Summary: PPT facilitation at Sun City

Summary of initial scoping report

INTRODUCTION

The aim of the Pro-Poor Tourism (PPT) Pilots project is for the PPT team and site partners to identify and implement linkages that bring benefits to poor people, and make business sense to the operator. The initial ('scoping') stage of PPT facilitation involves understanding the current linkages between the tourism company and local (poor) stakeholders, and identifying the needs and assets of the company and local stakeholders. Building on this, the next key step is to identify the type of linkage or linkages that should be developed and with which local partners. From there, PPT facilitation supports the partnership through stages - from making joint commitments into implementation.

Initial scoping reports have been prepared for each partner site by compiling information gathered during 2003[1], in order to provide background information for prioritisation and implementation of PPT actions. These cover

1. stakeholder analysis (identification of needs and assets of company and community);
2. assessment of existing linkages between stakeholders;
3. discussion of potential linkages.

This report is a summary of the full scoping report (which is available on request).

What is PPT facilitation?

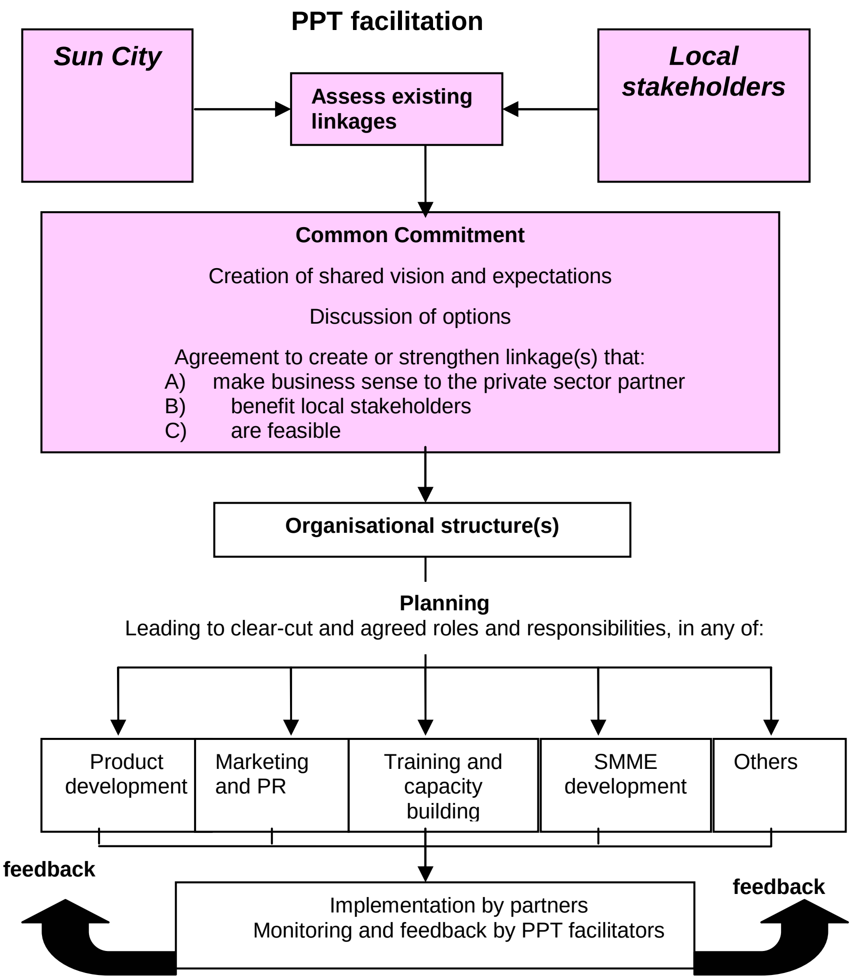
PPT facilitation is a service provided to a tourism company and its local stakeholders, to assist in building linkage(s) between them. The support facilitates the process of developing a joint vision, exploring mutually beneficial linkages, planning tasks, and achieving successful implementation.

The facilitation format is flexible but provides a generic tool that will be adapted to each site. It can be applied to the creation of a very specific linkage concerning one product, or to building a long-lasting partnership with many components. As a point of departure and drawing on the programme's skills base, PPT facilitation helps create agreement between partners on what could be achieved, and then focuses on developing the organisational structure(s) needed to deliver the linkage(s) they have prioritised. Efficient organisational structure(s) are pivotal to the parties achieving their vision in partnership. From this, clear planning of tasks and support for implementation follows.

The facilitation format is designed as an implementing tool. It demystifies PPT and provides an operational guide to site developments. The figure below highlights the way in which PPT is facilitated. The shaded areas of the diagram illustrate on which steps PPT facilitation has so far focused at the Sun City site.

The main focus of PPT facilitation has so far been on preparing initial scoping reports for each partner site.

1 This report has been finalised in December 2003 and distributed in January 2004, however, the background information on tourism flows and business details was gathered during 2003 and thus some parts may not be the most up to date.



Steps in PPT facilitation:

Step 1:
Assess linkages between company and local (poor) stakeholders. Identify needs and assets of company and local stakeholders.

Step 2:
Development of a common vision between company and local stakeholder(s). Agreement on linkage(s) to build together.

Step 3
Development of an efficient structure for implementing linkage and partnership.

Step 4**:**
Design of detailed action schedule with clear-cut roles and responsibilities for stakeholders, including externals where necessary.

Step 5:
Implementation by partners, supported by ongoing monitoring and feedback by PPT facilitators.

PPT facilitation entails the following components:

1. **Identification of stakeholders, existing linkages, stakeholder needs and assets**
2. **Establishment of a common vision and agreement and commitment for its implementation**
3. **Development of joint organisational set-up responsible for implementing the vision**
4. **Planning of implementation roles/responsibilities**
5. **Implementation and Monitoring**

1. Identification of stakeholders, existing linkages, stakeholder needs and assets

The first step in PPT facilitation is to understand the stakeholders involved – the nature and business of the private company, and the range of poor stakeholders (communities, local residents) that might be impacted by tourism.

a. The Private Sector Company: Sun International / Sun City[2]

Sun City is situated in South Africa's North West Province, 160km north-west of Johannesburg and next to the Pilanasberg National Park, one of South Africa's largest national parks covering an area of 55 000ha. Sun City lies in the territory of the former black homeland of Bophuthatswana, an independent state under the Apartheid regime which (in contrast to the rest of the country), permitted gambling and topless shows. Sol Kerzner, a businessman of Ukrainian origin, decided to exploit this competitive advantage and in 1979 opened Sun City, a huge casino resort. Sun City was part of Southern Sun, a company founded by Kerzner in partnership with SA Breweries 10 years before. In 1983 Kerzner sold his share of Southern Sun to create a new company, Sun International, focusing on casino resorting. Sun International South Africa (SISA) bought into a new company and became Kersaf, holding company of Sun International. The main project of this phase was the construction and opening in 1992 of the so called Lost City, a mega leisure complex based on the theme of a legendary lost African city. Soon after its competition, Kerzner formed a new company, Sun International Hotels (SIH), distinct from SISA. Kerzner resigned from SISA in 1995 while Kersaf retained 44% shares of SISA and 21% of SIH. In 2001, an agreement between Kerzner and Kersaf stipulated that the latter will have worldwide rights over the brand "Sun International", taking it away from SIHL.

Today, SISA is controlled by Kersaf Invested Limited, the North West Development Corporation and by several other individuals and institutions. It operates 19 resort hotels and 16 casino licences. Gaming resorts comprise: Sun City, Carnival City, GrandWest Casino, Boardwalk Casino, Sugamill, Morula Sun, Carousel, Wild Coast Sun, Meropa and Flamingo Casino in South Africa and the Garabone Sun, Menateng and Marang Casino (all in Botswana), Kalahari Sands (Namibia), Royal Swazi Sun (Swaziland) and Zambesi Sun (Zambia).

Sun City South Africa is internationally renowned as Africa's premier holiday resort. Sun City was founded in 1979 with an emphasis on the domestic gaming market. In the late 1990s Sun City promoted itself as a business and family resort, with an emphasis on golf, conferencing, shopping, timeshare, fine dining and a wave pool claimed to rival the country's beaches. Sun International owns and manages all components of the resort and benefit from traversing rights within Pilanesberg National Park.

The resort offers the following accommodation facilities:

Hotel	Product	Rooms	Typical Rate
'The Palace of The Lost City'	5 Star	338	SAR 3,120
'Sun City Hotel & Casino'	4 Star	340	SAR 1,695
'Sun city Cascades'	4 Star	243	SAR 1,900
'Sun City Cabanas'	3/4 Star	380	SAR 1,430

2 Data source: company website (www.sun-international.com)

During the last financial year (2002) Sun International saw revenues under pressure as a result of the slowdown in the global economy and its commensurate effect on the South African economy. On the other hand, Sun International benefited considerably from the increase in foreign tourists in particular in the off-season month of May, even out the peak-and-valley structure linked to its domestic market. Overall the group saw a 16% increase in revenue to end up with a total revenue of R3.3 billion.

The revenue structure for the whole group is as follows:

	2001	2002
Gaming	72%	73%
Rooms	13%	13%
Food and Beverage	10%	9%
Other	5%	5%

However, the revenue structure for Sun City is the reverse[3] with an estimated 75% deriving from hospitality (rooms and F&B) and only 25% from gaming. This shows strongly that Sun City has established itself as an internationally-recognised conference venue, substantially increasing the number of foreign visitors. Some of the major events that were held at Sun City include: The Nedbank Golf Challenge, Miss World and Miss South Africa pageants. Significant in 2002 was also the international status granted to the upgraded Pilanesberg Airport.

The group achieved an overall occupancy of 69% in 2002 which was four percentage points ahead of the previous year. This was achieved at an average room rate of R662, 14% ahead of 2001.

Table 1: Key company characteristics of Sun International/Sun City in 2002

Company characteristics	
Name	Sun International (South Africa)
Location	19 hotel resorts and 32 casino licences (either already in operation or under development) in 5 African countries
Size of operation	2,484 rooms: average room rate of R662 and average occupancy of 69%. Casino: 8,517 slots and 287 tables.
Type of company	Limited
Annual turnover	Revenue: R 3.294 billion (R2,4 billion of which from gaming and 414 million from rooms)
Sun City	
Type of product(s)	Resort aimed at families, conferences and gaming
Size	1,291 rooms
Pricing structures	Between R1,430 and R3,120
Number of visitors annually	Occupancy of 75%, 3 days average length of stay
Socio-demographic characteristics of visitor segment	Middle and up-market for staying guests; high number of overseas visiors – particularly strong are the European and Asian market
Seasonality of demand	Very low: seasonal domestic market, but off-set by increased overseas arrivals in low peak season
Origin of visitors	Approx. 20% Asian (Japanese), 20% German, 15% UK, 3% US
Number of Employees	Approx 1,600 permanent, 4,000 casual
Socio-demographic details of employees	n.a.
Seasonality of employment	Low

The scale of Sun International's operation at Sun City means it has massive marketing and purchasing power, as well as business acumen, to contribute to the development of local PPT linkages. At the same time new PPT linkages can contribute to the SC business by providing practical implementation of transformation policy, developing new products for guests, and promoting the company's responsible image. Table 2 outlines the company's main assets and needs relevant to PPT.

3 According to conversations on site.

Table 2 – Sun City's assets and needs relevant to PPT

Sun City's assets relevant to PPT	Sun City's needs relevant to PPT
o Large-scale operation o Fully integrated enclave resort which a great variety of concessionaires and services on offer o Large scale employer and main tourism attraction in the North West province o High occupancy levels o Interest in and need to implement transformation policies o Several initiatives already in place, with an elaborate CSI and transformation policy (the first in the country in the mainstream hospitality industry) o High spending clientele o High percentage of high spending overseas visitors o Development of a new 'cultural village' with the aim to focus more on art and cultural attractions	o Need to implement transformation and BEE policy due to parent company and industry pressure o Strong need to showcase itself as a 'responsible' company given its past apartheid image o Needs input and facilitation in creating new linkages and showcasing what it is already doing

b. The local Stakeholders – the Bakubung:

The North West Province is one of the poorest provinces in South Africa with a provincial gross geographic product (GGP) of R 3,964 per person, which is well below the national average of R 6,498. The Gini coefficient, a measure of income inequality, is above 0,6 in the Province, placing it amongst the most unequal regions in the world. Rural poverty and rural-urban income differences exacerbate social problems such as violence, crime and HIV infection. The estimated unemployment rate is 38%, slightly higher than the average in South Africa. Unemployment rates for women are above 50%. Some 30% of the adult population is illiterate, the highest figure among all provinces in South Africa.

Mining forms the backbone of the provincial economy, contributing 42% to the GRP and 39% to the employment. The mining sector is dominated by large platinum mines and smelters in the Rustenburg area, as well as the gold mines of the Orkney and Klerksdorp areas. Agriculture is the second-most important sector, with 13% of the GRP and 18% of employment. Maize and sunflowers are the most important crops grown, while cattle and game farming are also well-established.

Tourism is widely considered to have a major growth potential as the province is located adjacent to Gauteng, the densely populated and socio-economic hub of South Africa. Sun City and the Pilanesberg National Park were established in 1979 on land that was alienated from several Batswana tribes. Two of these tribes, the Royal Bakofeng (their capital being Phokeng) and the Bkgatla ba Kgafela enjoy rights to significant natural resources (platinum and gold) and are thus relatively wealthy tribes. The Bakubung on the other hand are relatively poor and rely largely on Sun City for employment. The town of Ledig with a population of approximately 15,000 is the centre of the Bakubung tribe.

Characteristics of Sun City, Ledig and Phokeng wards

The Sun City, Ledig and Phokeng wards (all in the Rustenburg District and close to Sun City) all have a very similar population size at around 15,000. The ethnical background of the population in Ledig and Phokeng is essentially Black (with 98% and 99% respectively), thus far outstripping the average provincial level of 91.5% and also the Rustenburg district level of 87%. The size of the black population in Sun City is below the average provincial level with 87% and equivalent to the Rustenburg district level.

While Sun City and Phokeng have an equal split between male and females, females are dominant in Ledig (52% of the population). The Rustenburg district itself is characterised by a considerably larger male population (54%). This is related to employment opportunities in the mines and industrial sector. The proportion of female residents in Ledig is high because of out-migration of male residents in search for employment, i.e. mining activity and industries are not located in Ledig.

Sun City and Ledig are relatively young wards with 63% of the population being under the age of 30, i.e. well above the provincial average of 56% and the Rustenburg district level of 54.3%. Ledig, in particular, has a high percentage of individuals under the age of 20, possibly linked to the large female population in child bearing age.

While Setswana is the main language spoken in all three wards there are slight differences between them in terms of other language groups. In Sun City the second most important language group is English with just over 8% of the population. English on the other hand is the first language to only an extremely small portion of the population in Ledig (0.7%) and Phokeng (0.2%). In Ledig the second largest language group is Zulu (23%). Phokeng is the most unified ward with 96% of the population being Setswana speakers.

Annual individual incomes are considerably lower in Ledig and Phokeng compared to Sun City and Rustenburg as a whole. In Ledig, 67% of the population earns less than R6,000 per annum, while nearly 57% have no annual individual income at all. For Phokeng these figures are 71% and 61%. In comparison, in Sun City, 49% of the population earn less than R6,000, while in the Rustenburg district overall just over 50% earn less than R6,000. Ledig and Phokeng are clearly well below the district's average in terms of earnings while Sun City is overall en par with the situation in Rustenburg. Annual household incomes in Sun City and Rustenburg district are again considerably higher than in Ledig and Phokeng. Approximately 27% of Sun City's and 15% of Rustenburg's households have an annual household income of over R42,000, while the figures for Ledig and Phokeng are 7%. Particular high are households with no income in these two wards. Residents in the Sun City ward, on the other hand, earn above average annual household incomes.

Official unemployment levels (i.e. not using the expanded analysis which includes short-term, part-time etc) are considerably higher in Ledig and Phokeng, compared to Sun City and the overall magisterial district of Rustenburg. The magisterial district of Rustenburg has one of the highest employment rates in the whole of the North West province and is clearly the economic hub to the area. Similarly, Sun City has relatively low unemployment. The situation in Ledig and Phokeng is quite the opposite. Mining, the mainstay of Rustenburg, is not available in Ledig, and consequently industrial development is very low. The un-official unemployment percentages for Ledig and Phokeng are estimated to be well in their 60s.

Rustenburg overall is strongly characterised by employment in mining and manufacturing (i.e. 22% of employees work in elementary positions and 16% plant/machine related jobs. The ward of Phokeng mirrors this distribution by having the overall majority of employment within these sectors, i.e. mostly untrained, elementary positions. For Sun City and Ledig, on the other hand, employment in services is more pronounced (i.e. between 22-23% of employment). In Sun City, in particular, there is high employment in professional and management jobs, i.e. it is twice as likely to work in these well trained and well paid jobs.

According to the 1996 census, all three wards have a very similar share of formal dwellings, which are very high for the area when compared to the situation in most townships such as for example Alexandra in Johannesburg and Kayamandi in Stellenbosch.

The greatest difference between the wards can be seen in terms of access to electricity. While approximately 50% of the district's population is connected to the national grit (a very high number for the North West province), in Ledig and Phokeng these are only between 10% and 12%. Sun City mirrors the overall connectedness of Rustenburg. Residents of Sun City seem to benefit from their proximity to the Sun City resort. The use of paraffin and candles, on the other hand, is particularly high in Ledig and Phokeng.

Water supply follows a similar pattern to electricity supply. Water available within the dwelling is very high in Sun City (47%) which is well above the Rustenburg average of 36%. The availability of water within dwellings is however very low in Phokeng (20%) and Ledig (only 12% - i.e. a quarter of that available at Sun City).

Even greater discrepancy appears when looking at the availability of sanitary facilities. While about 45% of the population in the Rustenburg district and also in the Sun City ward have access to a flush toilets in their dwelling, the figures dwindles to below 4% within the wards to Ledig and Phokeng.

Access to telephone services is very high in Sun City, with 31% having a telephone in their dwelling (i.e. 50% more compared to the Rustenburg district as a whole), while private telephones are non-existent in Ledig (1.5%).

The main economic sector in the district of Rustenburg is mining, contributing around 40% of the GRP. Mining also plays a very important role in Phokeng's economy (39% of GRP), however, far less so in Ledig (10%) and Sun City (3%). Trade on the other hand, which incorporates the tourism sector, is the mainstay for both Sun City and Ledig (34% and 40%, respectively). Sun City and Ledig are clearly tertiary sector economies while Phokeng is a primary sector economy. Farming and also manufacturing plays are far less important role in these wards.

Table 3: Local stakeholder characteristics

	Sun City	**Ledig**	**Phokeng**	**Rustenburg district**
Population	13930	15640	15454	420,000
Ethnic back ground	African 87%, White 9%, Others 4%	African 98%	African 99%	African 87%, White 11%, other 3%
Male : female	50:50	48:52	50:50	54:46
Age - Population under 20 yoa	38.3%	43.7%	37.7%	33.7%
First language	Setswana (73.8%), English (8.2.), Other (18%)	Setswana (68.53%), Zulu (22.83%), Other (8.64)	Setswana (95.75%), Other (4.25)	
% of population with No Annual Individual Income	43.2%	56.7%	61.4%	42.4%
% of households with No annual income	7.5	11.9	12.4	8.3
Unemployment	29%	44%	39%	26%
% living in formal dwellings Formal	68%	66%	67%	
Electricity supplied by local authority	47.9%	10.0%	12.3%	50.2%
Water access in dwelling	46.60%	12.10%	19.70%	35.80%
Flush toilet in dwelling	45.9%	3.5%	3.6%	44.1%
Telephone in dwelling	30.9	1.5	12.5	20.4
Main industry	Trade (34%)	Trade (40%)	Mining (39%)	Mining (41%)

The main assets that local stakeholders have to contribute to PPT lie in their labour, cultural products, and potential for small business development. Their needs that could be addressed by PPT relate to employment, skills, and infrastructure development, as summarised in Table 4.

Table 4: local stakeholder assets and needs in relation to PPT

Local stakeholder assets	Local stakeholder needs
• Proximity to Sun City • Large labour market • (some) Arts and crafts production • cultural and social history • small/potential entrepreneurs • Existing links to Sun City • District and provincial development plans 'officially' want to drive tourism forward (major move at the moment to try to attract investors) • Etc	• Employment • opening-up of rather insular and enclave Sun City resort – i.e. link in with cultural tours • skills development • support in agriculture – skills transfer • infrastructure improvements (in particular water) • structuring and set-up of formal tourism sector • SMME development • Opportunities for supplies (i.e. agriculture) • etc

c. Existing PPT Linkages

Sun City already has established many linkages with neighbouring communities and operates a sizeable programme of CSR donations. The table below summarises the main existing linkages.

Table 5: existing linkages between Sun City and local stakeholders[4]

Economic linkages	Non-financial livelihood linkages	Information and partnership linkages
More specifically:		
local enterprise linkages[5]: o Seed-funded hydroponics farm, purchase herbs and garnish from farm; o Support to Craft Planet: donate bed linen, repurchase products; display some items in SC shops. o Support to craft market at Manyane Gate (Pilanesberg) o Start-up funding to Thula Baba babysitting project o Three local tour operators used by SC o Employs local SMME to remove waste (R20,000/month for paper, tin, glass, plastic) o Out-sourcing gardens to Top Turf (local content) o Carpet installation – outsourcing to Madikwe carpets (local team, used to work on site). **Jobs** o 60% of permanent staff from within 20km of resort (approx 1200 – benefiting approx 10,000) o 35% of wage bill spent in local area o HDI recruitment policies and training **Sources of collective community income**	**Local access to infrastructure and services** o Grey water pumped for hydroponics devt; o Wet waste made available to 2 pig farmers; o Fire engine teams supply water to assist in grave digging; o Funding for local schools, other community projects **Mitigation of environmental impacts and competing use of natural resources** o Grey water used for golf course irrigation; o environmental clean-up campaign o R50,000 donation to Pilanesberg Wildlife Trust **Capacity building, training** o approx 60% of staff (1,200 individuals) received staff training in 2002; o lifeline training for black councillors – R10,000 in 1997; o school support including donations of computers (value of R200,000); o training of deaf learners at the palace (value= R126,000); o planned curriculum development with local school and university. **Social, cultural contributions** o Total CSR spending of R9 million since 1996 spent within 45 km.	**Information and communication to local stakeholders** **Consultation or shared decision-making with local stakeholders** o SC is member of community policing form **Partnerships between local stakeholders and private sector** **Action for supportive pro-poor policy/planning framework**

4 Items may well be not represented here due to incomplete information.

5 Local enterprise linkages may be either (1) direct trade between the company and providers of inputs to the tourism business, such as farmers (these are 'upstream' linkages) or (2) a business or support relationship between the company and providers of tourist facilities and products, such as craft-makers or local guides, who supply tourists themselves (these are downstream linkages).

d. Potential PPT Linkages

The key question is how could linkages between Sun City and local stakeholders be strengthened in ways that:

i. Make business sense to the operator – i.e. generate benefits that (over time) will outweigh transaction costs or financial costs, and ideally be integral to the top commercial priorities and business developments on which the operator is focusing in the medium term

ii. Impact on a significant number of poor people in the area and meet one or more priority development needs.

iii. Are feasible – likely to be implemented and succeed?

There are many different approaches - existing PPT linkages can be strengthened or new ones created. Table 6 presents a variety of possible strategies that could be developed or strengthened. These are neither prioritised nor necessarily recommended, but serve as a basis for further brainstorming and discussion.

Table 6: Examples of possible strategies for expanding and strengthening existing linkages[6]

Increase economic benefits	Enhance non-financial livelihood impacts	Enhance information-sharing and partnership
Stimulate local enterprise linkages Develop a wider range of local products used in rooms or on sale in SC with a theme brand – SC& local economy: o Establish a shop, & a shelf in concessionaires' shops, for sale of local craft and other products; o Pack complementary wine into a wine-bag from Craft Planet; o Buy in locally-made mementos for the pillow; o Create a Sun-City hamper of local products for sale to tourists; o Source locally-produced shopping bags for use in shops or as take-home; o Have locally made items in the room to add to the mini-bar purchase list (recycled ashtrays, beaded beer opener) o Start-up funding and technical support for local CCs to recycle SC waste (glass, paper, soaps) into products for sale to SC resort or to tourists. o Start up funding and technical support for local CCs offering services to SC/tourists: vehicle maintenance, sewing, cleaning, massage…. (as with babysitting example) o Expand hydroponics farm and sale of fresh produce to SC – assist in acquiring cheaper water; o Develop 'cultural village' using local products & materials, offering cultural activities and crafts; o Support development of local attractions/visits (e.g. to craft-makers, CSR projects, heritage sites) and provide information at concierge desk; **Boost local wages: more jobs, or at a higher level** o Training to increase *local* take-up of skilled posts; hospitality training for unskilled entrants' career progression. o Seek to increase female % of jobs due to high female unemployment; **Create collective income sources**	**Increase local access to infrastructure and services** o Use SC buying power as water user to secure cheaper water access for hydroponics; o Expand resource-sharing of grey water; o Measures to expand shared access to services? Security, electricity, health?? **Mitigate environmental impacts and addressing competing use of natural resources** o guest information on water conservation, o energy & water efficiency measures **Capacity building, training** o build tourism skills in local area outside resort staff. E.g. in school and university curriculum, & via training opportunities for local tourism businesses. o Support entrepreneurial training locally, including spells at SC – particularly for potential concessionaires, out-sourcing companies etc **Improve social, cultural impacts** o foster cultural heritage via cultural product development; o information for guests on local economy, SC CSR activities, and donation hotline.	**Increase flows of information, communication to local stakeholders** o Create info-channels to residents/TA/local businesses – radio, newsletter, school presentations **Increase participation of local stakeholders in decision-making** **Build poor partnerships between local stakeholders and private sector** **Encourage more pro-poor policy/planning framework**

From this array of possibilities, some key themes were selected for discussion with Sun City staff (see notes for PPT brainstorm, from PPT team in December 2003 for more detail on the below).

3: some of these may already be done or underway, given that our information is incomplete.

1) **A new brand identifying locally produced goods and services**

Sun City already supports several local enterprises such as Craft Planet, the hydrophonics business, Thula Baba babysitting project, Taxi services between Pretoria and Sun City, and Mankwe Tour Operations. While these are excellent projects there seems to be a need, however, to integrate them better (thus increasing their potential), to provide opportunities for new schemes to be developed, to give tourists a sense of local input into their stay, and to showcase how Sun City is involved in supporting local development and entrepreneurs.

A suggestion would be to link and market these initiatives under one 'umbrella brand'. This could be themed as 'Sun City and its neighbours' or 'Sun City and local economy' with a clear identity and logo, plus identifiable link to the Sun City brand and quality assurance. For example, the logo could be an adaptation of the Sun City logo with two interlinked suns.

Several different products under this clearly marked brand could be sold to tourists, such as for example:

- agricultural produce from the hydrophonics business;
- arts and crafts produced at Craft Planet (plus other local goods that would complement the Craft Planet range (e.g. beading, weaving, paintings, pottery));
- a 'Sun City' hamper with jams and other locally produced goods;
- a Sun City-local economy shopping bag;
- local attractions/visits (e.g. to craft-makers, CSR projects, heritage sites), and
- products created from re-cycled waste at Sun City (glass, soaps, plastics, paper, aluminium etc).

Once the brand is established it gives impetus for new products to develop over the years. Different brand items could be sold to tourists in Sun City shops, concessionaires' shops, the restaurants, and in rooms. Some could also be offered as complementary products to guests. Products may also develop for core business procurement.

For Sun City this approach would give coherence and a unifying theme to several initiatives. It would develop new locally-produced products and add local flavour to tourists' stay. It would showcase Sun City's involvement in local development, and market this involvement through a unified brand.

2. Influencing concessionaires

Sun City's role in contracting concessionaires within the resort is a powerful tool for encouraging pro poor change by the concession operators. Although many concessionaires may be bound by their HQ operating procedures, even small changes in how they operate can have big impact locally.

As contracts are renewed, clauses relating to socio-economic performance could be built in. A good starting point would be to assess current socio-economic clauses in contracts, identify key issues that Sun City would like to see built in, and ask concessionaires to assess their own current performance on key issues. This could lead to contractual issues on, for example, local employment, making shelf space available for local products (depending of course on the type of business), or sourcing a certain percentage from Sun City projects and local CCs, such as the hydrophonics business or Craft Planet (again depending on type of business).

Amendments to contracts is only one way of exploring change with them – many other forms of encouragement are possible. Progress could be encouraged by creating a network among concessionaires for information sharing on PPT issues, making annual awards, providing information to tourists on concessionaires' initiatives etc.

3. Improved local access to natural resources, assets and services

While Sun City has well developed infrastructure and access to the utilities and services it requires, the same is not true of neighbours. One particular example is the hydroponics business which needs access to cheaper water for expansion. As a major water user, could Sun City use its bargaining power to assist the farm to secure better water access? Or if water would need to be pumped from Sun City in order to be obtained at preferential rates, the investment costs of this need to be assessed against the long term potential for local earnings from an expanded farm.

There are already schemes in place to share some resources and services locally, such as providing water for grave digging and waste for pig farming. Are there ways of extending the local use of waste (glass, plastic?) by local companies, or developing shared access to services such as security or communications?

4. Education and training

Sun City and Sun International currently invest a great deal in staff training, particularly for middle managers. For example, Sun City is currently running a 2-year internal hospitality training programme for its staff. Sun International runs 313 different training programmes and has spent a total of 14,300 days on staff training. Sun City's CSI programme has also supported local schools with facilities and computers.

Possible ways to further enhance this investment in training for increased local impact are:

- Develop tourism training for local people who are *not* employed at Sun City, particularly for new entrants to the trade and for those running their own tourism-related enterprises.
- Expand staff training at lower levels where the majority of locally-recruited staff are involved. For example, to enable locally-recruited un-skilled staff to progress to semi-skilled jobs.

In terms of support to educational establishments, the planned work with the North West University on curriculum development is welcome. As at other Pilot sites, it is important to assist community with their priority needs for basic education, while also developing the skills base at higher levels that will enable transformation of the industry.

5. Specialised tours building on local heritage and products

Although the vast majority of Sun City visitors are likely to stay inside the resort, specialised niche tours could be developed to include:

- Tours to local heritage sites and attractions
- Tour to local producers
- Tours to SC projects (i.e. hydroponics, aids hospice, school, planet craft) to showcase existing initiatives

Authentic cultural excursions could feed off the new Cultural Village or could be packaged as tailor-made tours to specific segments. These tours usually appeal to special interest groups and inquisitive/adventurous individuals, and are thus very different to the general Sun City visitor profile. The relatively small scale of demand means that care would be needed in developing components of the tour to ensure quality and local motivation remained sufficient. Ideally they would need to link up with regional initiatives and circuits, and to expand with these. Successful product development here would benefit Sun City by strengthening the link with CSR projects, broadening the range of activities offered to tourists, and developing new income streams.

6. Information-sharing and partnerships with neighbouring communities

Initiatives that involve local residents can be done in ways that increase the flow of information and dialogue between the resort and residents. As information flows, understanding grows, and more productive partnerships are likely to be built. Poor stakeholders often identify the chance to have a say in decisions, or be recognised by decision-makers, as a benefit in itself. It is worth noting results from a community survey as reported in Spenceley and Seif (2003), which highlights opinions among the Bakubung community of Ledig about their relationship with Sun City (their 'gold mine' as they perceive it). They mention that a communication gap exists between them and Sun City. Greater information and involvement, it is felt, would provide greater opportunities for the tribe to become involved in tourism and to benefit from their proximity to Sun City. In the report, they also provide several opinions as to how they could be more involved in tourism, with suggestions such as learnerships in tourism for Bakubung trainees, opportunities to display crafts and entertain guests, and access to micro credit facilities.

There are many different ways to boost local information flow and discussion that could be explored. For example, meetings, newsletters, radio discussion, collaboration with local organisations on 'adopt a school' or 'adopt a street' initiatives. If the Sun City-local economy brand is developed, this would be an ideal focus for local discussions to gain local ideas and level expectations.

2. Establishment of a common vision and agreement and commitment for its implementation

At discussions in December 2003 between PPT facilitators and Sun City managers, some options were identified for priority action. The focus was on getting agreement within Sun City rather than between Sun City and one specific local partner. In this, Sun City is slightly different to the other pilot sites for several reasons. The main one is that Sun City already has a number of initiatives underway that focus on particular community projects, what seems to be lacking is an overarching theme that would bring these themes together and through coordination among them guarantee a) greater impacts on the local level, and b) a new profile for Sun City with which it can showcase its already existing excellent activities.

The main options identified for PPT facilitation are:

Developing a local business centre from the existing hydroponics centre. The aim is to develop and diversify the current production. This may be through physical expansion, such as into new agricultural products, or factories. Or it may be done through marketing and 'virtual' linkages, for example with local safari operators or other service providers. Different options need to be considered and professional business development advice and feasibility analysis brought in. The production centre could also be the venue and facilitator for educational inputs provided by Sun City, such as for tourist enterprises. It can also be an avenue to developing new relations with concessionaires and off-site service providers.

Branding: Developing a unifying brand for products from the new local business centre and for other local products. Recycled glass is currently being explored, and local gift packs are already developed.

In addition, scope for strengthening PPT in relations with concessionaires needs further exploration, in terms of what scope is possible and how it would need to be phased in into different parts of the operation.

Assuming these have received wider approval within Sun City, these priorities are the basis of the agreement for on-going PPT facilitation in 2004.

3. Development of joint organisational set-up responsible for implementing the vision

The first key step is for Sun City to define the internal organization set up to pursue these PPT proposals. The management team, with mandate and resources, is critical. The PPT team can then assist to set up organizational links with local stakeholders such as current participants in the hydro centre, other existing SMMEs, potential local businesses, existing concessionaires. External expertise may well also be needed, for example, on SMME development or brand design. Beyond the core management team, there will also be a need to link various departments within Sun City to implement initiatives (such as the branding) across departments.

More in-depth mediation and discussion between the partners and the PPT facilitators will need to take place to identify exactly how to develop these linkages.

4. Planning of implementation roles/responsibilities

A detailed schedule of roles and responsibilities for various aspects is needed, such as for feasibility analysis of business options, coordinating discussions with entrepreneurs, appraising branding, reviewing concessionaire potential etc. PPT facilitation can assist in developing such a schedule, while also offering advice, input into specifics, and sourcing external inputs where necessary.

5. Implementation and Monitoring

It is essential that the main tasks are carried out by the stakeholders so as to provide stakeholders with ownership over the product and outcome, and to ensure sustainability of the linkage once the facilitation process is completed. The PPT facilitation team will monitor, analyse the linkages and report back to stakeholders to suggest improvements during the agreed time of interaction.

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Appendix 1: Tourism context in South Africa and the North West Province

Tourism in South Africa (in 2002):	Tourism in the North West Province
▪ Foreign tourist arrivals: 6.4 million, an 11.1% increase over 2001 ▪ The top five source markets are neighbouring SADC countries (i.e. 1.5 million arrivals from Lesotho alone). ▪ The biggest overseas markets are the UK (approx. half a million arrivals), Germany (just under a quarter of a million) and the US (around 175 thousand). ▪ Domestic tourism makes up around 70% of the tourism value to South Africa. ▪ Europe is a very important growth market: UK (24% increase in arrivals between 2001 and 2002), Germany (22%), France (35%), Netherlands (14%), Italy (29%), Ireland (43%), Portugal (34%) and Spain (37%) ▪ 61% of air travellers are repeat visitors and 87% of land visitors ▪ Arrivals are seasonal and cyclical. The peaks are in December and the valleys are in June. The difference is approx. 60,000 arrivals. This pattern is repeated every year. ▪ The average length of stay for air tourists who visited South Africa in 2002 was 14.4 days, while the average length of stay for land tourists was 8.1 days ▪ While holiday and VFR visitors stayed on average 14 nights, shopping and business travel was far shorter with 4 days and business travellers with an average of approx. 5 days ▪ Value estimated at R90.4 billion in 2000 to which overseas visitors contributed R25.9 billion. Almost level with gold, 2nd largest earner of foreign currency for SA. ▪ Projected growth of 11.6 % p.a. to 2010. ▪ Total foreign direct spend in 2002 is estimated to have been R48.8 billion. ▪ On average just over 40% of total trip cost is spent in South Africa ▪ In 2002 tourism contributed approx. 10.9% to South Africa's GDP. ▪ In 2002 492,654 people were employed in the sector. It is estimated that by 2005 tourism employment will make up 9.3% of all employment.	(please note: the lack of data on tourism in the North West Province) ▪ The largest overseas market is Europe (over 53% of all overseas visitors) ▪ Main purpose of overseas visitors is holiday (55%) ▪ Just under 100,000 foreign tourists ▪ Main attractions are Sun City (75% of overseas visitors), Pilanesberg (52%) ▪ The trade and commerce sector (tourism being part of it) has seen high growth rates of 8.4% in 2001 ▪ International tourism generated approx R1.4billion in 1999 ▪ Only 5% of tourism investment in South Africa went into the North West Province

Source: SAT 2003