommodation, tour operating, tour guiding etc.

BURSARY PROGRAMME

KZNTA made 30 x R5000 bursaries in its 2002/2003 financial year to aid tourism students from the province and also as an attempt to increase the provincial tourism skills base. In this the third year of this programme, 26 bursaries were awarded. In order to qualify, students must have completed one full year of tourism study at a recognized tertiary institution, they must have obtained a minimum of a 65% aggregate in a tourism program, they must be KZN residents and have a financial need.

TEACHER TRAINING SUPPORT PROGRAMME

During the 2002/2003 financial year Tourism KZN continued its support of a series of Tourism Teacher Training workshops. These University of Zululand workshops are aimed at provided teachers that are currently tourism in KwaZulu-Natal with the necessary background training to effectively teach this subject. The funding which was provided enabled The University of Zululand to run 2 series of 3 workshops in Pietermaritzburg and Empangeni.

EVENTS DEVELOPMENT

During the period under review Tourism KZN partnered with a number of core events and festivals by assisting in their advertising and promotion and ensuring exposure for the Kingdom of the Zulu brand. These events included:

Splashy Fen Music Festival	April 2002
Sardine Run	June 2002
Comrades Marathon	June 2002
Newcastle Winter Festival	July 2002
Umkhosi Womhlanga	September 2002
Oribi Gorge Aucuostics	September 2002
King Shaka Celebration	September 2002
Miss India Worldwide Paegent	October 2002
Dusi Canoe Marathon	January 2003
Re-enactment of the Battle of Isandlwana	January 2003
Midmar Mile Swimming Marathon	February 2003

IMAGE MARKETING

The Image Marketing component of Tourism KZN's strategy was divided into three core areas of activity:

Corporate Communications: Strategies undertaken to promote Tourism Strategy 2000 – 2003 and the internal and external communication of the achievements of the organisation, thereby improving the overall image of the organisation;

Tourism Awareness Programme: A national tourism awareness programme that focussed on dealing with the perceptions and realities of safety, security and grime, and profiling the benefits of tourism and opportunities within the tourism industry;

Media Leverage: Strategies undertaken to pursue creative media partnerships with the electronic and print media to:

- augment marketing communications expenditure by leveraging exposure for the Zulu Kingdom brand;
- improving perceptions of the province as a tourist destination; and
- enhancing the image the organisation by profiling its employees, projects and achievements.

Corporate Communications

Wozani Newsletter

Four issues of the organisation's newsletter *Wozani* were developed and 4000 copies per edition were distributed to both domestic stakeholders and through the offices of the organisation international representatives in the U.K. and Germany.

Weekly News

Internal communications was improved through a weekly electronic newsletter to employees and partner organisations reporting on progress of projects across departments, breaking news, research results and forthcoming functions and events. All Tourism KZN's news releases issued through the Corporate Affairs division were also circulated to all employees.

Tourism Strategy 2000 – 2003

The Board reviewed Tourism Strategy 2000 – 2003 during this reporting period. A draft of the revised strategy was distributed through direct mail, presentations and on the organisations website to internal and external stakeholders for comment, with a view to launching a revised Tourism Strategy for the period 2003 – 2006, during the 2003 – 2004 reporting period.

Tourism Awareness Programme

The 2001/2002 Annual Report highlighted the need to create a single mechanism to deal with matters regarding tourism safety and security. During this reporting period the Provincial Priority Committee (PPC) on Rural Safety and Tourism was identified as the mechanism through which Tourism KZN could give input into matter relating to safety and security of tourists.

The PPC is chaired by the SAPS and is attended by representatives of the following organisations:

- all SAPS areas within the province;
- Department of Land Affairs;
- South African National Defence Force;
- Department of Justice;
- Ezemvelo KZN Wildlife;
- Department of Justice;
- Department of correctional services was identified as a mechanism;
- KZN Road Traffic Inspectorate; and
- KZNTA

During this reporting period, a province-wide tourism awareness campaign was mobilised. The objective of the campaign was to make urban and rural communities aware of the benefits of tourism and the opportunities within the industry. A particular focus of this campaign was the impact which crime has on this province as a tourist destination.

The campaign took the form of roadshows to various venues within the province, which were either considered to be crime hotspots or potential tourism nodes or both. The roadshows comprised three components:

- Staged music event;
- Stakeholder workshops; and
- Street theatre

An organisation called Community Awareness Projects (CAP) was appointed to co-ordinate the tourism awareness roadshows. Together with media partner Ukhozi FM, they promoted the venues of the roadshows on air and co-ordinated well-known local music artists to perform live during the staged music events. Together with representatives of Tourism KZN and the Department of Economic Development and Tourism, CAP also co-ordinated stakeholder workshops and a week-long programme of street theatre in each area.

Three roadshows were held during this reporting period, in the Harding, Giant's Castle (Escourt) and Greytown areas. An estimated 17000 people, in total, attended these roadshows and hundreds of thousands more were reached through Ukhozi FM's pre-roadshow promotions, live crossings and interviews, and post-roadshow coverage. Various mainstream and community media also covered these events.

Staged Music Events

At each of the three events a keynote address was delivered by the Honourable MEC for Economic Development and Tourism, local music celebrities performed and popular Ukhozi FM Deejaays entertained the mass audiences. Throughout these events pertinent messages pertaining to tourism and crime were presented through speeches and dram plays performed by CAP actors as well as actors from the popular local television comedy "Umuzi Wezinsizwa".

Some of the South African music artists who performed during these roadshows Phuzekhemisi, Khansela and JBC, Thembinkosi, Mayogadi, KB, Kabelle of TKZee fame, Chester and Mahoota. Both the entertainment and the strong messages were well-received throughout these roadshows.

KZNTA and the Consumer Affairs Division of the Department of Economic Development and Tourism provided information kiosks at each venue, where relevant printed material, in English and Zulu, was distributed to those who attended the events.

Stakeholder Workshops

The stakeholder workshops were aimed at community leaders and included Amakhosi Local Government representatives, the South African Police Services, KZN Wildlife, and individuals and organisations that are actively involved in the tourism industry in the respective areas. Stakeholder workshops were held in Harding, Estcourt and Greytown following the staged music events with additional workshops in Clermont and Shongweni.

In these workshops, stakeholder discussed tourism development; matters concerning the safety of tourists and challenges and opportunities with regard to tourism growth in their respective areas. In addition, strategies for dealing with challenges, particularly those relating to safety and security, were discussed.

Street Theatre

The street theatre encompassed a 20-minute 'skit'/staged play about tourism performed by three of the CAP actors. These plays, timed over a week-long period to coincide with the staged music events and stakeholder workshops, were performed at various public venues such as schools, shopping complexes, street markets and taxi ranks. The content of the play was both educational and highly entertaining and many people in the audiences had recognised the characters in the plays from those seen at the staged music events that were held during the same week.

Key messages in the play included:

What successful tourism development can bring to local communities;

Cultural pride and community ownership is very important for sustainable tourism; and

Crime and grime create negative perceptions of tourism destinations and reduce the benefits and opportunities in tourism

A total of 188 performances were held during this reporting period and were attended by an estimated total of 49 000 people.

Impact of the Tourism Awareness Campaign

Positive media coverage of this campaign communicated that tourism stakeholders in the province were addressing issues relating to crime, particularly in crime hotspots and existing and potential tourism nodes.

Pre and post roadshow surveys were undertaken in areas visited and revealed a marked increase in knowledge and understanding of tourism in attendees of either the staged music event or the street theatre.

In the coming year, further venues will be identified for the continuation of this programme.

Media Leverage

Tourism KZN used both print and electronic media as part of its strategies to obtain media leverage in respect of the organisation, its employees and projects, the province of KwaZulu-Natal as a tourist destination and the Zulu Kingdom brand.

An external service provider provided a press clipping and media analysis function for Tourism KZN and monitors articles and electronic inserts in which the organisation is mentioned.

The following table indicates the organisation's performance in terms of the Rand value of the media leveraged as a result of public relations efforts and below-the line media opportunities. It must be noted that the estimated value is conservative in that it is based on the actual costs per column (print) or per second (electronic) that each article is worth. It needs to be noted that the added value of the positive media exposure, whilst difficult to quantify, is indeed highly valuable as it augments the organisations marketing efforts and spend.

Media Leverage Monitoring

Month	Value
April (2002)	R1 458 753.00
May	R1 485 905.12
June	R1 644 516.00
July	R1 577 210.44
August	R1 661 764.00
September	R1 843 617.00
October	R3 935 677.00
November	R1 485 905.12
December	R4 604 094.00

January (2003)	R5 579 926.00
February	R2 588 468.00
March	R5 377 845.48
Total	R33 243 680.16

Tourism KZN leveraged an average of R2.7mn worth of 'media space' per month during this reporting period.

Positive and Negative Media articles

The KZNTA Resource Centre also undertakes an analysis of the number of positive and negative reports relating to tourism products in the province. The data below only refers to articles that are filed in the Resource Centre.

Positive vs Negative KZN Tourism Reports 2000

'00	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOT	%
+	18	23	8	13	15	22	17	25	21	48	30	36	276	58
-	15	14	1	6	11	20	20	25	17	29	22	19	199	42

Positive vs Negative KZN Tourism Reports 2001

'01	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOT	%
+	31	36	49	44	25	49	43	40	41	47	44	55	504	65
-	19	22	43	39	24	29	16	13	20	22	16	14	277	35

Positive vs Negative KZN Tourism Reports 2002

'02	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	%
+	56	45	43	52	48	45	48	59	49	45	16	30	536	82
-	6	8	13	7	5	8	13	7	16	9	3	21	116	18

Positive vs Negative KZN Tourism Reports 2003

'03	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	%
+	13	44	67										124	84
-	9	14	0										23	16

In the coming year, efforts will be made to develop a proactive media plan which will use the media analysis report to develop specific media interventions in key domestic markets such as Gauteng and the Western Cape, with a view to generating positive media coverage in these markets.

Improved perceptions of the image of the organisation is reflected in the number of awards achieved in the period under review:

- Winning of Indaba 2004 – 2006.
- IMM (International Marketing Management) Award for achievements in marketing;
- Top 300 Empowerment Companies Award;
- Getaway Show Best Stand Awards; and

- Gauteng Outdoor Adventure Show Best Stand Awards.

In addition the Chief Executive Office was awarded with the FEDHASA Chairperson's Award, for his contribution to the development and promotion of tourism within KwaZulu-Natal.

DOMESTIC TOURISM MARKETING STRATEGY

DOMESTIC PROMOTIONAL CAMPAIGNS

The organisation focussed more directly on advertising in the domestic media in the year under review with a major promotional campaign for the Summer Season. Advertising, talk shows and competitions were combined with a number of radio stations with a view to increasing exposure for the destination and boost arrivals.

ADVERTISING

Domestic

In the period under review advertisements were placed in the following print and electronic media:

Print

Upfront
True Love
Sawubona
Getaway Magazine
Equinox
SA Tourism Update (SATSA publication)
The Star
Sowetan
Natal Witness
The Mercury
Daily News
Isolezwe
Ilanga
Financial Mail
Golf Digest
Country Life
Southern Explorer
1 000 Hills Brochure
Berg, Bush and Battlefields brochure
Discovering SA
Wildside Magazine (Ezemvelo KZN Wildlife)
World of Options
Golfers Yearbook 2003
Conference, Exhibitions and Events Guide
Programmes of the Sharks Games at Absa Stadium
Comrades Marathon Souvenir Brochure

Electronic

P4 KZN

East Coast Radio
Radio 702
Kaya FM
Radio Sonder Grense
Ukhozi FM
uMhlobo Wenene
Lesedi
Motsweding
Thobela

International

Print

GSA Marketing
Sud Afrika
Global Vision
Factfiler UK
SA Travel Planner US
Ecco Tours brochure
Travelbag
Dertour brochure
Meiers Weltreisen brochure

ATTENDANCE AT DOMESTIC TRADE AND CONSUMER SHOWS

The Zulu Kingdom continued to enjoy good exposure at a range of domestic trade and consumer shows in the 2002/2003 financial year. Shows attended by Tourism Kwazulu-Natal as part of its domestic marketing strategy were as follows:

- Getaway Show, Cape Town (7-9 April 2002)
- Outdoor Adventure Show, Kyalami (14-17 June 2002)
- Getaway Show, Durban (2-4 August 2002)
- Getaway Show, JHB (13-15 September 2002)
- Incentives and Conference Travel (ICT) Expo (19-21 February 2003)

In general, the Outdoor Adventure and Getaway Shows do play a major role as part of our ongoing strategy of maintaining our presence and growing our market share in the Gauteng and Western Cape markets. Good collaboration between Tourism KZN, regional and local tourism bodies and a wide range of service providers ensured that the Zulu Kingdom was well-represented as an exciting and excellent value for money destination for the domestic market throughout the year.

The period under review saw a marked improvement in the amount of marketing collateral distributed at the domestic shows. There was on average a 35% increase in the amount of brochures distributed with consumers expressing particular interest in information pertaining to camping, caravanning and adventure activities. Feedback from co-exhibiting stakeholders confirmed indications that interest in the province has increased at domestic shows in comparison to previous years.

TKZN exhibited for the second time at the Incentives and Conference Travel (ICT) Expo in February 2003. The show was particularly well-coordinated in terms of attracting visitors from the incentive and conference trade in Gauteng. Durban Africa and Ezemvelo KZN Wildlife shared the floor space purchased by Tourism KZN.

TKZN continues to support products owned by historically disadvantaged individuals at domestic shows through its marketing assistance programme. 2002/2003 saw basic sponsorship of floor space offered to these product owners as well as assistance for brochure development increase significantly.

Balancing the high costs of attending domestic trade and consumer shows relative to the benefits achieved remained a challenge in 2002/2003. In the forthcoming financial year TKZN will investigate different domestic shows in search of those that have the potential to grow and better serve the strategic requirements of Tourism KZN.

INTERNATIONAL MARKETING STRATEGY

RELATIONSHIP WITH SA TOURISM (SAT)

Tourism KZN's strategic approach identified the need for the organisation to align its marketing activities behind those of SA Tourism. The main form of formal co-operation was secured through the SA Tourism and Provincial CEO's meetings but Tourism KZN ensured it kept SA Tourism abreast of its activities in international markets. With the exception of marketing activities within Eastern Europe Tourism KZN focussed on the same core source markets as SA Tourism.

In particular the organisation co-operated around international shows and exhibitions, guest programmes, distribution of tourism information, research, information systems and Indaba. In the new financial year greater emphasis will be placed on creating greater synergy around promotional campaigns in key source markets.

UTILISING SA GOVERNMENT OFFICES

Tourism KZN continued to utilise SA Government offices in key international markets as a mechanism for the distribution of marketing materials.

During the year under review, in addition to SA Tourism offices in international markets, marketing information was sent to South African Embassies in the following countries:

Switzerland;
United States;
Norway;
Tanzania;
Hungary;
Italy;
France;
Brazil;
Japan;
Greece;
Russia;
Germany
United Kingdom;
China;
Sweden.

TRADE MARKETING

Tourism KZN continued to maintain a strong presence in the UK and Germany markets through its representatives Ethos Marketing, in the case of the UK, and Tourlink Africa in the case of Germany.

The core activities of the representatives in the year under review included:

- Liaising with UK and German based tour operators;
- Distribution of regular news, information and press releases;
- Negotiation with the travel trade for greater exposure of KZN product within their promotional brochures and the establishment of co-operative marketing ventures;
- Training of travel agents on KZN;
- Co-ordination of media and trade educational trips to KwaZulu-Natal.

As a result of their activity the province received increased exposure in these markets both in the print and electronic media. The year also saw the successful launch of the Brew Route in the German media and travel trade.

TKZN also hosted a Chinese TV crew looking at cultural and game experiences in the Zulu Kingdom. This was part of an educational initiative initiated by SA Tourism with the Chinese government, Tourism officials and media.

On the domestic front, Tourism KZN played a key role in raising awareness of the destination with the travel trade in Gauteng and Cape Town. In partnership with Travelpeople, Tourism KZN hosted trade sales and marketing workshops in these two important domestic source markets, but in so doing also provided valuable information to international inbound operators based in these centres. The workshops also proved to be successful in providing a platform where new establishments could showcase their products to the domestic trade.

INTERNATIONAL TRADE AND CONSUMER SHOWS

Despite the constant challenges posed by the Rand-Dollar and Rand-Pound exchange rate, TKZN effectively increased the profiling of the province and its stakeholders at both leading travel and tourism shows in the world viz. World Travel Market in London, UK and the ITB in Berlin, Germany.

The Zulu Kingdom benefited from exhibition space secured on the South African Tourism (SAT) stand and independently at both shows. The SAT counter position was used for the generic marketing of the Zulu Kingdom whilst the independent stand was used to accommodate KZN product owners. The continued success of this approach relies on securing independent space in close proximity to SAT and providing increased benefits to the products supporting this initiative.

Queries received at both shows indicate that international operators, agents and consumers are beginning to be more aware of what KZN has to offer and are showing interest in exploring the province independently, on self-drive packages, fly-in safaris and traditional Zulu experiences. The areas which seem to draw much interest in this regard is the Zululand/Maputaland area, and more combinations of sun, sea, authentic Zulu culture and safari packages. Golf and the adventure travel component of the tourist market, particularly scuba diving, received substantial interest from the German market at the ITB this year.

TKZN's international representatives assisted in securing appointments for TKZN management at both shows.

TKZN participated in a post WTM promotion in London in collaboration with the International Convention Centre and various other provincial tourism stakeholders. Presentations on the province were made to a large contingent of UK- based agents and operators in an exercise that TKZN would do well in repeating in the next financial year.

TKZN representatives attended the China International Travel Market as a result of South Africa gaining preferred destination status and in support of SAT's marketing drive in this region. This initiative proved fruitful and will be repeated in association with SAT in the 2003/2004 period.

Due to SAT reducing its marketing presence in the Benelux region and to budgetary constraints, TKZN opted not to partake in the Benelux Workshops in the period under review.

In September 2002, Tourism KZN co-operated with a number of other provincial departments to exhibit at the Liege Exhibition in Belgium. The province was provided with special exhibitor status at the exhibition, and its presence at the exhibition was enthusiastically received. The presence of the KZN delegation in Liege received significant media coverage both within Liege and Belgium as a whole.

Tourism KZN was also represented at Utasaz in March 2003, the Hungarian trade and consumer show where the province is gaining an increasing foothold in the market in support of the charters flights that have been organised from this source.

A notable aspect of international shows this year was the commendable support given to PDI owned businesses by South African Tourism. There has been a marked improvement in the quality and quantity of the profiling of these small businesses, rewarded by the Entrepreneur of the year Award instituted by SAT.

Attendance at International Trade and Consumer Shows has continued to prove its value in terms of Tourism KZN's International Marketing strategy. The remaining challenge for TKZN is to continue to assist in providing an affordable platform for KZN stakeholders to participate in the shows and to continue to increase the profiling of the province.

INDABA 2002

As part of the international marketing strategy, TKZN participated at the Indaba travel and tourism show, held in Durban from 11-14 May 2003. There were four areas of involvement for TKZN this year:

- Coordination of KZN's participation at the show;
- Participation on the Indaba Bid Partner Working Committee;
- Coordinating the participation of SMME's/PDI's;
- Preparation of the Bid Document 2004-2006.

Coordination of KZN's participation

In line with TKZN's strategy of providing marketing platforms for its stakeholders, the organisation managed to secure 300 square meters of exhibition space in the Durban Exhibition Centre (DEC). The stand comprised of 51 workstations allocated as follows:-

- 21 booths for new recruits of SMMEs, recruited through our linkages with District Municipalities and Community Tourism Organisations (CTO's);
- 1 booth for BETO (Black Emerging Tour Operators) membership;
- 4 booths for Community-based tourism projects, i.e. Lilani Hotsprings, Inanda Heritage Route, Ngome game reserve and the Greater St Lucia Wetland Park.
- 10 booths/counter positions for the District Municipalities to interchange with CTOs and publicity associations in their regions;
- One generic information and reception counter to serve as an entrance to the KZN stand and provincial grouping;
- Two separate meeting workstations for Tourism KZN;
- One Meeting Room for TKZN to host meetings and appointments
- One reception counter given to Airports Company SA (ACSA Durban) to serve the interests of the airport as an important stakeholder within KZN and to showcase the new changes at Durban International Airport.

The stand showcased the major tourism destinations of KZN using imagery of our key icons, attractions and experiences, i.e. adventure, sporting events, conferences, world heritage sites, arts and culture and our wildlife heritage.

In an attempt to have a stronger presence of KwaZulu-Natal at Indaba, all KZN products that secured space outside the KZN stand were provided with a common interlinking fascia. This provided a sense of common identity for the KZN stakeholders and created a provincial grouping.

Participation on the Indaba Coordinating Committee

As one of the lead agencies in the staging of the show in Durban, TKZN worked closely with Durban Africa and SA Tourism/RAI and the ICC in facilitating some of the logistical arrangements pertaining to the show. This included:

Shuttle service – participated in a joint tender to secure delegate transportation between the airport and the beachfront and hotels within the radius;

Pre and post tours – compiled tour itineraries in KZN. In addition to journalists from key source markets, TKZN hosted more than 15 African journalists from SADC and East Africa for the first time;

Delegate boosting – promoted Indaba at the various shows and workshops attended by Tourism KZN.

Indaba logo – the Indaba logo was posted on the front page of KZN's website to afford users access to the Indaba site (<http://www.zulu.org.za>)

TKZN hosted a breakfast for the Southern African Countries i.e. Botswana, Malawi, Mozambique, and a cocktail evening with our National and provincial Partners during the course of Indaba 2002.

Preparation of the Bid document 2004 - 2006

Together with Durban Africa, the International Convention Centre and the Ethekwini Municipality Tourism KZN effectively led the bid to have Indaba hosted in Durban for a further three years between 2004 and 2006. The successful bid document was a joint effort between the KZN based parties and was announced at Indaba in 2003.

INTERNATIONAL CONFERENCES

Whilst Tourism KZN has not played a key role in winning conferences for the province, where possible it continued to provide a service to conference delegates through information provision and the supply of promotional items.

The major support to a conference in the year under review however was the World Summit on Sustainable Development (WSSD) held in Gauteng.

World Summit on Sustainable Development (WSSD)

The World Summit on Sustainable Development (WSSD) took place in Gauteng from 22 August to 4 September, 2002.

KZNTA was represented on the KwaZulu-Natal Steering Committee on the World Summit of Sustainable Development (WSSD) which was established by the office of the KwaZulu-Natal Premier.

KZNTA booked a 9 square metres (3 x 3) stand to exhibit at Ubuntu Village, SA Pavilion. A further 27 m² of exhibition space was booked at Nasrec where the KZNTA shared the stand with the Department of Economic Development and Tourism, four tourism SMME's, the Uthungulu District Municipality, African Link Tours Travel and Umkhosi Womhlanga.

An advert was placed on the local newspapers (Ilanga on 4 July 2002 and the Sunday Tribune of 7 July 2002) with specific criteria for qualification for community-based businesses to exhibit on Tourism KZN's stand at the Summit. After the selection process was complete, transport and accommodation for four SMMEs was subsidised by Tourism KZN.

Tourism KZN's Zulu Kingdom stands were manned by a total of thirteen staff members on a rotational basis, for the duration of the summit, which was 22 days in total.

Each province was requested by South African Tourism (SAT) to submit itineraries for pre and post tours for media attending the Summit. Tourism KZN's tours were organised mainly by SMME tour operators. The specific purpose of the media tours was to highlight communities benefit from tourism, with a focus on poverty alleviation and contributions to empowerment and sustainable development.

Of the tours submitted by the KwaZulu-Natal, the following two tours were approved by South African Tourism (SAT):

- Zulu Kingdom - (Ornithological Safari)

- Zulu Kingdom - (Urban Development and Township Heritage & Environmental Sensitive Industrialisation)

Airport Arrivals and Aviation and Charter Strategy

The 2002/2003 saw Tourism KwaZulu-Natal launching a more co-ordinated programme to secure the arrival of passengers through Durban International Airport. A province wide Aviation and Charter Steering Committee was established and chaired by Tourism KwaZulu-Natal. The Committee included senior representation from the Department of Economic Development and Tourism, EtheKwini Municipality, Durban Africa, the Airports Company of South Africa and the Durban Chamber of Commerce and Industry.

The Steering Committee met regularly during the year under review and appointed Grant Thornton Kessel Feinstein to work on finalizing an Aviation and Charter Strategy for the province. This strategy was finalized in the early part of 2003 and identified 25 core strategic actions that would be required to try and increase traffic flow through Durban International Airport. This report was used as a basis for approaching the Provincial Treasury to access and Aviation and Charter over a three year period beginning in the 2003/2004 financial year.

Whilst there were no international charter arrivals during the period under review, a number of negotiations were initiated with major German and United Kingdom tour operators which should bear fruit in the new financial year.

Despite the lack of direct international charters, through Durban International Airport the growth through Durban International Airport grew at a very rapid 7% during the period under review. This growth was primarily due to the arrival of daily Kulula.com flights from Johannesburg and Cape Town, the eventing strategy of the city of Durban and conference arrivals for the International Convention Centre.

STRATEGIC PRODUCT DEVELOPMENT

Tourism KZN identified the facilitation of new and appropriate tourism products and the integration of these products into its marketing activities, as key objectives during this reporting period. The Product Development Department has successfully leveraged R95 million in this reporting period for the development of tourism products and tourism infrastructure.

The success of the province's Tourism Strategy rests on ensuring that the people of KwaZulu-Natal are able to derive direct benefits from the growth of the industry. In addition to providing support to small emerging businesses within the industry, TKZN recognises that the development of new attractions, products and events are key mechanisms in providing opportunities for disadvantaged communities.

During this reporting period Tourism KwaZulu-Natal, through a process of intensive research and stakeholder consultation, adopted a Tourism Product Development Strategy for the province.

TOURISM PRODUCT DEVELOPMENT STRATEGY

Objectives:

- Broadening ownership in the industry, particularly amongst the previously disenfranchised sectors;
- Complimenting and improving the existing tourism product mix;
- Giving support to the strategic marketing framework and brands;
- Facilitating new investment/funding in areas of low economic activity; and
- The facilitation of new tourism infrastructure.

The Tourism Product Development Strategy has identified, amongst other issues, the need to focus on coastal destination product development and marketing, in order to widen access into relatively untapped foreign tourist-source markets. These markets' primary choice for leisure holidays are coastal destinations, but they also need to be offered unique additional activities associated with wildlife, heritage and culture.

Core Development Nodes:

The following core destinations with nodal points for development have been prioritised:

Maputaland/St Lucia (Umlalazi River Mouth to Kosi Bay) - Wildlife

Primary Node:

The Greater St Lucia Wetland Park (World Heritage Site), stretching from Cape St Lucia in the South to Kosi Bay in the North and inland, generally using the N2 as the Western Boundary.

Secondary Nodes:

- Hluhluwe-Umfolozi Park
- Ithala / Pongola

- Richards Bay Waterfront & Marina
- Linkage to the Zulu Heritage & Cultural Trail

Dolphin Coast (Westbrook to Umlalazi River Mouth) – The “King Shaka” Region & Gateway to Zulu Heritage & Culture

Primary Node:

The coastal stretch of beach from the Tongati River in the South to Tinley Manor in the North. (King Shaka Coast)

Secondary Nodes:

- Linkage to Zulu Heritage & Cultural Trail
- Linkage to The Valley of 1000 Hills

Durban (Scottburgh to Westbrook) – A Zulu/Cosmopolitan Buzz and Vibrancy and Gateway to the North, West and South of KwaZulu-Natal

Primary Node:

The Beachfront, stretching from the Point in the South to Blue Lagoon in the North.

Secondary Nodes:

- Eco-tourism linkage to The Valley of 1000 Hills
- Zulu Heritage & Culture and Township Tourism
- Durban Marina

The South Coast (Amanzimtoti to the Wild Coast) – The existing reputation of the South Coast as a Domestic Beach Destination linked to the emergence of the Wild Coast

Primary Node:

The coastal stretch of beach from Port Edward in the south to Port Shepstone in the north and creating a triangular node by going inland to include Oribi Gorge/uMzimkhulu Game Reserve.

Secondary Nodes:

- Future Linkages to the Zulu Heritage and Cultural Trail

Durban / Pietermaritzburg / Midlands Tourism Corridor – with its linkage to the Southern Drakensberg and the proposed Lesotho Loop

Primary Node:

The Valley of 1000 Hills.

Secondary Nodes:

- Southern Drakensberg
- Linkages to the Zulu Heritage and Cultural Trail

uThukela Gateway – linkage to the Ukhahlamba-Drakensberg World Heritage Site; Wildlife; Heritage and Culture; and the Battlefields

Primary Node:

The Ukhahlamba-Drakensberg World Heritage Site.

Secondary Nodes:

- The uThukela Gateway (Ladysmith/Colenso/Weenen/Estcourt corridor between the N3 in the West and the Thukela River in the East).
- Linkage of the 'Battlefields' to the Zulu Heritage and Cultural Trail.

Core projects for private and public sector investment:

In addition to identifying key nodes for development, TKZN has identified the following projects as being central to the success of its tourism strategy:

- Zulu Heritage & cultural trail spreading initially from the North Coast of KZN through to Nongoma prior to winding itself across the province;
- King Shaka Tourism Route within the Ilembe District Council area;
- Emakhosini Heritage Park - Valley of the Kings & Ophathe Game Reserve;
- Isibaya - Royal Zulu House at Nongoma;
- Richards Bay Cruise Ship Passenger Terminal;
- Coastal Resort Development - Tongati River Mouth;
- Durban beachfront - Strategic tourism development plan;
- Repositioning of the Valley of the 1000 Hills;
- Mnweni Valley Development within the Ukhahlamba Drakensberg Park;
- UKhahlamba-Drakensberg Park - Access roads and signage;
- Marina Resorts Development on the Coast;
- Mzimkulu Nature Reserve on the South Coast;
- King Shaka International Airport.

These are not the only projects, which will be supported by TKZN, and a fuller list of projects is available in the full Tourism Product Development Strategy.

POVERTY ALLEVIATION PROJECTS

The following tourism development projects were implemented through the Poverty alleviation Fund of the Department of Environmental Affairs and Tourism:

Lilani Hot Springs

Lilani Hot Springs was completed at the end of August 2002 with a value of R2,5million for the first phase, the project consisted of a 12 bed self-catering accommodation, upgrade of the natural hot springs, ablution facilities and a tourism office. The project has three phases. A further R3million has been approved by DEAT for the development of the second phase to commence in September 2003 and to be completed by March 2004.

Isithumba Adventure Tourism

Isithumba Adventure Tourism was completed at the end of November 2002, the project consisted of four accommodation units and a conference facility with a restaurant, catering for 25 to 30 people. The project is valued at R2,5 million and a further application to DEAT for an additional R3million for the second phase is under consideration.

Inanda Heritage Route

The portion of the Inanda Heritage Route funded from poverty relief funds was completed in June 2002, and consists of the development of four nodes. The Phoenix Settlement, The John Dube House and Gravesite, Inanda Seminary and Ebuhleni Shembe Village. The project has made a second application to DEAT for the development of the Chapel at Ohlange Institution into an African Renaissance Media Centre, where Nelson Mandela cast his first vote in 1994. The application was successful and the project will be completed at the end of March 2004.

Ngome Game Reserve

The Ngome Game Reserve project started in October 2002, and will be completed at the end of December 2003. The project consists of the development of accommodation units, a game reserve, conference facility and hiking facilities and has received poverty relief funding of over R3,5million.

The Kingdom Project

The Kingdom Project was completed in September 2002, consists of accommodation, conference and a multi-cultural centre showcasing the 3 major cultures of KwaZulu-Natal, that being the British, Zulu and Indian cultures. The project has been successfully operating and has created approximately 50 permanent jobs. The province contributed R1,5 million to this project whilst a further R12 million was leveraged through private sector investment.

Through the implementation of the abovementioned projects Tourism KZN has made significant contributions to the areas of black economic empowerment, job creation, training and capacity building in the areas of construction, business skills development and hospitality training.

In addition, the projects have also contributed to local economic development of economically disadvantaged areas, fast-tracked the development of basic infrastructure and allowed for partnerships with other provincial government organisations.

TOURISM INFRASTRUCTURE DEVELOPMENT

Tourism KZN has been successful in the implementation of the infrastructure developments of the Greater St Lucia Wetlands Park in 2002/2003. The three key projects that are completed, first phase Infrastructure Developments GSLWP valued at R32million, second phase GSLWP valued at R19million and the Repairs & Maintenance project valued at R15million. In total, approximately 1 073 temporary jobs were created in the implementation of the infrastructure programme for the GSLWP.

COMMUNITY BASED TOURISM

Establishment of the Community Based Tourism Unit

As part Tourism KZN's objectives to transform the tourism industry and broaden ownership in the industry to include historically disadvantaged communities, the Board took a decision to establish a Community Based Tourism Unit (CBTU) within the Product Development Department. Headed by the Community Based Tourism Manager, the unit is responsible for the implementation of community based tourism projects throughout the province, support to Small, Medium and Micro Enterprises (SMMEs) involved in tourism, facilitate capacity building and training to community projects.

Community Based Tourism Projects

In addition to the community based tourism projects provided for through poverty alleviation funds, Tourism KZN funded and supported the following community based tourism projects:

Nibela Craft and Sewing Centre

This project is located in the Umkhanyakude Municipal District and within Nibela Tribal Authority area. Tourism KZN and the provincial Department of Economic Development and Tourism jointly provided funding for construction of the centre. Local SMME's were employed for the carpentry and fencing on this project. The total investment for this project was R600 000-00.

The local community owns the project and the majority of members are local women involved in craft and sewing. This project is aimed at unlocking tourism development opportunities in the area. The Department of Labour has shown interest in providing funding for training and capacity building to the beneficiaries of this project.

Muden Craft and Cultural Centre

To date the facilitation process with the AmaChunu community in Muden and Umvoti Local Municipality has been finalised. Phase one of the project will commence soon after the review of the Business Plan has been finalised. An initial budget of R650 000 was allocated for phase one. Further funding will be sought through national government departments in the coming year.

Umgababa Beach and Holiday Resort

This project concerns the rehabilitation of Umgababa Beach. An amount of R450 000-00 was made available from the Department of Economic Development and Tourism for this project and TKZN is an implementing agent. During this financial year project designs were finalised in consultation with Community facilitation on the project have been done.

Zulu Heritage and Interpretative Centre

Based at KwaXimba near Cato Ridge and forming part the Valley of 1000 Hills, this project will provide tourists with a Zulu experience and cultural activities. The project is located near the N3 Highway outside Engen garage which makes it viable to provide

tourist information about the whole of the Valley of 1000 Hills to tourists travelling on this route. The project was initiated by KwaXimba Development Trust and involves the Ethekwini Municipality. A feasibility study and the business plan have been developed through funding obtained from DBSA. The business plan has been submitted to various funders for funding and the project is ready for implementation.

Border Cave

This project is located in the Umkhanyakude District Municipality area in Ingwavuma within Mngomezulu Tribal Authority area. The project entailed the establishment of the Interpretative Centre and the Repairs to King Dingane's Grave. The project has been completed within the 2002/2003 financial year with Tourism KZN, Amafa KwaZulu-Natali and Mngomezulu community acting as partners.

Ethunzi Nature Reserve and Lodge

The project is located at KwaMkhwanazi Tribal Authority area on the coastal strip near Mtunzini within the Uthungulu District Municipality area. The project aims to package potential tourism sites for investment by private sector and to develop a Community Conservation Area. Community facilitation on this project has been through Mkhwanazi Tribal Authority. An amount of R270 000-00 was made available by TKZN to do an Social/Environmental Impact Assessment and package the project for investment. The project is ongoing with the draft SEIA completed and submitted to the Department of Agriculture and Environmental Affairs for approval. The local businesses in Richards Bay have indicated their interest in investing in this project and they are waiting for preparatory processes to be completed by relevant authorities.

Isandlwana Lodge

This is the project is about facilitating the involvement of Mangwe Buthanani Community under Inkosi Mazibuko in the Isandlwana Lodge. The lodge is located within the community near Nqutu in the Umzinyathi District Municipality area. The Community was assisted in the establishment of a joint venture with the owners of the lodge through buying equity share in the business. Funding has been obtained for the community to buy equity and the community will be represented by the Trust in the joint venture. Part of funding has been allocated for training to be provided to the Trust members on business management skills as they will be representing the community in the business.

Kwaqcwensa Bhambatha Battlefield Project

TKZN have had several meetings with KwaGcwensa community regarding the development of this battlefield and other potential tourism sites in this community. The Ilembe District Municipality and the local municipality have been contacted about this project. The initial feasibility study was done on this project and this project will form part of the heritage route meandering in the inland and linking the coastal with inland projects such as Lilani Hot Springs, Ngome, Muden and many others. The project is ongoing and will be pursued further during the next financial year.

Capacity Building and Training

Towards the end of this reporting period Tourism KZN obtained R1 million grant funding from the Development Bank of Southern Africa (DBSA) to provide training for four completed community based tourism projects i.e. Isithumba Adventure Tourism phase one, Lilani Hot Springs phase one, Ngome Lodge and Game Reserve, Emakhosini Lodge. A service provider has been appointed to undertake training on these projects and the training process began in the new financial year.

The Department of Labour also provided funding for training the local community in technical skills during the construction phase of Lilani Hot Springs and Isithumba Adventure Tourism projects.

SMME Development Support

As a contribution to Black Economic Empowerment and transformation of the tourism industry, Tourism KZN has continuously supported a number of black emerging entrepreneurs involved in tourism during this financial year. Most assistance provided was around marketing and registration onto the Tourism KZN database.

With the assistance of Tourism KZN's dedicated SMME co-ordinator, about twenty SMME's were assisted to attend the 2002 Tourism Indaba and to sell their products to international travel buyers.

Olwandle Guest House won the Entrepreneur of the year award (ETEYA) competition for 2002, co-ordinated through South African Tourism (SAT). This award afforded Olwandle Guest House the opportunity to attend the international show which took place in Leige in October 2002. Nongoma Lodge and Utshwayelo Camp Site also participated in the ETEYA and they were the two semi finalists from this province.

The following three accommodation SMMEs attended the ITB trade show in Germany: Nongoma Lodge; Crocodile Creek and Olwandle Guest House.

CORPORATE GOVERNANCE

FISCAL DISCIPLINE

During this financial year, Tourism KZN successfully implemented strict fiscal discipline. This was despite losing one key staff member from the Corporate Services Unit. The success has resulted in the following:

- An unqualified audit report,
- Compliance with the requirements of the Public finance management act and treasury regulations,
- Compliance and meeting all the contractual obligations set out in the Memorandum of Understanding between Tourism KZN and the Department of Economic Development and Tourism.
- A significant achievement of both micro and macro targets set at the beginning of the year.

Operational Expenditure – three years ago, Tourism KZN set itself a target of capping operational expenditure at 25% of the total annual budget. This was to ensure that at least 75% of allocated funds went into delivery instead of paying for operational expenditure. For the third year running, Tourism KZN has achieved to that target, clearly reflected in its audited annual financial statements.

POLICY REVIEW

On a regular basis management evaluates the completeness and appropriateness of Human Resources/governance policies and practices. The review process includes discussions and consultations with all relevant stakeholders and benchmarking against the best in the industry. Policies identified for the review in the ensuing year included:

- The Recruitment and selection policy
- The Training, Education and Training Policy,
- The Black Economic Empowerment policy,
- The Disciplinary and Grievance procedures, and
- The Procurement Policy and Procedures.

WORKPLACE COMMITTEE

Management interacts with its employees through a Workplace Committee, established in terms of the Workplace Constitution agreed between Management and the employees and approved by the Board. During the period being reported, Management consulted employees through the workplace Committee before finalising the following matters:

- Workplace Committee Constitution
- Salary increases,
- Evaluation of the performance appraisal system,
- Revised staff conditions of service, and
- The organisation's Employment Equity plan

THE BOARD

In terms of The KwaZulu-Natal Tourism Act, 1999, the Provincial Minister of Economic Development and Tourism appoints the Board, after consultation with the Portfolio Committee. This legislation also allowed for the establishment of various Board Committees. The term of office of the former Board, appointed in July 1999, ended on 6 December 2002 and a new Board was appointed in terms of The KwaZulu-Natal Tourism Amendment Act, 2002.

The following members served on the Board during the period under review:

Board members for the period April 2002 to December 6, 2002 were as follows:

Mr. C. P. Brink	(Chairperson)	
Prof L. M. Magi	(Deputy Chairperson and Chairperson of the Education and Training Committee)	
Mr. M Z Ndwandwe	(Chairperson – Product Development Committee)	
Mr. A J Konigkramer	(Chairperson – Audit Committee)	
Mr. A T Mdaka	(Chairperson – Support Services Committee)	
Mr A Gooderson	(Chairperson – Marketing Committee)	
Ms. Z Mhlahdla	Mr. S A Mvelase	Ms. B Xaba-Shezi
Mr. G Patzer	Ms. L Pampallis	Mr. F Marawa
Mr. M Sikhosana	Inkosi N Zwane	Ms. N Dube
Mr. E Gigaba	Mr. E M L Maphumulo	

During this reporting period the former Board and its Committees held meetings on the following dates:

Board	Board Committees
12 July 2002	24-25 April 2002
11 September 2002	24-25 July 2002
6 December 2002	23 – 24 October 2002

Board members for the period December 6, 2003 to March 31, 2003 are listed hereunder:

Ms. A Soni	(Chairperson)	
Mr. V Mkize	(Chairperson – Marketing Committee)	
Mr. M Clark	(Chairperson – Corporate Services Committee)	
Ms. M Khoza	(Chairperson – Development Committee)	
Mr. P Rutch	(Acting Chairperson – Audit Committee)	
Mr. S Mbatha	Ms. L. Pampallis	Mr. J Van Rooyen
Mr. A Gilbert	Mr. Mbatha	Mr K Mkhize
Mr K Naidoo	Ms B Shezi	

As at 6 December 2002 the following Board Committees were established:

- Marketing Committee

- Audit Committee
- Corporate Services Committee
- Development Committee

During this reporting period the new Board and its Committees held meetings on the following dates:

Board

Board Committees

6 December 2002

(Further meetings have been scheduled for the new Board Committees from April – December 2003)

24 January 2003

12 March 2003

STAFFING

The past year saw a number of important developments in the Corporate Governance of KZNTA. Not only did these developments result in the Organisational growth of more than 40%, this was accompanied by a 33,3% growth at Management level.

By the 31st of March 2003, the staff complement of Tourism KZN was 47. During the same period, 10 staff members left Tourism KZN. This was way above the target set at the beginning of the year, which was a maximum of 4.

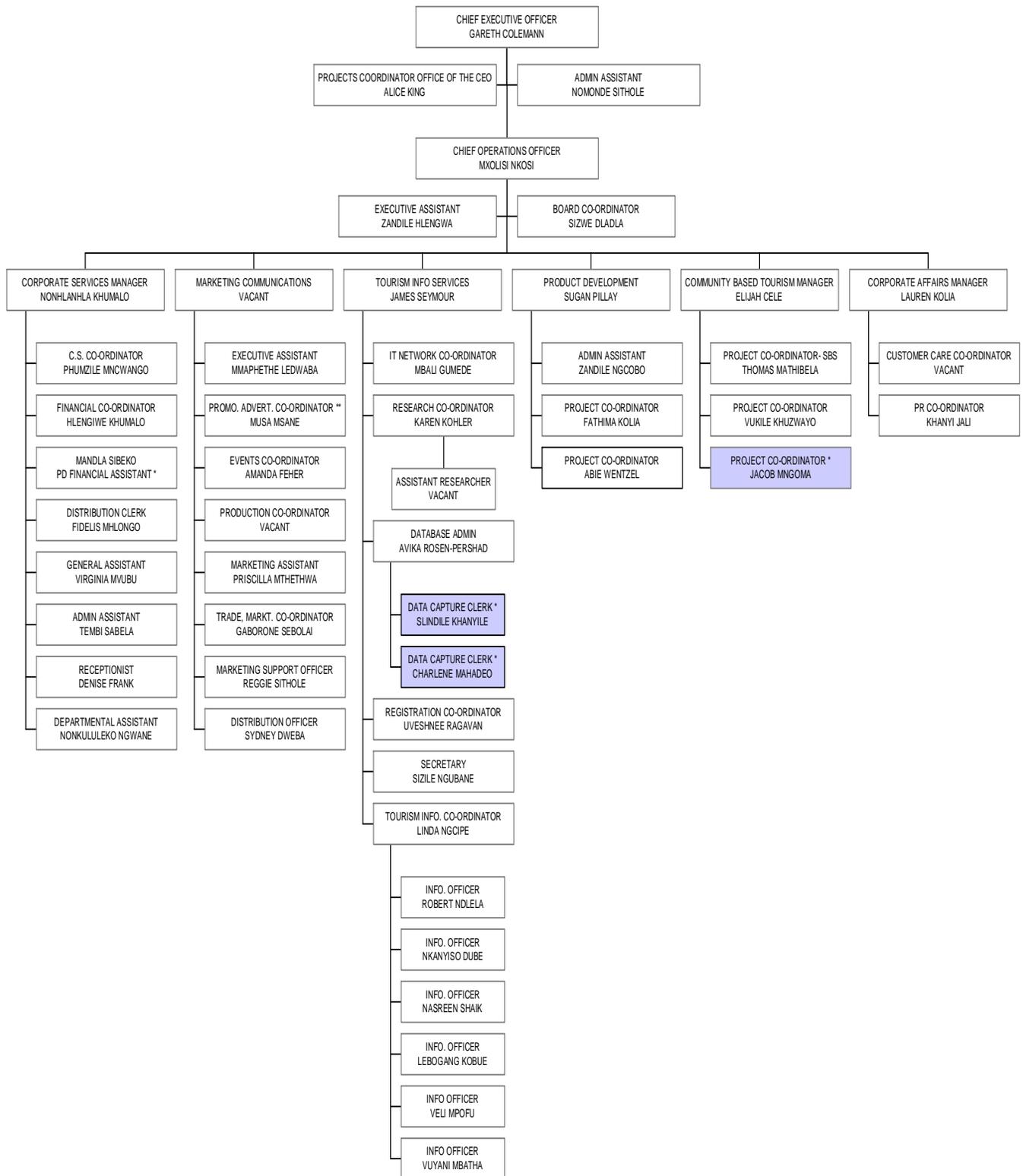
Key observations included the following:

- Of the ten resignations, 2 were at management level and 8 at non-management level
- Seven resignations found employment within the province whilst the other three relocated to other provinces and/or countries,
- Resignations by gender were 70% females and 30% males,
- Resignation by race were, 20% whites, and 80% blacks.

Tourism KZN has put in place steps to address some of the issues identified during the exit interviews to deal with issues that can be addressed to curb high staff turnover rate.

ORGANISATIONAL STRUCTURE

The structure of the organisation as at March 31, 2003 is depicted in the organogram below:



EMPLOYMENT STATUS

The employment status of the organisation as at March 31, 2003 is illustrated in the table below

	Male				Females				TOTAL
Occupational Levels	African	Coloured	Indian	White	African	Coloured	Indian	White	
									2
Top management	1	0	0	1	0	0	0	0	
Senior management	1	0	1	1	1	1	0	0	5
Professionally qualified & experienced specialists and mid-management	6	0	0	1	8	1	3	2	21
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	4	0	0	0	6	1	1	0	12
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	1	0	0	0	2	1	0	0	4
People with disability	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	13	0	1	3	17	4	4	2	44
Non – permanent employees	3	0	0	0	3	0	3	0	9
TOTAL	16	0	1	3	20	4	7	2	53

Vacant posts

The table below indicates the vacancies in the organisation as at March 31, 2003.

	TOTAL	GRADES	DETAILS
Occupational Levels			
Top management	0	3-4	No Vacancies
Senior management	1	5-7	Marketing and Communications Manager
Professionally qualified & experienced specialists and mid-management	3	8-10	Production Co-ordinator, Customer Care Co-ordinator, Assistant Researcher
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	11-12	No Vacancies
Semi-skilled and discretionary decision making	0		No Vacancies
Unskilled and defined decision making	0	13-15	No Vacancies
People with disability	0		
TOTAL PERMANENT	4		
Non – permanent employees	0		No Vacancies
TOTAL	4		

**ANNUAL FINANCIAL STATEMENTS
FOR THE 2002/2003 FINANCIAL YEAR**