KWAZULU-NATAL TOURISM AND FILM AUTHORITY

BID NO: KZNTAFA10/2024/25 APPOINTMENT OF A SUITABLY QUALIFIED SERVICE PROVIDER TO PROVIDE STRATEGIC MARKETING SERVICES FOR KWAZULU-NATAL TOURISM AND FILM AUTHORITY FOR A PERIOD OF THREE (3) YEARS.

Ithala Trade Centre
29 Canal Quay (Signal) Road
Durban
4001

Contact: Thembekile Mdlophane and Olivia Manjate
Telephone: 031 366 7500/031 003 9000
Email: tenders@zulu.org.za and tenders@kznfilm.co.za

PLEASE NOTE THAT THIS BID IS SUBJECT TO SUPPLY CHAIN MANAGEMENT LEGISLATION AND THE GENERAL CONDITIONS OF CONTRACT AS PRESCRIBED BY NATIONAL TREASURY.

Specific Goals will be applicable for this Tender process.

	Specific Goals
Price	**80**
Ownership Goals -	
• At least 51% Blacks Africans, Indians or Coloureds Owned Companies • At least 51% Women owned companies • At least 51% Youth owned companies	10 05 05
Total	**100**

Failure on the part of a tenderer to submit proof or documentation required in terms of this Tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed

VALIDITY: 90 DAYS

TOTAL PRICE R…………………………….

TABLE OF CONTENTS

DOCUMENTATION TO BE SUBMITTED WITH BID PROPOSAL

SECTION A: BID NOTICE

Bid description	**APPOINTMENT OF A SUITABLY QUALIFIED SERVICE PROVIDER TO PROVIDE STRATEGIC MARKETING SERVICES FOR KWAZULU-NATAL TOURISM AND FILM AUTHORITY FOR A PERIOD OF THREE (3) YEARS.**
Bid number	**KZNTAFA10/2024/25**
Name of institution	KwaZulu-Natal Tourism and Film Authority
The place where goods, works or services are required	Ithala Trade Centre, 29 Canal Quay (Signal) Road, Durban, 4001

Closing date and time	**Date**	0	3	0	2	2	0	2	**5**	**Time**	11:00

Contact details	Postal address	N/A
	Physical address	Ithala Trade Centre, 29 Canal Quay (Signal) Road, Durban, 4001
	Tel	031 366 7500/031 003 9000
	Fax	N/A
	email	tenders@zulu.org.za and tenders@kznfilm.co.za
	Contact person	Thembekile Mdlophane and Olivia Manjate

Where bids can be collected	Documents can be downloaded from the KwaZulu-Natal Film Commission and Tourism KwaZulu-Natal website on www.kznfilm.co.za and www.zulu.org.za at no cost.
Where bids should be delivered	Tender Box: Ithala Trade Centre, 2nd Floor, 29 Canal Quay (Signal) Road, Durban, 4001 (Reception Area)
Category *(refer to annexure A)*	General
Sector	Services: Professional
Region	KwaZulu-Natal
Site viewing **N/A**	

COMPULSORY BRIEF SESSION	Date	17 January 2025
	Time	10;00 AM
	(Microsoft Teams) Link	TEAMS MEETING **Join the meeting now** Meeting ID: 373 596 148 845 Passcode: UB32E5Qc

SECTION B

SPECIAL INSTRUCTIONS AND NOTICES TO BIDDERS REGARDING THE COMPLETION OF FORMS

PLEASE NOTE THAT THIS BID IS SUBJECT TO TREASURY REGULATIONS 16A ISSUED IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT, 1999, THE KWAZULU-NATAL SUPPLY CHAIN MANAGEMENT POLICY FRAMEWORK AND THE GENERAL CONDITIONS OF CONTRACT.

1. Unless inconsistent with or expressly indicated otherwise by the context, the singular shall include the plural and visa versa and with words importing the masculine gender shall include the feminine and the neuter.
2. Under no circumstances whatsoever may the quotation/bid forms be retyped or redrafted. Photocopies of the original bid documentation may be used, but an original signature must appear on such photocopies.
3. The bidder is advised to check the number of pages and to satisfy himself that none are missing or duplicated
4. Bids submitted must be complete in all respects.
5. Bids shall be lodged at the address indicated not later than the closing time specified for their receipt, and in accordance with the directives in the bid documents.
6. Each bid shall be addressed in accordance with the directives in the bid documents and shall be lodged in a separate sealed envelope, with the name and address of the bidder, the quotation number and closing date indicated on the envelope. The envelope shall not contain documents relating to any bid/quotation other than that shown on the envelope. If this provision is not complied with, such bids may be rejected as being invalid.
7. All bids received in sealed envelopes with the relevant quotation numbers on the envelopes are kept unopened in safe custody until the closing time of the quotation/bids. Where, however, a quotation is received open, it shall be sealed. If it is received without a bid number on the envelope, it shall be opened, the bid number ascertained, the envelope sealed and the quotation number written on the envelope.
8. A specific box is provided for the receipt of proposals, and no proposals found in any other box or elsewhere subsequent to the closing date and time of the bid proposal will be considered.

9. No bid proposal sent through the post will be considered if it is received after the closing date and time stipulated in the bid proposal documentation, and proof of posting will not be accepted as proof of delivery.

10. No bid proposal submitted by telefax, telegraphic or other electronic means will be considered.

11. Bid proposal documents must not be included in packages containing samples. Such bids may be rejected as being invalid.

12. Any alteration made by the bidder must be initialled.

13. Use of correcting fluid is prohibited

14. Bids will be opened in public as soon as practicable after the closing time of bid.

15. Where practical, prices are made public at the time of opening bids.

16. If it is desired to make more than one offer against any individual item, such offers should be given on a photocopy of the page in question. Clear indication thereof must be stated on the schedules attached.

SECTION C

Table 1: Compulsory Returnable

ANNEXURE	ITEM
Section D	Registration on the National Treasury Central Suppliers Database
Section E	Invitation to Bid (SBD 1)
Section F	Bidders Disclosure (SBD 4)
Section G	Instruction to Bidders
Section H	Supply Chain Management Procedures
Section I	Official Briefing Session/Site Inspection Certificate
Section J	Authority to Sign the Bid (Resolution Letter (s))
Section K	Certification of Correctness of Information Supplied in this Document

Table 2: Non- Compulsory Returnable

ANNEXURE	ITEM
Section M	Tax Compliance Status Verification Pin
Section N	Company Registration Certificate/Agreement/ID Document
Section O	Central Supplier Database Summary report
Section L	SBD 6.1 Preference Points Claim Form in terms of the Preferential Procurement

SECTION D

REGISTRATION ON THE NATIONAL TREASURY CENTRAL SUPPLIERS DATABASE

1. In terms of the National Treasury SCM Instruction No 4A of 2016/2017, all suppliers of goods and services are required to register on the National Treasury Central Suppliers Database, before any procurement related activities can commence.

2. If you wish to apply for online registration, use the following website, **https://secure.csd.gov.za/,**

3. The supplier/service provider must register on the National Treasury Central Supplier's Database.

SECTION E: PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (*NAME OF DEPARTMENT/ PUBLIC ENTITY***)**					
BID NUMBER:		CLOSING DATE:		CLOSING TIME:	
DESCRIPTION					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT *(STREET ADDRESS)*					

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO		**TECHNICAL ENQUIRIES MAY BE DIRECTED TO:**	
CONTACT PERSON		CONTACT PERSON	
TELEPHONE NUMBER		TELEPHONE NUMBER	
FACSIMILE NUMBER		FACSIMILE NUMBER	
E-MAIL ADDRESS		E-MAIL ADDRESS	
SUPPLIER INFORMATION			
NAME OF BIDDER			
POSTAL ADDRESS			

STREET ADDRESS					
TELEPHONE NUMBER	CODE			NUMBER	
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE			NUMBER	
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		**OR**	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] ☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX]

			☐ Yes ☐ No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]			
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐Yes ☐No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR **THE GOODS /SERVICES /WORKS OFFERED?**	☐Yes ☐No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]

QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?

☐ YES ☐ NO

DOES THE ENTITY HAVE A BRANCH IN THE RSA?

☐ YES ☐ NO

DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?

☐ YES ☐ NO

DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?

☐ YES ☐ NO

IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?

☐ YES ☐ NO

IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.

PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION. 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.** 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT. 1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**
2. TAX COMPLIANCE REQUIREMENTS
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS. 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS. 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA. 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID. 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER. 2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED. 2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER:

…………………………………………… CAPACITY

UNDER WHICH THIS BID IS SIGNED: ……………………………………………

(Proof of authority must be submitted e.g. company resolution)

DATE:

..…………………………………………...

SECTION F

BIDDER'S DISCLOSURE (SBD 4)

1.PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

2. BIDDERS'S DECLARATION

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest[1] in the enterprise, employed by the state? **YES/NO**

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State institution

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

……………………………………………………………………………………

……………………………………………………………………………………

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? **YES/NO**

2.3.1 If so, furnish particulars:

[1] the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

……………………………………………………………………………….
……………………………………………………………………………….

3 DECLARATIONS

I, the undersigned, (name)………………………………………………………………………. in submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:

3.1 I have read, and I understand the contents of this disclosure;

3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect.

3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium[2] will not be construed as collusive bidding.

3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.

3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

[2] Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

……………………………… ..……………………………………………
Signature Date

……………………………… ………………………………………………
Position Name of bidder

DEFINITIONS

1. DEFINITIONS

1.1 “KZN Tourism and Film” means the KwaZulu-Natal Tourism and Film Authority

1.2 “Head” means the officer appointed to the post of Head of the KZN Tourism and Film, who has signed this contract and shall include any person acting in that capacity.

1.3 “Service Provider” means the person or persons, partnership, firm or company or close corporation, etc. whose quotation for this work has been accepted, and who has, or have, signed this Contract, and shall include his or her heirs, executors, administrators, successors, and any representative, duly appointed, with the consent in writing of the Employer.

1.4 “Team” means person or persons representing or acting on behalf of the Service Provider in the execution of this Contract.

1.5 “Written instructions” means any printed, typed or written documents or letter signed by or on behalf of the Head and addressed to the Service provider for the purpose of his guidance, direction or instruction.

SECTION G - INSTRUCTION TO BIDDERS

2. INSTRUCTION TO BIDDERS

2.1The service provider must be a legal entity, person or consortium with all other necessary expertise.

2.2 Be registered with the National Treasury Central Service Providers Database. Proof of registration together with the number must be provided as part of the proposal.

2.3 The service provider must fully complete all the relevant sections in the bid proposal document failure to complete the relevant sections will results in bid proposal disqualification.

2.4 Service providers to ensure that all Tax matters are in order.

2.5 Service providers are required to declare in writing, as part of their proposals submissions, that they have no conflict of interest in acting for the KZN Tourism and Film in this assignment.

2.6 KZN Tourism and Film will enter into agreement with the selected service provider for the work set out in these Terms of Reference. In the event of any conflict arising between the Terms of Reference and the agreement, the agreement will prevail.

2.7 The persons proposed for the profession work on the assignment shall themselves carry out the work, unless permission is granted by KZNT Tourism and Film to replace them. Such permission will only be granted in exceptional circumstances.

2.8 The cost of preparing proposals and of negotiating the contract is not reimbursable.

2.9 KZN Tourism and Film is not bound to accept any proposals submitted and reserve the right to negotiate price with the preferred service provider and to request improvements to the service provider's team if deemed necessary.

2.10 KZN Tourism and Film reserves the right to interview short-listed service providers if required and /or call for the best and final offers from one or more service providers.

2.11 Any effort by the service provider to influence proposal evaluation, proposal comparisons or proposal award decisions in any manner, will result in rejection of the proposal concerned.

2.12 Copyright, patent rights and other similar rights in any works or products created as a result of the performance of this project / assignment shall vest in and are hereby transferred to KZN Tourism and Film , unless specifically agreed to otherwise, in the form of individual written, Agreement signed by both parties.

2.13 For this purpose only, all works created in terms of this project / assignments thereof shall be deemed to have been created under control and direction of KZN Tourism and Film and be the property of KZN Tourism and Film.

2.14 All information documents, records and books provided by KZN Tourism and Film to any service provider in connection with the proposal or otherwise are strictly private and confidential.

2.15Any proposer to any third party shall not disclose them, except with the express consent of KZN Tourism and Film , which shall be granted in writing prior to such disclosure. KZN Tourism and Film however, reserves the right to disclose any information provided by the service provider to any of its employees.

2.16 KZN Tourism and Film requires no bid surety, but services providers should note that KZN Tourism and Film reserves the right to review this position at contractual stages.

2.17 KZN Tourism and Film reserves the right to downscale the required services should the need arise; however this will be done on a consensus basis.

2.18 KZN Tourism and Film reserves the right to visit the premises of the short listed service providers prior to the assignment being awarded and after the contract has been signed.

2.2 **EQUIPMENT**

Cell phones and any other equipment, where required, must be provided at own cost by the service provider. All official cell phone calls will only be reimbursed by the Commission if supported evidence is provided.

2.3 LANGUAGE MEDIUM

The language medium for all documentation related to the Contract shall be in English.

2.4. PAYMENT

Once a contract is awarded the supplier must complete a Bank Form available from the Commission. This form must be submitted together with a cancelled cheque or a certified bank statement and a certified copy of the ID of the person who signs the financial detail certificate.

SECTION H– SUPPLY CHAIN MANAGEMENT PROCEDURES

3. SUPPLY CHAIN MANAGEMENT PROCEDURES

3.1 PROCEDURES FOR SUBMISSION

3.1.1 It is the responsibility of the service providers to ensure that their proposals are in the Bid Box by deadline date and time.

3.1.2 Bids proposals are late if they are received at the address indicated in the bid documents after the closing date and time.

3.1.3 A late bid proposal shall not be considered and, where practicable, shall be returned unopened to the Bidder.

3.1.4 No late bids proposals are accepted.

3.1.5 Bidders must please ensure that in all instances, the bid proposal reference number as well as the name of the project is clearly written in bold on the envelope.

3.2 VERIFICATION OF NATIONAL TREASURY CENTRAL SUPPLIERS DATABASE

3.2.1 The KZN Tourism and Film will verify the following information of the National Treasury Central Suppliers Database.

a) Business registration, including details of directorship and membership.
b) Bank account holder information.
c) In the service of the state status.
d) Tax compliance status.
e) Identity number.
g) Tender defaulting and restriction status; and
h) Any additional and supplementary verification information communicated by the National Treasury.

3.2.2 Suppliers / service providers to ensure that the above information are updated and correct on the National Treasury Central Suppliers Database.

3.3 JOINT VENTURES

3.3.1 In terms of the Supply Chain Management Policy Framework, a consortium or joint venture may, based on the percentage of the contract value managed or executed by their HDI members, be entitled to equity ownership in respect of an HDI.

3.3.2 Should this bid proposal be submitted by a joint venture, a certified copy of the joint venture agreement must accompany the bid proposal document before the closing date and time? The joint venture agreement must clearly specify the percentage of the contract to be undertaken by each company participating therein.

3.4 EQUAL BID PROPOSALS

In the event that two or more bids have equal total points in all respects, the Adjudication shall be decided by the drawing of lots.

3.5 ELECTRONIC PAYMENTS

Once a contract is awarded the supplier must complete an Original Bas Entity Form available from the KZN Tourism and Film this form must be submitted together with a cancelled cheque or a certified bank statement and a certified copy of the ID of the person who signs the financial detail certificate.

3.6 APPEALS PROCESS

All service providers are advised to refer to KZN Tourism and Film SCM policy framework for the appeal process and procedures. The SCM policy framework is available on KZN Treasury website. www.kzntreasury.gov.za

3.7 COMMUNICATION

All correspondence regarding this bid must be addressed or hand delivered to the:

The Accounting Officer
Supply Chain Unit
KwaZulu-Natal Tourism and Film
Ithala Trade Centre
2ND Floor (Reception Area)
29 Canal Quay (Signal) Road
Durban
4001

SECTION I-OFFICIAL BRIEFING SESSION/SITE INSPECTION CERTIFICATE

N. B. THIS FORM IS ONLY TO BE INCLUDED AND COMPLETED WHEN APPLICABLE TO THE BID.
Site/building/institution involved: KwaZulu – Natal Tourism and Film Authority

Bid No: KZNTAFA10/2024/25
APPOINTMENT OF A SUITABLY QUALIFIED SERVICE PROVIDER TO PROVIDE STRATEGIC MARKETING SERVICES FOR KWAZULU-NATAL TOURISM AND FILM AUTHORITY FOR A PERIOD OF THE PERIOD OF THREE YEARS

COMPULSORY BRIEFING SESSION (MICROSOFT TEAMS)
DATE & TIME: 17 January 2025 at 10;00 AM
VENUE: Microsoft Teams
Microsoft Teams Link:
Join the meeting now
Meeting ID: 373 596 148 845
Passcode: UB32E5Qc

THIS IS TO CERTIFY THAT (NAME)..ON BEHALF OF................................ ATTENDED THE OFFCIAL BRIEFING ON.................................... (DATE) AND
IS THEREFORE FAMILIAR WITH THE CIRCUMSTANCES AND THE SCOPE OF THE SERVICE TO BE RENDERED.

....
SIGNATURE OF BIDDER OR AUTHORISED REPRESENTATIVE
(PRINT NAME)

DATE: ....

A MICROSOFT TEAMS REGISTER WILL BE ATTACHED BY A KZN TOURISM AND FILM REPRESENTATIVE TO VERIFY ATTENDANCE

SECTION J-AUTHORITY TO SIGN A BID

A. COMPANIES

If a Bidder is a company, a certified copy of the resolution by the board of directors, personally signed by the chairperson of the board, authorising the person who signs this bid to do so, as well as to sign any contract resulting from this bid and any other documents and correspondence in connection with this bid and/or contract on behalf of the company must be submitted with this bid, that is before the closing time and date of the bid.

AUTHORITY BY BOARD OF DIRECTORS

By resolution passed by the Board of Directors on…..........................20......,

Mr/Mrs/Miss………………………………………………………… (whose signature appears below) has

been duly authorised to sign all documents in connection with this bid on

behalf of (Name of Company)

……………………………………..

IN HIS/HER CAPACITY AS: …...

SIGNED ON BEHALF OF COMPANY: ....
(PRINT NAME)

SIGNATURE OF SIGNATORY: .... **DATE**: ....

WITNESS: 1...

WITNESS: **2**…………………………

B. SOLE PROPRIETOR (ONE - PERSON BUSINESS)

I, the undersigned.. hereby confirm that I am the sole owner of the business

Tradingas..
.

....

.... ………………………………

SIGNATURE **DATE**

(PRINT NAME)

C. PARTNERSHIP

The following particulars in respect of every partner must be furnished and signed by every partner:

Full name of partner	Residential address	Signature
....	....	
....	....	
....	....	
....	....	

We, the undersigned partners in the business trading as..
hereby authorized ....to sign this bid as well as any contract resulting from the bid and any other documents and correspondence in connection with this bid and /or contract on behalf of

....

SIGNATURE **SIGNATURE**

(PRINT NAME) (PRINT NAME) (PRINT NAME)

....

DATE **DATE** **DATE**

D. CLOSE CORPORATION

In the case of a close corporation submitting a bid, a certified copy of the Founding Statement of such corporation shall be included with the bid, together with the resolution by its members authorising a member or other official of the corporation to sign the documents on their behalf.

By resolution of members at a meeting on .... 20........... at ……………
....Mr/Mrs/Miss..., whose signature
appears below, has been authorised to sign all documents in connection with this bid on behalf of (Name of
Close Corporation)...

SIGNED ON BEHALF OF CLOSE CORPORATION: ………………………………………………
(PRINT NAME) **IN HIS/HER CAPACITY AS** .... **DATE**: ....

SIGNATURE OF SIGNATORY: ....

WITNESSES: 1 ....

2 ....

E. CO-OPERATIVE

A certified copy of the Constitution of the co-operative must be included with the bid, together with the resolution by its members authoring a member or other official of the co-operative to sign the bid documents on their behalf.

SIGNATURE OF AUTHORISED REPRESENTATIVE/SIGNATORY:
(PRINT NAME)

....

IN HIS/HER CAPACITY AS: ....……………………..

DATE: ....…………..

SIGNED ON BEHALF OF CO-OPERATIVE: ....

NAME IN BLOCK LETTERS: ……………………………………………………………………………..

WITNESSES: 1 **...**

2 **...**

F.JOINT VENTURE

If a bidder is a joint venture, a certified copy of the resolution/agreement passed/reached signed by the duly authorised representatives of the enterprises, authorising the representatives who sign this bid to do so, as well as to sign any contract resulting from this bid and any other documents and correspondence in connection with this bid and/or contract on behalf of the joint venture must be submitted with this bid, before the closing time and date of the bid.

***A trust, consortium or joint venture must obtain and submit a consolidated B-BBEE Status Level Verification Certificate for every separate bid.**

AUTHORITY TO SIGN ON BEHALF OF THE JOINT VENTURE

By resolution/agreement passed/reached by the joint venture partners

on………20………………Mr/Mrs/Miss…………………………………………….,Mr/Mrs/Miss……………………………………………Mr/Mrs/Miss……………………………

and Mr/Mrs/Miss……………………. (Whose signatures appear below) have been duly authorised to sign all documents in connection with this bid on behalf of:

(Name of Joint Venture)…………………………………………………………………

IN HIS/HER CAPACITY AS: ………………………………………………………………

SIGNED ON BEHALF OF (COMPANY NAME): ………………………………………………

(PRINT NAME)

SIGNATURE: …………………………….. **DATE:** ……………………

IN HIS/HER CAPACITY AS: ……………………………………………………………………

SIGNED ON BEHALF OF (COMPANY NAME): ………………………………………………

(PRINT NAME)

SIGNATURE: …………………………….. **DATE:** …………………………

IN HIS/HER CAPACITY AS: ……………………………………………………………………

SIGNED ON BEHALF OF (COMPANY NAME): ………………………………………………

(PRINT NAME)

SIGNATURE: …………………………….. **DATE:** …………………………

IN HIS/HER CAPACITY AS: ……………………………………………………………………

SIGNED ON BEHALF OF (COMPANY NAME): ………………………………………………

(PRINT NAME)

SIGNATURE: …………………………….. **DATE:** …………………………

G. CONSORTIUM

If a bidder is a consortium, a certified copy of the resolution/agreement passed/reached signed by the duly authorised representatives of concerned enterprises, authorising the representatives who sign this bid to do so, as well as to sign any contract resulting from this bid and any other documents and correspondence in connection with this bid and/or contract on behalf of the consortium must be submitted with this bid, before the closing time and date of the bid.

***A trust, consortium or joint venture must obtain and submit a consolidated B-BBEE Status Level Verification Certificate for every separate bid.**

AUTHORITY TO SIGN 0N BEHALF OF THE CONSORTIUM

By resolution/agreement passed/reached by the consortium on………………………20……

Mr/Mrs/Miss…………………………………………….………………………………… …(whose

signature appears below) have been duly authorised to sign all documents in connection with this bid on behalf of:(Name of Consortium)………………………………………………..

IN HIS/HER CAPACITY AS:…………………………………………………………………

SIGNATURE:……………………….. **DATE:**………………………
(PRINT NAME)

SECTION K- CERTIFICATION OF CORRECTNESS OF INFORMATION SUPPLIED IN THIS DOCUMENT

I/we, THE UNDERSIGNED, WHO WARRANT THAT I AM DULY AUTHORISED TO DO SO ON BEHALF OF THE BIDDER, CERTIFY THAT THE INFORMATION SUPPLIED IN TERMS OF THIS DOCUMENT IS CORRECT AND TRUE, THAT THE SIGNATORY TO THIS DOCUMENT IS DULY AUTHORISED AND ACKNOWLEDGE THAT:

1.The bidder will furnish documentary proof regarding any bidding issue to the satisfaction of the Province, if requested to do so.

2.If the information supplied is found to be incorrect and/or false then the Province, in addition to any remedies it may have, may:-

a)Recover from the contractor all costs, losses or damages incurred or sustained by the Province as a result of the award of the contract, and/or

b)Cancel the contract and claim any damages which the Province may suffer by having to make less favourable arrangements after such cancellation.

SIGNED ON THIS.................. **DAY OF**................................... **20**.......... **AT**…………………………..

....

SIGNATURE OF BIDDER OR DULY AUTHORISED REPRESENTATIVE **NAME IN BLOCK LETTERS**

ON BEHALF OF (BIDDER'S NAME)

....

NATORY

NAME OF CONTACT PERSON (IN BLOCK LETTERS, PLEASE) ………………

POSTAL ADDRESS ……………………………………………………………………

TELEPHONE NUMBER: ....

FAX NUMBER: ....

CELLULAR PHONE NUMBER: ....

E-MAIL ADDRESS: ………………………

SECTION L SBD 6.1

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

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1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2 **To be completed by the organ of state**

The applicable preference point system for this tender is the 80/20 preference point system.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

(a) Price; and

(b) Specific Goals.

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

	POINTS
Price	80
Specific Goals	20
Total points for Price and Specific Goals	100

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

(a) **"tender"** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;

(b) **"price"** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;

(c) **"rand value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

(d) **"tender for income-generating contracts"** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and

(e) **"the Act"** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

80/20 or **90/10**

$$Ps = 80\left(1 - \frac{Pt - P\,min}{P\,min}\right) \quad \text{or} \quad Ps = 90\left(1 - \frac{Pt - P\,min}{P\,min}\right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

3.2. **FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT**

3.2.1. **POINTS AWARDED FOR PRICE**

A maximum of 80 or 90 points is allocated for price on the following basis:

80/20	**or**	**90/10**
$Ps = 80\left(1 + \frac{Pt - P\,max}{P\,max}\right)$	or	$Ps = 90\left(1 + \frac{Pt - P\,max}{Pmax}\right)$

Where

Ps	=	Points scored for price of tender under consideration
Pt	=	Price of tender under consideration
Pmax	=	Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

(a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

(b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system, then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.**)**

The specific goals allocated points in terms of this tender	**Number of points allocated (90/10 system) (To be completed by the organ of state)**	**Number of points allocated (80/20 system) (To be completed by the organ of state)**	**Number of points claimed (90/10 system) (To be completed by the tenderer)**	**Number of points claimed (80/20 system) (To be completed by the tenderer)**
At least 51% Blacks Africans, Indians or Coloureds Owned Companies		10		
At least 51% Women owned companies		05		
At least 51% Youth owned companies		05		

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm……………………………………………………………………….

4.4. Company registration number: …………………………………………………………...

4.5. TYPE OF COMPANY/ FIRM

- □ Partnership/Joint Venture / Consortium
- □ One-person business/sole propriety
- □ Close corporation
- □ Public Company
- □ Personal Liability Company
- □ (Pty) Limited
- □ Non-Profit Company
- □ State Owned Company

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

i) The information furnished is true and correct.

ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.

iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct.

iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –

(a) disqualify the person from the tendering process.

(b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct.

(c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation.

(d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

(e) forward the matter for criminal prosecution, if deemed necessary

…………………………………………
SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME: ……………………………………………………
DATE: ……………………………………………………

ADDRESS: ……………………………………………………

……………………………………………………

……………………………………………………
……………………………………………………

ANNEXTURE B: GENERAL CONDITIONS OF CONTRACT

DEFINITIONS: The following terms shall be interpreted as indicated:

a) "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.

b) "Contract" means the written agreement entered into between the Province and the Contractor, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

c) "Contract price" means the price payable to the Contractor under the contract for the full and proper performance of his contractual obligations.

d) "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.

e) "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

f) "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognised new product results that is substantially different in basic characteristics or in purpose or utility from its components.

g) "Day" means calendar day.

h) "Delivery" means delivery in compliance with the conditions of the contract or order.

i) "Delivery ex stock" means immediate delivery directly from stock actually on hand.

j) "Delivery into consignees store or to his site" means delivery and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the Contractor bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

k) "Dumping" occurs when a private enterprise abroad markets its goods and services on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.

l) "Force majeure" means an event beyond the control of the Contractor and not involving the Contractor's fault or negligence and not foreseeable. Such event may include, but is not restricted to, acts of the province in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

m) "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

n) "GCC" means the General Conditions of Contract.

o) "Goods" means all the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

p) "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the Contractor or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic, where supplies covered by the bid will be manufactured.

q) "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

r) "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

s) "Order" means an official written order issued for the supply of goods or works or the rendering of a service.

t) "Project site" where applicable, means the place indicated in bidding documents.

u) "Province" means the procuring KZN Tourism and Film, incorporating the KwaZulu-Natal Provincial Legislature.

v) "Republic" means the Republic of South Africa.

w) "SCC" means the Special Conditions of Contract.

x) "Services" means that functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the Contractor covered under the contract.

y) "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

1. CESSION OF CONTRACTS

1.1 The Contract is personal to the Contractor who shall not sub-let, assign, cede or make over the Contract or any part thereof, or any share of interest therein, to any other person without the written consent of the Province, and on such conditions as it may approve.

1.2 This sub-clause shall not apply to sub-contracts given to regular suppliers of the Contractor for materials and minor components relating to the goods or services supplied. The Province reserves the right to require the Contractor to submit, for noting, the names of such sub-contractors in order to ascertain their registration on the Provincial Suppliers Database and they must be legal entities.

2. DISCREPANCIES

Should there appear to be any discrepancies, ambiguities or want of agreement in description, dimensions, qualities or quantities in the Contract, the Contractor shall be obliged to refer the matter to the Provinces' Representative for a decision, before proceeding to execute the Contract or part thereof in respect of which the said discrepancies, ambiguities or want of agreement appear to exist.

3. QUALITY AND GUARANTEE

3.1 All Goods supplied shall be equal in all respects to samples, patterns or specifications where such are provided. Any changes to quality or brands will have to be approved by the Province, as this is a change to the conditions of the contract.

3.2 Should the Province, after the award of the Contract and/or during the manufacture of the goods specified, decide on a variation or alteration to the specification, either at the suggestion of the Contractor or otherwise, which will be to the Province's advantage, such variation or alteration shall be performed to the Province's satisfaction. Any variation in the Contract Price arising there from shall be subject to agreement between the Province and the Contractor.

3.3 The Contractor shall not be relieved of his obligations with respect to the sufficiency of the materials and workmanship and the quality of the Goods supplied by the reason of no objection having been taken thereto by the Province's Representative at the time the Goods were delivered.

3.4 The Contractor warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The Contractor further warrants that all goods supplied under this contract shall have no defect, arising from design, materials or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the Contractor, that may develop under normal use of the supplied goods in the conditions prevailing in the country of the final destination.

3.5 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in the Special Conditions of Contract.

3.6 The Province shall promptly notify the Contractor in writing of any claims arising under this warranty. The Contractor shall immediately remedy the said defect free of cost to the Province. Should the

Contractor delay remedial work in excess of time stipulated by the Province's representative, the Province may have such remedial work executed at the Contractor's expense. Should the Province decide that the defect is such that it cannot be remedied, the Goods may be rejected. Such rejected goods shall be held at the risk and expense of the Contractor and shall, on request of the Province, be removed by him immediately on receipt of notification of rejection. The Contractor shall be responsible for any loss the Province may sustain by reason of such action as the Province may take, in terms of this clause.

3.7 The risk in respect of the Goods purchased by the Province under the contract shall remain with the Contractor until such goods have been delivered to the Province.

3.8 The principle feature of the Goods and Work are described in the Goods or Services Information, but the Goods or Services Information does not purport to indicate every detail of construction, fabrication or arrangements of Goods and Works necessary to meet the requirements. Omission from the Goods or Services information of reference to any part or parts shall not relieve the Contractor of his responsibility for carrying out the Work as required under the Contract.

3.9 If any dispute arises between the Province and the Contractor in connection with the quality and guarantee of the Goods, either party may give the other notice in writing of the existence of such dispute, and the same shall thereupon be referred to arbitration in South Africa by a person mutually agreed upon

by both parties. The submission shall be deemed to be a submission to arbitration within the meaning of the terms of the arbitration laws in force in the Republic of South Africa.

4. FAILURE TO COMPLY WITH CONDITIONS AND DELAYED EXECUTION

4.1 If a bidder amends or withdraws his/her/their bid after the closing time but before the bidder is notified that his/her/their bid has been accepted, or when notified that his/her/their bid has been accepted, he/she/they fail/fails, within the period stipulated in the conditions of bid or such extended period as the Province may allow, to sign a contract or to provide security when requested to do so, he/she/they shall, unless the Province decides otherwise, and without prejudice to any other right which the Province may have under paragraphs 4.2 and 4.4, including the right to claim damages if a less favourable bid is accepted or less favourable arrangements are to be made, forfeit any deposit which may have been made with the bid.

4.2 Should the contractor fail to comply with any of the conditions of the contract, the Province shall be entitled, without prejudice to any of its other rights, to cancel the contract.

4.3 Upon any delay beyond the contract period in the case of a supplies contract, the Province shall, without cancelling the contract, be entitled forthwith to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any supplies delivered later at the contractor's expense and risk, or forthwith to cancel the contract and buy such supplies as may be required to complete the contract, and without prejudice to its rights, be entitled to claim damages from the contractor.

4.4 Upon any delay beyond the contract period in the case of a service contract, the Province shall, without prejudice to any other right and without cancelling the contract, be entitled forthwith to arrange the execution of the service not rendered in conformity with the contract or to cancel the contract, and without prejudice to its other rights, be entitled to claim damages from the contractor.

4.5 In the event of the Province availing itself of the remedies provided for in paragraph 4.2 -

4.5.1 the contractor shall bear any adverse difference in price of the said supplies services and these amounts plus any other damages which may be suffered by the Province, shall be paid by the contractor to the Province immediately on demand, or the Province may deduct such amounts from moneys (if any) otherwise payable to the contractor in respect of supplies or services rendered or to be rendered under the contract or under any other contract or any other amounts due to the contractor; or

4.5.2 if the Contractor fails to supply the goods or render the service within the period stipulated in the contract, the Province shall have the right, in its sole discretion, to claim any damages or loss suffered.

4.6 No damages shall be claimed in respect of any period of delay which the contractor can prove to be directly due to a state of war, sanctions, strikes, lockouts, damage to machinery as a result of accidents,

fire, flood or tempest or act of God, which could not be foreseen or overcome by the contractor, or to any act or omission on the part of persons acting in any capacity on behalf of the Province.

4.7 If the delivery of the supplies or the rendering of the service is likely to be delayed or is in fact being delayed on account of any of the reasons mentioned in paragraph 4.6, full particulars of the circumstances shall be reported forthwith in writing to the Province and at the same time the contractor shall indicate the extension of the delivery period

5. PATENTS

5.1 The Contractor shall pay all royalties and expenses and be liable for all claims in respect of the use of patent rights, trademarks or other protected rights, and hereby indemnifies the Province against any claims arising there from.

5.2 The Contractor shall indemnify the Province against all third-party claims of infringement of patent, trademark, or industrial design rights arising from the use of the goods or any part thereof by the Province.

6. PACKAGING, MARKING AND DELIVERY

6.1 All goods shall be crated, packed or battened securely in such a manner as to prevent damage during loading, transport and off-loading. Unless otherwise specified, packing cases and packing materials are included in the Contract Price, and shall be and remain the property of the Province.

6.2 All goods shall be clearly marked in the manner stated in the Goods or Services Information.

6.3 Goods shall be delivered to the address within the Province's area of jurisdiction as set out in the Special Conditions of Contract or Goods and Services Information.

6.4 Goods shall be delivered on Weekdays between 08:00 and 16:00, free of all charges, only when ordered upon an official letter or form of order issued by the Province. No goods will be received on Saturdays, Sundays and public holidays. This paragraph (6.4) is applicable only when not excluded in the Special Conditions of Contract.

6.5 Goods delivered shall in all cases be accompanied by delivery notes in duplicate, one which will be retained by the Province. The Contractor shall be responsible for the safe delivery as to the quality, quantity and condition of the goods.

6.6 Delivery, unless otherwise provided for in the Special Conditions of Contract, shall be affected within seven (7) days from receipt of the order. The Contractor shall advise the Province upon receipt of an order in writing of any anticipated delays, citing reasons therefore and put forward a new anticipated delivery date. The Province may then extend the delivery date, if and as it deems fit.

6.7 Should the Contractor fail to supply the material within the time stated in his bid, or within the extended time allowed to him in terms of clause 6.6 hereof, the Province reserves the right (after giving the

Contractor seven days' notice in writing) to cancel the contract and purchase the materials elsewhere and the bidder shall refund to the Province any extra cost incurred over and above the contract price.

No liability shall, however, be attached to the Contractor if delivery of materials is rendered impossible or delayed by reason of circumstances beyond the Contractor's control.

6.8 If the Contractor cannot produce proof satisfactory to the Province that the delay was due to circumstances beyond his control, no price increase after the due date will be recognized.

6.9 If at any time the Province ascertains that, due to negligence of the Contractor or for reasons beyond his control:

6.9.1 No work on the order has been commenced and in the opinion of the Province, there is little or no prospect of work being commenced in reasonable time;

6.9.2 Delivery of any materials is being or is likely to be delayed beyond the delivery date promised, and/or

6.9.3 There is little or no prospect of the order being completed within a reasonable time after the promised date; the Province may, by notice to the Contractor in writing, cancel as from the future date specified in such notice, the whole or any part of the order in respect of which material has not been delivered by that date without incurring any liability by reasons of such cancellation. The cases where circumstances beyond the control of the Contractor have delayed commencement or completion of the order, cancellation of the order will be effected by mutual arrangement or where this is not possible by the decision of the Province. The Contractor shall then as soon as possible after such date deliver to the Province that part of the order which has been completed, and payment is to be effected is for the part performance on a proportional basis, subject to the uncompleted part not being an integral or essential part of the contract.

6.10 Should a price other than an all-inclusive price be required, this shall be specified in the SCC.

7. CONSIGNMENT OF GOODS

7.1 Goods, if delivered by Spoornet may be consigned carriage paid in the Contractor's name, care of the Province to the place of delivery stipulated, but not in the name of the State. Goods consigned to stores located in areas which Spoornet may refuse to deliver, must be done so care of a local agent or to a local depot from which they may be re-delivered by road to such stores.

7.2 Contractors shall arrange with Spoornet to deliver goods to the Province's stores during the hours and on the days that the stores are open.

7.3 The Province will not be responsible for any damage, re-delivery charges or any other charges raised by Spoornet.

7.4 Claims on the South African Transport Services or on any other carrier in respect of weight, quantity, damage or loss, shall be made by the Contractor

8. PAYMENT

8.1 The Contractor shall furnish the Province with an invoice accompanied by a copy of the delivery note upon fulfillment of other obligations stipulated in the contract.

8.2 Payments shall be made promptly by the Province, but in no case later than thirty days (30) days after submission of an invoice or claim by the Contractor.

8.3 Payments will be made in Rand unless otherwise stipulated.

8.4 Payments for goods are made by the Province only. Any disputes regarding late or delayed payments must be taken up with the KZN Tourism and Filmand if a problem persists, the Supply Chain Management Office can be requested to investigate the delays.

9. INVOICES

All invoices submitted by the Contractor must be Tax Invoices indicating quantity ordered and quantity delivered, the amount of tax charged and the total invoice amount.

10. CONTRACT PRICE ADJUSTMENT

10.1 Firm contract prices shall not be subject to adjustment. contract prices which are not firm shall be increased or reduced by the amount of variation between the Cost to Bidder and the actual cost to the Contractor, such variations to be subject to the following conditions:-

10.1.1 Where the Cost to Bidder was based on a printed catalogue or list price, the variation shall be the difference between that price list and the price list actually charged. Should it transpire that the Cost to Bidder was not based on the latest available price list at the Date of Bid; the Province shall have the right to elect the price list on which any variation shall be based.

10.1.2 Where the Cost to Bidder was based on a quotation by the manufacturer, or where the Contractor is the manufacturer, and the Contract Price was based on the cost of materials and labour ruling at a certain date, the variation in the Contract Price shall be calculated by means of the Steel and Engineering Industries Federation of South Africa (SEIFSA) formula if this is stipulated in the Contract, or if the Province's representative considers it to be appropriate. Where the use of the SEIFSA formula is not appropriate, the variation shall be calculated by means of another formula acceptable to the Province, which shall be indicated in the Special Conditions of Contract. Only those cost increases due to wage increases prescribed by regulating measures having the force of law, or increases in the cost of materials and railage as may be proven by documentary evidence, or published data, will be considered in determining Contract Price variation.

10.1.3 Any difference between Rates and Charges ruling at the time of bid and those actually paid by the Contractor will be for the account of the Province. The Contract Price adjustment arising from any variation in Rates and Charges shall, in every instance, be applied to the appropriate value, or tonnage, of the Goods shipped. Where a variation in the Cost to bidder has been allowed, the contract price shall be adjusted by the product of such variation and every component of Rates and Charges which is based on the value of the Goods, whether or not the costs of such components have varied.

10.1.4 No claim for increased costs will be entertained if the Contractor is unable to produce documentation to substantiate Cost to Bidder and Rates and Charges on which the contract price was based and documentation to support his claim. Such documentation must, in the opinion of the Province, adequately support the Contractor's claim. No claim for increased costs to the Contractor arising from negligence on his part, or that of the manufacturer, will be considered.

10.1.5 The Contractor shall, in respect of every consignment or shipment of Goods delivered, supply to the Province's Representative documentary evidence of variation, if any, in Cost to Bidder and Rates and Charges.

10.1.6 Claims for increased cost shall be submitted with the invoice for the Goods in respect of which the claim is made, or as soon thereafter as possible. Claims shall not be considered if received more than 90 days after the expiry of the Contract unless notice of intention to claim has been given to the Province before such date.

10.1.7 In the event of there being no claim by the Contractor for increased costs, the Contractor shall not be entitled to full payment under the Contract before he has submitted to the Province, in his own name or in the name of the manufacturer, a certificate declaring that there have been no adjustments in the cost of manufacture which entitle the Employer to a reduction in the Contract Price as provided for in this clause.

11. REMEDIES IN THE CASE OF DEATH, SEQUESTRATION, LIQUIDATION OR JUDICIAL MANAGEMENT

11.1 In the event of the death of a contractor or the provisional or final sequestration of his/her/their estate or of his/her/their cession or transfer of a contract without the approval of the Province or of the surrender of his/her/their estate or of his/her/their reaching a compromise with his/her/their creditors or of the provisional or final liquidation of a contractor's company/closed corporation or the placing of its affairs under judicial management, the Province may, without prejudice to any other rights it may have, exercise any of the following options :

11.1.1 Cancel the contract and accept any of the bids which were submitted originally with that of the contractor or any offer subsequently received to complete the contract. In such a case the estate of the contractor shall not be relieved of liability for any claim which has arisen or may arise against the contractor in respect of supplies not delivered or work not carried out by the contractor, under the contract.

11.1.2 Allow the executor, trustee, liquidator or judicial manager, as the case may be, for and on behalf of and at the cost and expense of the estate of the contractor to carry on with and complete the contract.

11.1.3 For and on behalf of and at the cost and expense of the estate of the contractor, itself carry on with and complete the contract and in that event the Province may take over and utilize, without payment, the contractor's tools, plant and materials in whole or in part until the completion of the contract.

11.1.4 Should the Province elect to act in terms of paragraph 11.1.3 it shall give notice of its requirements to

the executor, trustee, liquidator or judicial manager of the contractor's estate and should the said executor, trustee, liquidator or judicial manager fail within 14 days of the dispatch of such notice to make provision to the satisfaction of the Province for the fulfilment of such requirements, or should no trustee, liquidator or judicial manager be appointed within 14 days of the occurrence mentioned in paragraph 11.1, the Province may apply any remedy open to it in terms of the contract as if a breach thereof had taken place.

11.1.5 Should the Province act in terms of paragraph 11.1.3 the contractor must leave the premises immediately and may not occupy such premises on account of retention or any other right.

12. LAW TO APPLY

The Contract shall in all respects be construed in accordance with the law of the Republic of South Africa, and any difference that may arise with the law of the Republic of South Africa, and any difference that may arise between the Province and the Contractor in regard to the Contract, shall be settled in the Republic of South Africa.

13. OFFERING OF COMMISSION OR GRATUITY

If the Contractor, or any person employed by him, is found to have either directly or indirectly offered, promised or given to any office bearer of the Province or person in the employ of the Province, any commission, gratuity, gift or other consideration, the Province shall have the right, summarily and without recourse to law and without prejudice to any other legal remedy which it may have in regard to any loss or additional cost or expenses, to cancel the Contract without paying any compensation to the Contractor.

14. PREFERENCES

14.1 Should the Contractor apply for preferences in the submission of his bid, and it is found at a later stage that these applications were incorrect or made under false pretences, the Province may, at its own right:-

14.1.1 Recover from the Contractor all costs, losses or damages incurred or sustained by the Province as a result of the award of the Contract; and / or

14.1.2 Cancel the contract and claim any damages which the Province may suffer by having to make less favourable arrangements after such cancellation.

14.2 The Province may impose penalties, however, only if provision therefore is made in the Special Conditions of Bid.

15. WEIGHTS AND MEASURES

The quantities of goods offered or delivered shall be according to South African standard weights and measures.

16. SECURITY

16.1 Special Conditions of Contract relating to Surety/Guarantee requirement must be dealt with in strict compliance with the Conditions of Bid set out herein.

16.2 In respect of contracts less than R 500 000, the guarantees and sureties required may be based on a risk evaluation conducted by the Province inviting the bid.

16.3 No deposits are required for bid applications for contracts below R 500 000.

17. ORDERS

17.1 Goods shall be delivered and services rendered only upon receipt of a written official order or the signing of a contract with the Province, and accounts shall be rendered as indicated on the official order or in the contract, as the case may be.

17.2 The Province reserves the right to call upon any Contractor during the contract period to make known the following details:

17.2.1 Name of Institution placing order;

17.2.2 Provincial official order number;

17.2.3 Quantity ordered; and

17.2.4 List of items ordered.

18. EXPORT LICENCES

18.1 When orders are placed for goods in respect of which an export license from the country of origin of supplies is required, the Contractor shall:

18.1.1 Not incur any direct or indirect costs in connection with the supply or dispatch of such supplies before he has obtained such license;

18.1.2 If the government of the country from which the supplies are to be exported refuses, or fails to grant such license within three months of the placing of the order, the order shall be considered to be cancelled and no liability will be accepted for any loss or expenses irrespective of the nature thereof, including loss or expenditure suffered or incurred by the Contractor or any other person in respect of the production, supply, transportation or delivery of such supplies.

19. INSURANCE

19.1 The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.

19.2 19.2 Any insurance policies taken out by a Contractor to cover goods delivered for a contract must be taken out with a company registered in South Africa in terms of relevant insurance and companies acts.

20. INSPECTION, TESTS AND ANALYSES

20.1 In terms of Provincial policy, inspections of a Bidder's goods and services are permitted. Bidders and Contractors must allow reasonable access to premises to officials from the KZN Tourism and Film inviting the bid, or person specially appointed by the Province to carry out inspection or tests. There are two main categories: Firstly, where the bid conditions call for goods to be inspected during the contract period.

Secondly, where the inspection results are to be submitted with the bid document.

20.2 If it is a bid condition that goods to be produced should at any stage during production or on completion be subject to inspection, the premises of the Contractor shall be open, at all reasonable hours, for inspection by a representative of the Province or of organisation acting on its behalf.

20.3 Inspections tests and analyses may be carried out prior to dispatch in regard to such contract goods as may be deemed necessary by the Province, and the Contractor shall provide, if required, all the required facilities for the inspection, tests and analyses of the goods free of charge and shall, if required, provide all the materials, samples and labour and available apparatus which may be required for the purposes of such inspection, tests and analyses free of charge, unless otherwise specified.

20.4 If there are no inspection requirements in the bid documents and no mention thereof is made in the letter of acceptance, but during the contract it is decided that inspections shall be carried out, the Province shall itself make the necessary arrangements, including payment arrangements, with the testing authority concerned. The premises of the Bidder Contractor must be open and accessible at all reasonable times for the purposes of these tests.

20.5 If the inspection, tests and analyses show the goods or service to be in accordance with contract requirements, the cost of the inspection, tests and analyses shall be defrayed by the Province calling for such tests or analyses. Where the supplies or services do not comply with the contract, the costs shall be defrayed by the Contractor and the Province shall have the right, without prejudice to any other legal remedy it may have, to deduct such costs from payments due to the Contractor under the contract or under any other contract.

20.6 Goods and services which do not comply with the contract requirements may be rejected.

20.7 Any goods may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract, and such rejected goods shall be held at the cost and risk of the Contractor who shall, when called upon, remove them immediately at his own cost and forthwith substitute them for goods which do comply with the requirements of the contract, failing which such rejected goods shall be returned at the Contractor's cost and risk. Should the Contractor fail to provide the substitute goods forthwith, the Province may, without giving the Contractor a further opportunity to substitute the rejected goods, purchase such supplies as may be necessary at the expense of the Contractor, for example, the transport costs and other expenses regarding the rejected goods must be refunded by the Contractor.

20.8 Where imported goods are to be inspected before delivery, the Contractor shall notify his suppliers abroad of the conditions applicable to inspections.

20.9 Provisions contained in sub-clause 20.1 and 20.8 shall not prejudice the right of the Province to cancel the contract on account of a breach of the conditions thereof.

21. RESTRICTION OF BIDDING

Without prejudice on any other legal remedies, the Province may impose restrictions on a Bidder in terms of which bids to the Province will not be accepted for such period as determined by the Province. This information may be passed to other provinces or State organizations in the Republic of South Africa. These restrictions may be imposed in terms of the breach of any of the requirements to be met in terms of the accepted bid or contract. The Province may also make a restriction on a bidder from another province or State institution applicable to this Province.

22. CONTRACTOR'S LIABILITY

22.1 In the event of the contract being cancelled by the Province in the exercise of its rights in terms of these conditions, the Contractor shall be liable to pay to the Province any losses sustained and/ or additional costs or expenditure incurred as a result of such cancellation, and the Province shall have the right to recover such losses, damages or additional costs by means of set-off from monies due or which may become due in terms of the contract or any other contract or from guarantee provided for the due fulfillment of the contract and, until such time as the amount of such losses, damages or additional costs have been determined, to retain such monies or guarantee or any deposit as security for any loss which the Province may suffer or may have suffered.

22.2 The Contractor may be held responsible for any consequential damages and loss sustained which may be caused by any defect, latent or otherwise, in supply or service rendered or if the goods or service as a result of such defect, latent or otherwise, does not conform to any condition or requirement of the contract.

23. PRICE LISTS

Price lists which are part of the contract shall not be amended without the approval of the Province, unless the SCC specify otherwise.

24. SUBMISSION OF CLAIMS

24.1 Claims must be submitted within 90 days of the delivery date of items, but the delivery date will be calculated according to the delivery period stipulated in terms of the contract, unless an extension for late delivery has been granted by the Province.

24.2 For period contracts, no price increase will be granted within the first 180 days of the contract period. No price increase applications which are submitted later than 90 days after the contract period expired will be considered. The claims shall be accompanied by documentary proof and, if required, an auditor's report sustaining the claim shall be provided.

24.3 Claims referring to formulae and indices must be clearly set out in terms of indices or formulae values used to calculate the bid price, and the adjusted indices or values.

25. PROVINCIAL PROPERTY IN POSSESSION OF A CONTRACTOR

25.1 Province's property supplied to a Contractor for the execution of a contract remains the property of the Province and shall at all times be available for inspection by the Province or its representatives. Any such property in the possession of the Contractor on the completion of the contract shall, at the Contractor's expense, be returned to the Province forthwith.

25.2 The Contractor shall be responsible at all times for any loss or damages to the Province's property in his possession and, if required, he shall furnish such security for the payment of any such loss or damages as the Province may require.

26. RIGHTS TO PROCURE OUTSIDE THE CONTRACT

26.1 The Province reserves the right to procure goods outside the contract in cases of urgency or emergency or if the quantities are too small to justify delivery costs, or if the goods are obtainable from another organ of Province or if the Contractor's point of supply is not situated at or near the place where the goods are required or if the Contractor's goods are not readily available.

26.2 No provision in a contract shall be deemed to prohibit the obtaining of goods or services from a Province or local authority.

27. AMENDMENT OF CONTRACT

No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force and effect unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing.

28. NOTICES

28.1 Every written acceptance of a bid shall be posted to the supplier/bidder concerned by registered or certified mail and any other notice to him/her/it shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him/her/it in writing and such posting shall be deemed to be proper service of such notice.

28.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting such notice.

29. INCIDENTAL SERVICES

29.1 The Contractor may be required to provide any or all of the following services, including additional services, if any, specified in the Special Conditions of Bid:

a) performance or supervision of on-site assembly and/or commissioning of the supplied goods:

b) furnishing of tools required for assembly and/or maintenance of the supplied goods;

c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the Contractor of any warranty obligations under this contract; and

e) training of the Province's personnel, at the Contractor's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

29.2 Prices charged by the Contractor for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the Contractor for similar services.

30. USE OF CONTRACT DOCUMENTS AND INFORMATION INSPECTION

30.1 The Contractor shall not, without the Province's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Province in connection therewith, to any person other than a person employed by the Contractor in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

30.2 The Contractor shall not, without the Provinces prior written consent, make use of any document or information mentioned in GCC clause 30.1 except for purposes of performing the contract.

30.3 Any document, other than the contract itself mentioned in GCC clause 30.1 shall remain the property of the Province and shall be returned (all copies) to the Province on completion of the Contractor's performance under the contract of so required by the Province.

30.4 The Contractor shall permit the Province to inspect the Contractor's records relating to the performance of the Contractor and to have them audited by auditors appointed by the Province, if so required by the Province.

31. SPARE PARTS

31.1 If specified in SCC, the Contractor may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the Contractor:

a) such spare parts as the Province may elect to purchase from the Contractor, provided that this election shall not relieve the Contractor of any warranty obligations under the contract.

b) In the event of termination of production of the spare parts:

I. Advance notification to the Province of the pending termination, in sufficient time to permit the Province to procure needed requirements; and

II. Following such termination, furnishing at no cost to the Province, the blueprints, drawings, and specifications of the spare parts, if requested.

32. PENALTIES

32.1 Subject to GCC Clause 4, if the Contractor fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the Province shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of delayed goods or unperformed services, using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The Province may also consider termination of the contract in terms of the GCC.

33. ANTI-DUMPING AND COUNTERVAILING DUTIES AND RIGHTS

33.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the Contractor to the State or the State my deduct such amounts from moneys (if any) which may otherwise be due to the Contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

34. GOVERNING LANGUAGE

The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

35. TAXES AND DUTIES

35.1 A foreign Contractor shall be entirely responsible for all taxes, stamp duties, licence fees, and other such levies imposed outside the Province's country.

35.2 A local Contractor shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the Province.

35.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Province must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

36. PROHIBITION OF RESTRICTIVE PRACTICES

36.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collective bidding (or bid rigging).

36.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

36.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public

sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

SECTION M: TAX COMPLIANCE STATUS VERIFICATION PIN

SECTION N: COMPANY REGISTRATION CERTIFICATE/AGREEMENT/ID DOCUMENT

SECTION O: CENTRAL SUPPLIER DATABASE SUMMARY REPORT

TERMS OF REFERENCE: PROVISION OF STRATEGIC MARKETING SERVICES FOR KWAZULU-NATAL TOURISM AND FILM AUTHORITY

1. BACKGROUND

CONSTITUTIONAL MANDATE

At the apex of the legislative mandate informing the work of the KwaZulu-Natal Tourism and Film Authority is the Constitution of the Republic of South Africa, Act 108 of 1996, as the supreme law of the Republic of South Africa. Along with the Bill of Rights, the Constitution forms the legal foundation of a democratic South Africa, sets out the rights and duties of its citizens and defines the structure of the government.

All laws of the country must be consistent with the Constitution, and it further requires that all spheres of government work together to address poverty, underdeveloped, marginalisation of individuals and communities and other legacies of Apartheid and discrimination. In this light, all government institutions, entities, and municipalities ultimately derive their mandate from the Constitution. Chapter 3 of the Constitution pertaining to Cooperative Government assigns functions to the three spheres of government.

More specifically, KZN Film and Tourism is informed by:

1) Schedule 4A of the Constitution, which lists tourism, cultural matters, and language policy and regulation as a functional area of concurrent national and provincial legislative competence.

2) Schedule 4B, which lists local tourism as a local government matter of concurrent national and provincial legislative competence, to the extent set out in sections 155(6)(a) and (7) of the Constitution.

3) Schedule 5A, which lists cultural and recreation facilities, other than national, as a provincial competence.

4) Schedules 4 and 5 of Section 41(1) that define the relationship and principles underlying cooperation between the various spheres of government.

5) Section 16(1), Everyone has the right to freedom of expression, which includes —

    a) freedom of the press and other media;

    b) freedom to receive or impart information or ideas;

    c) freedom of artistic creativity; and

    d) academic freedom and freedom of scientific research.

6) Section 30, which states *"Everyone has the right to use language and to participate in the cultural life of their choice, but no one exercising these rights may do so in a manner inconsistent with any provision of the Bill of Rights."*

In terms of Chapter 6, Section 125 of the Constitution, the KZN Tourism and Film is mandated through the powers and responsibilities delegated by the Premier to the respective Member of the Executive Council (in relation to film and tourism). In KwaZulu-Natal, this responsibility resides within the Department of Economic Development, Tourism and Environmental Affairs portfolio.

2. LEGISLATIVE AND POLICY MANDATES

2.1. Legislative Mandates

The KwaZulu-Natal Tourism and Film Authority derives its establishment mandate from an Act of the KwaZulu-Natal provincial legislature. Currently a Bill, once passed by the provincial legislature, the KwaZulu-Natal Tourism and Film Authority Act will establish the KZN Tourism and Film as a juristic person in accordance with the provisions of the Public Finance Management Act (No.1 of 1999).

The Act provides for the dissolution of the KwaZulu-Natal Film Commission and the KwaZulu-Natal Tourism Authority and the transfer of the functions of the former Commission and the former Authority to the KZN Tourism and Film. The Act repeals the KwaZulu-Natal Film Commission Act (No. 3 of 2010) and the KwaZulu-Natal Tourism Act (No. 11 of 1996), and its amendments.

As stated in the Draft Bill, the objectives of the KZN Tourism and Film are to –

1) market and promote the audio-visual and tourism sector.
2) facilitate the development of the audio-visual and tourism industries.
3) create an enabling environment for sustainable job creation in the audio-visual and tourism sector; and
4) address historical imbalances in infrastructure and distribution of skills and resources in the audio-visual and tourism sector in the province

The Authority has the following powers, functions, and duties:

a) act as the custodian for the integrated marketing and promotion of the province as an audio-visual and tourism destination to local and international markets.

b) act as a hub for audio-visual and tourism related information.

c) attract local and foreign investment for the establishment, development and growth of audio-visual and tourism infrastructure, facilities, and products.

d) provide financial and non-financial support for the development and transformation of the audio-visual and tourism sector.

e) attract audio-visual productions, leisure tourism and business events.

f) encourage existing role-players and new entrants into the audio-visual and tourism sector to support local enterprises, employ local people, and partner with local business entities.

g) provide support programmes targeting small, medium, and micro enterprises to facilitate empowerment and local employment.

h) raise additional funds to better exercise the powers, perform the functions, and carry out the duties as set out in this Act from sources other than appropriations from the Provincial Legislature.

i) advocate for an environment conducive to the promotion, growth, and transformation of the audio-visual and tourism sector and industries.

j) promote coherence of, and cooperation between, all organs of state in respect of audio-visual and tourism sector matters through the establishment of appropriate coordinating structures.

k) liaise and interact with all stakeholders and role-players in the audio-visual and tourism sector.

l) facilitate and coordinate industry development in the audio-visual and tourism sector; and

m) partner with local, national, regional, African, and global organisations to further the objectives of this Act.

In addition, the following legislation, as amended, governs the operations of the Authority:

Legislation informing how the core mandate must be delivered	▪ Tourism Act (No. 3 of 2014) ▪ National Film and Video Foundation Act (No. 73 of 1997) ▪ Broad-based Black Economic Empowerment Act (No. 53 of 2003) ▪ Preferential Procurement Policy Framework Act (No. 5 of 2000) ▪ Intergovernmental Relations Framework Act (No. 13 of 2005)

Amendments are being proposed to The Copyright Act (No. 98 of 1978), which is set to affect the audio-visual industry. The Copyright Amendment Bill is viewed by the creative sector as critical as the 1978 Act is outdated, particularly given the changes that have been brought about through technology advancements.

Among other, the Bill sets out the limitations and exceptions regarding the reproduction of copyright works; provides for the sharing, payment and resale of royalties; provides for access to copyright works by persons with disabilities; and includes a number of technological protection measures, including the protection of digital rights.

In addition, various governance legislation, as amended, must be complied with, *inter alia:*

Legislation and regulations pertaining to the governance environment and institutional arrangements, inter-alia	▪ Basic Conditions of Employment Act (No. 75 of 1997) ▪ Employment Equity Act (No. 55 of 1998) ▪ Labour Relations Act (No. 66 of 1995) ▪ Competitions Act (No. 89 of 1998) ▪ Prevention and Combating of Corrupt Activities Act (No. 12 of 2004) ▪ Promotion of Access to Information Act (No. 2 of 2000) ▪ Promotion of Administrative Justice Act (No. 3 of 2000) ▪ Promotion of Equality and Prevention of Unfair Discrimination Act (No. 4 of 2000) ▪ Protected Disclosures Act (No. 26 of 2000) ▪ Protection of Personal Information Act (No. 4 of 2013) ▪ Skills Development Act (Act No. 97 of 1998) ▪ Occupational Health and Safety Act (1993) ▪ Treasury regulations and accounting standards (as published)

2.2. Policy Mandates

Various national policy and strategy frameworks give effect to how the KZN Tourism and Film mandate should be implemented, and have direct bearing on the priorities and focus areas of the Authority, briefly summarised below:

Policy Framework	Implication
UN Sustainable Development Goals (SDGs) (2015)	Adopted by the United Nations in 2015, the 17 SDGs set a common sustainable development agenda for pursuit by all signatory nations, including South Africa. The following SDGs are particularly relevant to KZN Tourism and Film: 1) Goal 5: Achieve gender equality and empower all women and girls. 2) Goal 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all. 3) Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.
African Union Agenda 2063 (2015)	**The African Union Agenda 2063 reflects seven aspirations:** 1) A prosperous Africa, based on inclusive growth and sustainable development. 2) An integrated continent, politically united and based on the ideals of pan-Africanism and the vision of Africa's Renaissance. 3) An Africa of good governance, democracy, respect for human rights, justice, and the rule of law. 4) A peaceful and secure Africa. 5) An Africa with a strong cultural identity, common heritage, values, and ethics. 6) An Africa where development is people-driven, unleashing the potential of its women and youth; and 7) Africa as a strong, united, and influential global player and partner.
National Development Plan, Vision 2030 (2012)	The NDP envisions an economy that provides full employment by 2030 and serves the needs of all South Africans from different racial, social, and economic backgrounds. 2030 targets include: 1) Elimination of poverty (income less than US 2$ per day). 2) Reduction in inequality (move the Gini coefficient from 0.69 to 0.60). 3) Reducing unemployment from 24.9% in 2012 to 14% by 2020, and 6% by 2030. **<u>KZN Tourism and Film contributes most directly to:</u>** 1) **Chapter 3 – Economy and jobs:** Tourism (<u>including Film Tourism</u>) is identified as a highly labour-intensive industry which stimulates the development of small businesses, which generate FDI and significant export earnings. Emphasis is placed on:

Policy Framework	Implication
	a) Increasing the number of tourists entering South Africa and the amount spent. b) The availability of tourism infrastructure. c) Positioning South Africa as a regional shopping and business centre; and d) Ease of access by air and travel facilitation through favourable visa regimes. **These themes are addressed as part of the Pillars and Actions of the National Tourism Sector Strategy (NTSS)** 1) **Chapter 15 – Nation Building and Social Cohesion:** Arts, Culture and Heritage Sector is a powerful driver of creating a sense of inclusiveness and encouraging interaction between South Africans from different social backgrounds and, importantly, mobilising an active and responsible citizenry. Three themes of Chapter 15 strategy: a) Reducing poverty and inequality by broadening opportunity through economic inclusion, education and skills, and specific redress measures. b) Promoting mutual respect, inclusiveness, and cohesion by acting on the constitutional imperative that South Africa belongs to all who live in it, and that all are equal before the law; and c) Deepening the national appreciation of the responsibilities and obligations that citizens have towards one another. **Furthermore, the NDP highlights that the economic value and contribution of the Arts, Culture and Heritage Sector is increasingly recognised; and that strategies must be developed and implemented to exploit its potential on a global scale.**
National Spatial Development Framework 2050 (2019)	Under the theme: *"Moving South Africa forward to the desired Spatial Future"*, the national Spatial Development Framework sets out an action plan to bring about radical spatial transformation at scale and manage and mitigate national risks (current and emerging). It proposes a set of five national spatial action areas, which require urgent, focused, and integrated national spatial infrastructure investment and spending; and concerted and sustained intergovernmental collaboration, including the alignment of plans, budgets, and departmental plans in and between the spheres of government. **KZN Tourism and Filmwill play an important role in ensuring spatial equity through tourism and film, by improving the geographical spread of tourism and film and localising tourism and film support in collaboration with district and local marketing organisations.**
White Paper on the Development and Promotion of Tourism in South Africa (1996)	The Tourism White Paper informed the roles envisaged of the various partners in Tourism: ***"Tourism must be Government led, private sector driven, and community-based".***

Policy Framework	Implication
Draft Revised White Paper on Arts, Culture and Heritage (2018)	The revision of the White Paper on Arts, Culture and Heritage seeks to assess the impact, gains, and limitations of the 1996 White Paper on Arts, Culture and Heritage and seeks to accelerate transformation and restructuring of the creative sector by removing the obstacles that hinder effective policy implementation. The amendments being considered further highlight the priority now given to the creative sector in South Africa: 1) The Revised White Paper on ACH was adopted by Cabinet on 22 August 2018. It envisages the reconfiguration of the institutional landscape. It has since been tabled in Parliament, but raises questions in terms of policy positions and landscape changes: a) Will see the amalgamation of some of the institutions and the constitution of a Monolithic Council. But how would this Council operate? A feasibility is currently underway. b) Such design should be less about individual interests, but more about achieving the economies of scale, alignment, reduction of duplications and better performance. 2) This is at governance level of the Board – the institutions remain stand-alone institutions.
Medium-Term Strategic Framework 2019-2024 (MTSF)	MTSF 2014-2019 comprises seven medium-term priorities: 1) **Priority 1: A capable, ethical, and developmental State.** 2) **Priority 2: Economic transformation and job creation.** 3) Priority 3: Education, skills, and health. 4) Priority 4: Consolidating the social wage through reliable and quality basic services. 5) Priority 5: Spatial integration, human settlements, and local government. 6) Priority 6: Social cohesion and safe communities. 7) **Priority 7: A better Africa and world.** Although KZN Tourism and Film’s primary contribution is to priorities 1, 2 and 7, it has direct and indirect roles to play in priorities 3, 5 and 6 as well.
KZN Provincial Growth and Development Strategy, 2021 (PGDS) *(2021 Review, Draft)*	The KZN Provincial Growth and Development Strategy (PGDS) envisions: ***“KwaZulu-Natal will be prosperous province with a healthy, secure and skilled population, living in dignity and harmony, acting as a gateway to Africa and the world”.*** The PGDP is a strategic management tool to ensure that, as a province, there is a concerted and measured effort to achieve the vision of the PGDS as a plan for the Province of KZN and not just for government. Aligned to the 7 National Priorities of the 2019-2024 MTSF, the PGDP reflects impact and measurable outcomes for KZN for each of the priorities (these are the KZN additions to what is contained in the MTSF). **KZN Tourism and Film contributes most directly to the following KZN-specific impacts of the PGDS:**

Policy Framework	Implication
	1) Priority 1 impact: The population of KZN is satisfied with the levels of government service delivery. 2) Priority 2 Impact: Inclusive, expanded and sustained economic output is the fundamental driver for job creation and transformed economic growth. 3) Priority 5 Impact: Improved coordination between national, provincial, and local government to improve service delivery. 4) Priority 7 Impact: A better South Africa and better region (tourism and protocols); and 5) Cross-cutting Priority Impact: All women, girls, youth, and persons with disabilities enjoy better life opportunities.
KZN Economic Recovery and Transformation Plan (2021) *(Direct response to Covid-19)*	Premier Sihle Zikalala unveiled the KZN Economic Recovery and Transformation Plan at his State of the Province Address on 26 February 2021. The Plan is a direct response to the economic challenges brought on by the Covid-19 pandemic. The focus is on five priorities: 1) Intensifying the fight against the coronavirus, 2) Reigniting economic recovery and job creation, 3) Building social cohesion, fighting crime and corruption, 4) Delivering basic services, in particular water; and 5) Building a capable and ethical development State. The creative industries and tourism are included in the list of 15 sectors that have been identified as the key drivers of exports and investments.

INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE-YEAR PLANNING PERIOD

The strategy of the KZN Tourism and Film needs to take into consideration a range of sectoral and institutional film and tourism institutional policies and strategies, many of which are being revised and/or reviewed due to the dynamic and constantly changing environment, especially considering the socio-economic impact of the Covid-19 pandemic.

Institutional Policy/ Strategy	Implication
National	
National Tourism Sector Strategy, 2016-2026 (2017)	The NTSS outlines five (5) key pillars for the strategy to 2026, namely: 1) Effective Marketing: A coherent approach to promote South Africa to become top of mind destination and improved conversion rate. 2) Facilitate Ease of Access: Seamless travel facilitation and access to participate in tourism. 3) The Visitor Experience: Provide quality visitor experiences for tourists (both domestic and international) to achieve customer satisfaction and inspire repeat visitation.

Institutional Policy/ Strategy	Implication
	4) Destination Management: To provide for sustainable development and management of the tourism sector; and 5) Broad-Based Benefits: Promote the empowerment of previously marginalised enterprises and rural communities to ensure inclusive growth of the sector
National Tourism Recovery Strategy (NTRS) (2020)	The NTRS outlines the focus areas and actions to be implemented to reignite demand, rejuvenate supply and to build enabling capacity during and post the Covid-19 pandemic.
National Film Strategy (NFS, NFVF) (2014)	The NFS recognises the value that the film industry contributes to South Africa's gross domestic product (GDP). It is grounded on four main pillars to which KZNTAFA contributes: 1) Human capital development and transformation: Ensuring the equitable growth and development of the film industry. 2) Institutional framework and finance models: Ensuring that adequate funding models are in place to grow and sustain the film industry. 3) Markets for South African content: Ensuring that South African film content is accessed by the local and global market; and 4) Infrastructure development: Ensuring that the appropriate infrastructure is developed to enable and support a growing film industry.
White paper on Audio and Audio-visual Content Services Policy (Draft)	The Draft White Paper is in the process of being finalised, with public hearings scheduled for May 2021. It will take effect during the period of this strategic plan and has, therefore, been considered in planning. The White Paper, amongst others, proposes new policy and regulatory changes and recommendations intended to reposition the audio-visual media sectors for future growth and to promote investments.
Funding and incentives for the audio-visual industry	KZN Tourism and Film accesses funding and incentives and to support the growth and development of the audio-visual sector from a range of sources, including: 1) DTI and other local and international development financing agencies – film incentives. 2) National Empowerment Fund – specific film fund. 3) IDC – media and motion pictures fund.
Provincial	
KZN Tourism Masterplan (2030) – under review	**The KZNTMP envisions that:** ***"By 2030, KwaZulu-Natal will be globally renowned as Africa's top beach destination with a unique blend of wildlife, scenic and heritage experiences for all visitors"*** The KZN Tourism and Film Strategic Plan gives effect to the following strategic objectives: 1) Increase tourism GDP levels and employment.

Institutional Policy/ Strategy	Implication
	2) Foreign tourist arrivals growth. 3) Domestic tourist arrivals growth. 4) Improved geographic spread of tourism. 5) Ensure Durban is THE place to holiday. 6) Improved overall visitor service and satisfaction. 7) Achieve significant transformation of te sector. 8) Grow the events and meetings, incentives, conferences, and exhibitions sector ('MICE'); and 9) Improve other niche tourism experiences for which the province has potential and develop these markets.
KZN Film Tourism Strategy (2015)	The objective of the film tourism strategy is to boost tourism, specifically niche tourism products related to film production (include documentaries, television, advertisements, etc.) within KZN and, as such, several key outcomes are expected: 1) Increase in the number of tourism days within KZN. 2) Increase in the number of films produced in KZN. 3) Increase in awareness of both the TKZN and KZNFILM brand; and 4) Increase in the number of niche Tourism products. The vision is to create an "*Internationally recognised and sustainable niche film tourism industry in KwaZulu-Natal",* through the following strategic focus areas: 1) Institutional support and facilitation; and 2) Product development and marketing.
KZN Film Industry Strategy (2016)	The KZN Film Industry Strategy outlines the industry growth and enabling strategies to achieve the following overall objective: *"The KZN film industry doubles its (real 2016) revenues from the film industry by 2022."* The strategy from an overarching framework for the implementation of a commercial video strategy, the international film strategy and film tourism strategy, the digital visual entertainment strategy, as well as the implementation of Zulu language content programmes. Together, the strategies aim to achieve the following five-year strategic objective: *"To promote KZN as an international and domestic film destination through the facilitation and promotion of investment in skills and catalysing of regulatory requirements, encouraging private and public sector growth and use of film and related products and services."*
EDTEA Strategic Plan 2020-2025	**EDTEA Vision:** *"A radically transformed, growing, inclusive, innovative and sustainable*

Institutional Policy/ Strategy	Implication
	economy, optimising employment in KwaZulu-Natal." **EDTEA Mission: To provide creative and innovative leadership towards:** 1) Facilitating integrated economic planning and growth. 2) Being a catalyst for economic transformation, job creation and sustainable development. 3) Implementing strategies that drive economic growth and promote sound environmental management and climate resilience. 4) Creating a conducive environment for trade, investment, and tourism; and 5) Developing, monitoring, and enforcing a sound business, environmental, and consumer protection regulatory framework. **EDTEA Outcomes:** 1) **Institutional excellence.** 2) **Inclusive and transformed economic growth.** 3) Environmental sustainability and resilience.
Provincial Audio-visual and Tourism Policy	Chapter 7 (Provincial Government) of the KZN Tourism and Film Act prescribes that the MEC must, within a period not exceeding six months after the commencement of this Act, after consultation with the Authority and the Provincial Audio-visual and Tourism Committee, develop and publish by notice in the Gazette: 1) A provincial audio-visual and tourism policy; and 2) A framework municipal audio-visual and tourism policy. **KZN Tourism and Film would need to support and give input into the development of policies, and to play a leading role in its implementation.**

RELEVANT COURT RULINGS

At the time of developing this Strategic Plan for 2021/22-2024/25, there were no pending or finalised court rulings that have a significant, ongoing impact on the KZN Tourism and Film 's operations or business obligations.

PART B: OUR STRATEGIC FOCUS

VISION

KwaZulu-Natal positioned as Africa's leading destination that offers diverse and authentic experiences and a globally competitive audio-visual industry and tourism sector

MISSION

In achieving its Vision, KZN Tourism and Film defines its mission as:

1) Marketing and promoting KwaZulu-Natal as a preferred leisure, business events and audio-visual destination.

2) Supporting the development and transformation of the audio-visual industry and tourism sector; and

3) Promoting service excellence and facilitation of new experiences and products in the audio-visual industry and tourism sector.

VALUES

In working towards the achievement of its vision and mission, KZN Tourism and Film subscribes to the following internal values, which are underpinned by Ubuntu and in line with the *Batho-Pele* principles:

Value	Description - What it means in practice
Can do attitude / results-driven	▪ Consumer value creation. ▪ Service excellence.
Integrity / ethical standards	▪ Ethics - doing right when nobody is watching. ▪ Speaking up against fraud and corruption.
Respect	▪ For cultural values and differences – diversity. ▪ For company policies and complying with legislative requirements.
Accountability	▪ Taking responsibility for our actions. ▪ Consequences of the actions taken. ▪ Editorial independence (fairly decided upon with Board oversight ð independence respected).
Leadership by example /	▪ Inspiring confidence in the team ▪ Instilling good values-based behaviours.

Value	Description - What it means in practice
transformative leadership	
Self-introspection / learning organisation / innovation / entrepreneurship	▪ To be real about himself/herself. ▪ Conscious of the impact you have on others. ▪ Allowed to make mistakes and allow diverse views. ▪ Break new ground and benchmark against the best. ▪ Proactive and open to opportunities presented, while maintaining compliance.

SITUATIONAL ANALYSIS

KZN Tourism and Film executes its mandate, and seeks to achieve its vision and mission, in a complex environment, impacted by global, national, and provincial events, which directly affect the pursuit of its desired impact and in delivering on its mandate.

4.1. External Environment Analysis

4.1.1. MACRO-ECONOMIC ENVIRONMENT

KwaZulu-Natal Recovery Plan, 2020

The KZN Tourism Recovery Plan was developed by EDTEA, TKZN and provincial tourism trade partners, under the themes: Reassure, Regain and Rebuild. It responds to the impact of the COVID-19 pandemic on the province’s tourism industry, and contains practical solutions to recovering the tourism economy through the following interventions:

De-risking the tourism sector | Relief packages & sector lobbying | Repurposing & tourism investment | Support to SMMEs | Industry communications | Promotions/marketing | Socio-economic compact | Sector analysis

The programmes are to be implemented in accordance with the following timeframes:

TKZN anchors its planning around supporting SA Tourism in giving effect to the TSRP and implementing the KZN-specific Tourism Recovery Plan. While many of the interventions were implemented in the 2021/22 financial year, such as the Tourism Relief Fund, several interventions will continue in the period of this Annual Performance Plan as the country moves into the new normal and back to growth.

South African Tourism Marketing Investment Framework

In early 2020, South African Tourism initiated a revision of the Marketing Investment Framework (MIPF), using 2019 as the base year to review the portfolio. The framework made use of 33 variables related to performance, outlook, South Africa's ability to win in the market, return on past investments, and other criteria. The revised MIPF aims to:

In total, 24 markets were identified for prioritisation and were segmented into 16 "growth" and 8 "defend" markets, with an additional set of markets earmarked as "watchlist". The 24 prioritised markets accounted for 92% of all international trips in 2019.

Segment	Description	Service Model
Defend Markets	Markets where South Africa holds a substantial market share and requires continued intervention to ensure arrivals. These markets hold both volume and value importance for South Africa, and South African Tourism needs to maintain or defend its share	Maintain the existing share in the markets outbound
Growth Markets	Markets that hold considerable outbound potential. However, the share of South Africa in outbound has growth potential. These markets provide an ample opportunity to grow based on their size	Elevate South Africa's position in the market relative to long-haul competitors
Watchlist Markets	Markets that hold reasonable outbound potential. However, the current share of South Africa in outbound is low. These markets provide an opportunity for nurturing and investing for future growth and need to be kept in the watchlist	

Figure 1: Priority source markets identified to grow tourism into South Africa, 2020-2025

Source: South African Tourism Marketing Investment Framework, 2020

In addition to the above, the watchlist markets hold reasonable outbound potential. These markets are key to monitor, as South African Tourism, in partnership with the provincial tourism agencies, needs to protect its previous marketing investments. This is to build demand in second-tier markets that provide a pipeline for future growth and that may diversify the portfolio of source countries to mitigate the risk of depending on only 24 markets to drive tourism recovery. The watchlist markets by region are:

Europe	Asia Pacific	Americas	Africa Air	Africa Land
Switzerland Belgium Sweden Ireland Denmark Portugal	Singapore Malaysia UAE	-	DRC Tanzania	-
Austria Norway Finland Turkey	New Zealand	Argentina	Ghana Angola Uganda Ethiopia	-

However, while South African Tourism had aspired to bolster the econometric growth by 2.5% to meet the 2030 target of 21 million arrivals as set by MTSF 2019-2024, the econometric forecasts for South

Africa have been revised downwards due to the COVID-19 pandemic. This has led to a widened gap in terms of revised 2030 forecasts that are lower than previous projections; and a reduced timeframe, in that South Africa has a shorter time horizon to move towards the 2030 goal, as it is expected that markets will reach pre-COVID-19 levels later than originally projected.

The challenges of the response to the unprecedented COVID-19 pandemic have decimated the ability of many of the MIPF source markets to travel to South Africa. Source market travel restrictions, international government regulations, and slashed airline routes will continue to severely impact the ability of international travel to South Africa for months to come.

Consequently, the relative priority of the 24 markets must be considered, in conjunction with dynamic and up to date information on variables that will affect the likelihood of travel from each market. These include:

1) **COVID-19 pandemic severity and outlook:** This is detailed by the current total cases of COVID-19, the current growth rate of COVID-19 (measured as a weekly change per 10 000 of the population), and the projected COVID-19 growth rate.

2) **Government Stringency Index:** Source market government policies to control the pandemic, such as border control; travel advisories which include quarantine (isolation), and local movement regulations, which will influence the readiness of individuals for external travel.

3) **Accessibility:** Level of impact on travel to and from South Africa (land, air, and sea).

4) **Vaccination rollout:** The pace and impact of vaccination, and resultant confidence levels for travel.

Targets by Province, to 2025 and 2030

Notwithstanding the impact of COVID-19, the MTSF 2019-2024 targets for international tourist arrivals have not been revised by the revised 2019-2024 MTSF (October 2021). However, as reflected by the MIPF above, medium-term forecasts have been revised downwards by SA Tourism. The figures below have been updated to reflect actual figures for 2019 and 2020 using latest available data, with forecasts for international tourist arrivals for 2025 set at 2019 levels, significantly lower than the MTSF 2019-2024 targets.

International Tourist Arrivals

The table below shows the targets by province for international tourist arrivals. Of the 15.5 million international arrivals target for South Africa in 2025, KwaZulu-Natal had been allocated a target of 1 million international arrivals. This increases to 1.4 million of the 21.2 million international arrivals in 2030. The 2025 forecasts have, however, been set at 2019 levels, considering the time it will take to recover to pre-COVID-19 levels.

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2025 Target	2025 Forecast	2030 Target
National	**10.0m**	**10.2m**	**10.5m**	**10.2m**	**2.8m**	**2.2mn**	**5.7mn**	**15.5m**	**10.2m**	**21.2m**
Gauteng	4.3m	4.1m	3.8m	3.3m	0.9m	1.0mn	2.3mn	5.2m	3.3m	7.2m

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2025 Target	2025 Forecast	2030 Target
Western Cape	1.5m	1.7m	1.7m	2.0m	0.4m	0.3mn	0.9mn	2.1m	2.0m	2.8m
Limpopo	1.5m	1.9m	2.2m	2.2m	0.6m	0.1mn	0.4mn	2.3m	2.2m	3.1m
Mpumalanga	1.4m	1.6m	1.6m	1.7m	0.5m	0.5mn	1.2mn	1.9m	1.7m	2.6m
Free State	1.2m	1.2m	1.3m	1.0m	0.3m	0.2mn	0.6mn	1.5m	1.0m	2.0m
North West	0.9m	0.8m	0.7m	0.6m	0.1m	0.1mn	0.2mn	1.0m	0.6m	1.3m
KwaZulu-Natal	**0.7m**	**0.8m**	**0.8m**	**0.8m**	**0.2m**	**0.2mn**	**0,5mn**	**1.0m**	**0.8m**	**1.4m**
Eastern Cape	0.3m	0.4m	0.4m	0.4m	0.1m	0.1mn	0.2mn	0.5m	0.4m	0.6m
Northern Cape	0.1m	0.1m	0.1m	0.12m	0.05m	0.07	0,1mn	0.2mn	0.12m	0.2m

Domestic Holiday Trips

The table below reflects the targets by province for domestic trips. Of the 3.8 million domestic trips target for South Africa in 2025, KwaZulu-Natal has been allocated a target of 642 000. This increases to 733 000 of the 4.3 million domestic trips in 2030.

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2025 Target	2030 Target
National	**2.6m**	**2.9m**	**2.6m**	**7.1m**	**3.9mn**	**3.4mn**	**9.2mn**	**3.8m**	**4.3m**
Western Cape	980k	538k	344k	1.5m	900k	380k	1.4mn	275k	314k
KwaZulu-Natal	**256k**	**129k**	**308k**	**1.6m**	**777k**	**330k**	**1.7mn**	**642k**	**733k**
Eastern Cape	283k	33k	162k	300k	548k	745k	700k	431k	492k
Mpumalanga	65k	231k	236k	500k	137k	200k	500k	410k	468k
Gauteng	617k	1 404k	999k	1.3m	1,2mn	1,3mn	2.7mn	625k	713k
Limpopo	517k	410k	224k	1.0m	58k	57k	1.1mn	946k	1 080k

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2025 Target	2030 Target
National	**2.6m**	**2.9m**	**2.6m**	**7.1m**	**3.9mn**	**3.4mn**	**9.2mn**	**3.8m**	**4.3m**
Northern Cape	10k	22k	45k	100k	90k	85k	200k	72k	82k
Free State	28k	28k	68k	700k	136k	145k	600k	139k	20k
North West	54k	108k	135k	900k	112k	171k	200k	262k	299k

Note: *The provincial targets are indicative based on a time-series analysis of actual performance in the past five years. The focus should be on incremental domestic holiday trips, as the base might change as SA Tourism and Statistics SA align their surveys.*

While the global recovery continues, the momentum has weakened. According to the International Monetary Fund (IMF) World Economic Outlook, global output contracted in the second quarter of 2022, owing to downturns in China and Russia. There is higher than expected inflation, triggering tighter financial conditions. Growth is forecast to be 3.2 percent in 2022, 0.4 percent lower than the forecast made in April 2022.

According to the Organisation for Economic Co-operation and Development (OECD) after a strong rebound in 2021, GDP is projected to grow by 1.8% and 1.3% in 2022 and 2023 respectively. Household consumption and investment will remain the main drivers of growth.

The South Africa Reserve Bank has increased inflation every quarter since November 2021.

Unemployment continues to impact progress in South Africa, with the unemployment rate having decreased to 33.9% in Q2:2022.

These results indicate that 648 000 jobs were gained between the first quarter of 2022 and the second quarter of 2022. The biggest job gains were recorded in Community and Social Services (276 000), Trade (169 000), Finance (128 000) and Construction (104 000). However, there were job losses in Manufacturing (73 000) and Transport (54 000). The total number of persons employed was 15,6 million in the second quarter of 2022.

Fast-tracking the implementation of government's Infrastructure Investment Plan is thus essential to lift growth. Unlocking electricity production too, will be key to lifting production bottlenecks and restoring confidence. Tourism is a high impact sector and contributor to economic growth and employment, requiring policy certainty and decisive actions to increase the vaccination rate and communicate the message that South Africa is a safe destination.

KwaZulu-Natal Socio-Economic Context

KwaZulu-Natal is the third smallest province by land area, but the second most populous after Gauteng, with over 11.9 million people, or 19.6% share of the national population. However, over the 2016-2021 period, the province has experienced a net migration of -83 081 people[3]. It is the second largest

[3] *StatsSA Mid-year population estimated*

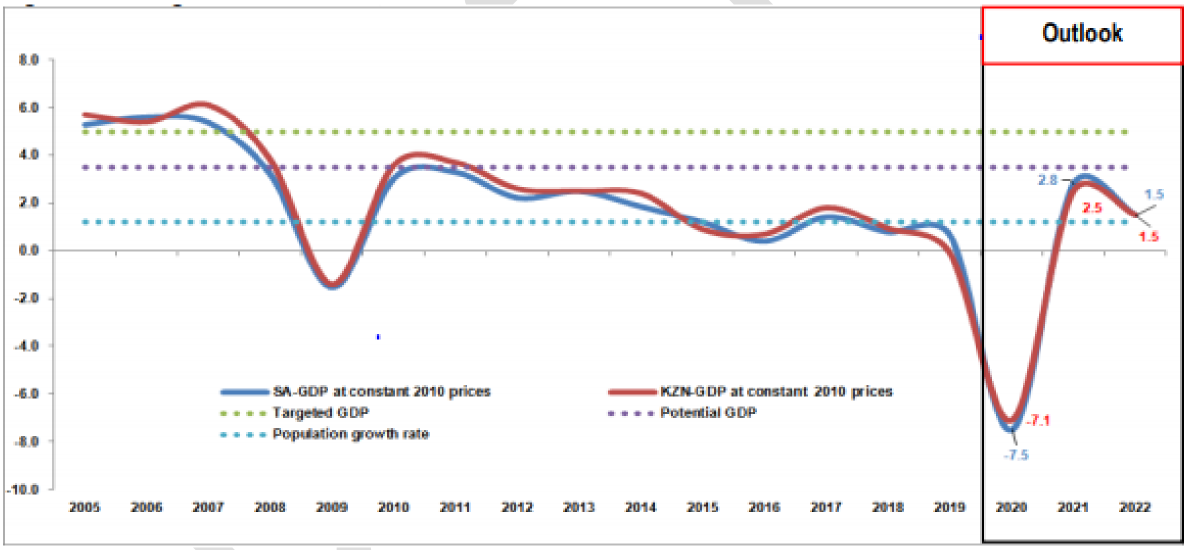
contributor to South Africa's GDP, generating about R952.528 billion in 2021, translating to 15% of the national real GDP.[4]

The province's economy performs in most spheres, including manufacturing, agriculture, mining, trade, construction, and finance. It has a notable competitive advantage driving tourism in the province. Not only does it boast nine 'blue flag' beaches along it is East Coast, but it is also home to the Drakensberg Mountains, the iSimangaliso World Heritage Site, Oribi Gorge, various battlefields, and numerous private and public 'big five' game reserves.

Despite a diverse economic base, distribution of benefits from economic activity is not equitable, and the province still suffers the effects of spatial displacement due to apartheid geography. The gap between rural and urban poverty rates averages around 40 percentage points[5]. This is the reason that provinces with large rural populations also have the highest headcount of adult poverty: Limpopo (67.5%), Eastern Cape (67.3%), and KwaZulu-Natal (60.7%).

Unemployment continues to rise in the province, with an increase of about 178 000 in unemployment levels during the fourth quarter of 2020.

Figure 2: GDP growth: KwaZulu-Natal and South Africa, 2005–2022



Source: IHS Markit, 2021 and Statistics SA, 2020

For 2020, the provincial economy contracted by around 7.1%, with projections being that the economy with strengthen to 1.5% in 2022.

Collectively, KwaZulu-Natal has a young population, with children and young people making up approximately three quarters of the total population. This creates tremendous potential for the future, but also creates some key challenges in the present. The predominance of young people has the potential to boost the province's future economic output, but only if these young people are being developed through a quality education system, from early childhood development (ECD), through basic education, and on to technical, vocational, and university education

[8] *IHS Global*

[5] *Overcoming Poverty and Inequality in South Africa, An Assessment of Drivers, Constraints and Opportunities; SA Dept of Planning, Monitoring and Evaluation, Statistics SA, World Bank, March 2018*

Global Tourism Environment

The World Tourism Organisation (UNWTO) reported that an estimated 917 million tourists travelled internationally between January and December, more than double (+102%) the number recorded in the same period of 2021. 62,5% of 2019.

These results were boosted by strong pent-up demand, improved confidence levels and the lifting of restrictions in an increasing number of destinations. International tourism increased by 3.8% in 2021 from 400mn in 2020 to 419mn in 2021 and to 917mn in 2022, reaching 61% of pre-pandemic levels.

Figure 4: **International arrivals by region - Year-to-date, January to December 2022**

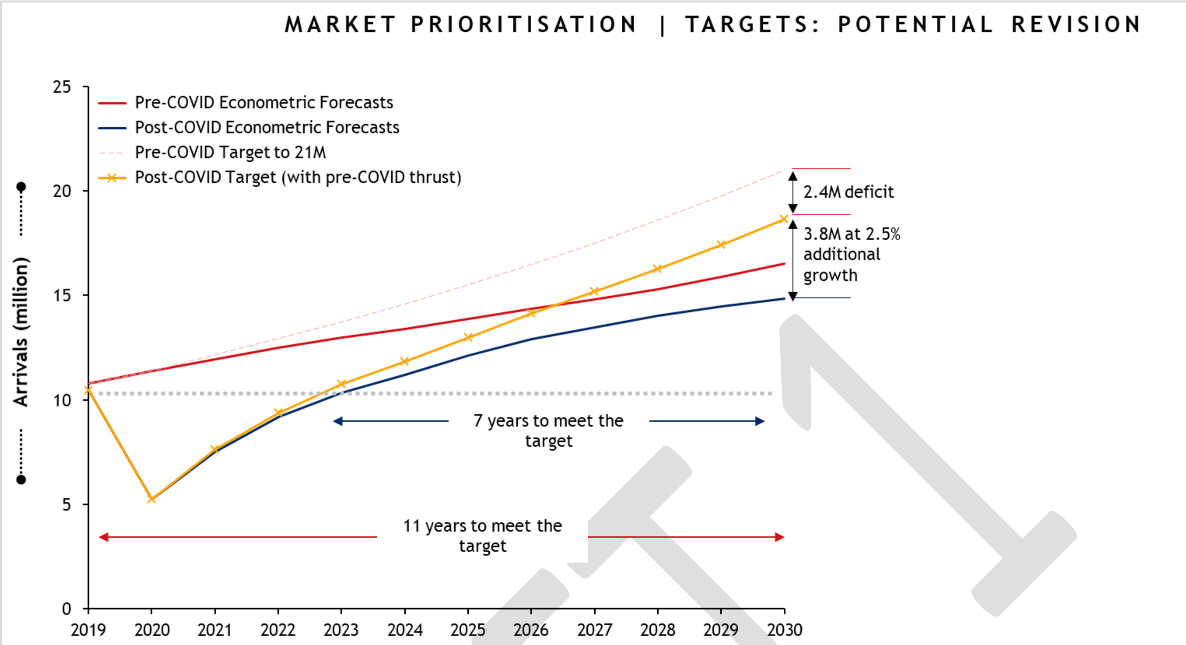
The UNWTO indicated that 2022 has seen international tourism arrivals recover when compared to 2020 and 2021. The UNWTO panel of experts rates the prospects for the remainder of 2022 as cautiously optimistic.

South African Tourism Environment

According to modelling done by the National Treasury, the implementation of the Economic Reconstruction and Recovery Plan (15 October 2020) will raise economic growth to an average of 3% per annum over the next ten years. As an apex priority, tourism is expected to make an increasingly significant contribution to the South African economy, creating jobs, reducing poverty, and contributing to a better living environment for all.

The challenge is to grow current tourism levels to reach the goal of 21 million tourist arrivals by 2030. Pre-COVID-19, Tourism Decision Metrics (or TDM, the forecasting tool developed by Oxford Economics and used by South African Tourism) estimated that South Africa would receive 16.5 million arrivals in 2030 without any specific interventions to grow market share. The revised estimate, taking the impact of COVID-19 into account, has been reduced to 14.8 million arrivals.

Figure 3: South African Tourism's pre-COVID target compared to post-COVID target



Source: Market Prioritisation and Investment Framework as of September 2020

A new growth approach needs to be adopted if the widened gap to the aspirational target of 21 million international tourism arrivals by 2030 is to be closed, with interventions in support of the vision for the tourism sector to increase its contribution to GDP from the current 3.5% to more than 5%.

International tourists visiting South Africa

In 2022, South Africa received 5.72 million international visitors, an increase of 1.6% from the previous year. Their spending increased by 186%. The most visited province was Gauteng with just over 2,3mn visitors, followed by Mpumalanga with 1,1mn, the Western Cape with just under 900 000 visitors, and Free State with 615 000 visitors. KwaZulu-Natal received 554 156 international visitors in the most recent year of what could be considered normal operation (2022).

The appeal of South Africa as a destination of choice for international tourists is strongly influenced by ease of access. Approximately 18% of international tourists who sought information about South Africa were deterred from visiting, due to the high cost in time and effort to comply with visa and regulatory requirements. According to research conducted by the World Travel and Tourism Council, visa waivers can result in visitor growth of between 5.4% and 24.8%.

Historically, the other main barriers that prevented international visitors from selecting South Africa as a destination were concerns for their safety and security, and the appeal of other destinations. In addition, media reports on inappropriate wildlife interactions and canned hunting damaged the country's conservation credentials, the water crisis in Cape Town created international concern and reduced visits to the region, and misunderstandings around the policy of land expropriation led to overwhelmingly negative coverage in the international media and on social media platforms.

However, as international travel opened there has been an increase in flight searches which include South Africa and Durban. These searches are centred around flights beginning during the Christmas period.

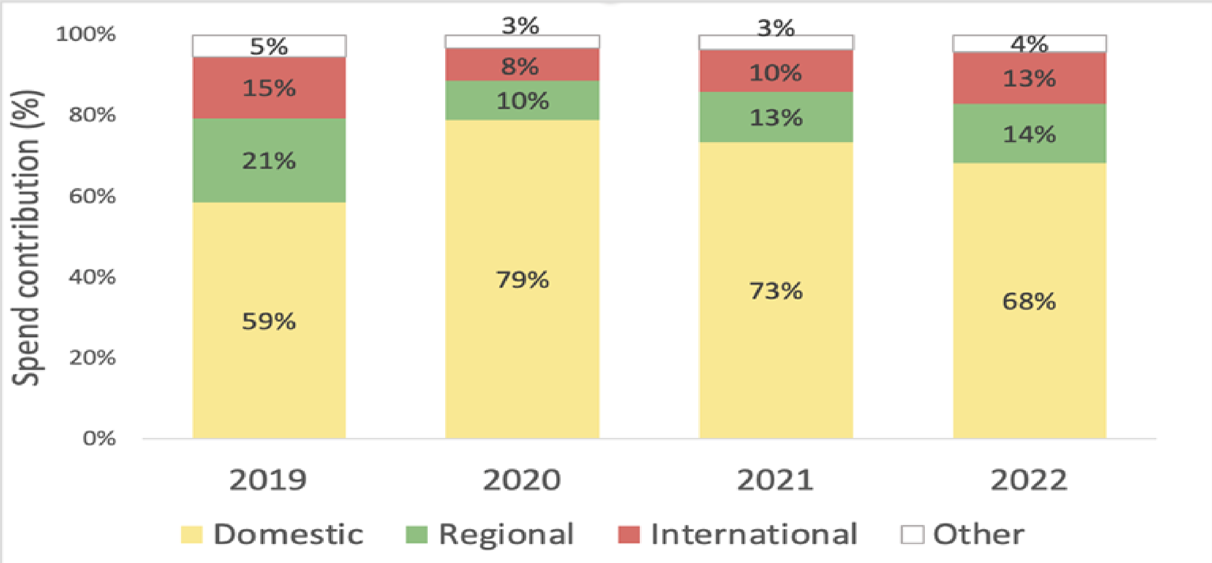
Month	2020	2021	2022
January	1 093 268	139 134	377 651
February	800 815	90 165	310 173
March	535 094	157 638	359 734
April	29 341	177 251	431 376
May	0	183 347	407 262
June	0	183 347	399 550
July	0	151 264	507 824
August	0	185 637	555 832
September	0	205 948	539 202
October	73 988	247 833	565 862
November	101 096	275 647	565 758
December	198 054	263 108	677 838
Total	**2 833 676**	**2 262 340**	**5 698 062**

Source: Tourism and Migration Report, Statistics SA

Top 5 arrivals from Africa from 2019-2022 in KZN.

Country	2019	2020	2021	2022
eSwatini	304 232	71 340	60 306	117 288
Zimbabwe	28 426	18 114	78 059	191 947
Zambia	15 365	8 135	37 333	61 941
Lesotho	39 181	14 952	18 536	18 745
Botswana	53 778	11 087	2 611	7 460

Figure 4: Relative contribution to South African Tourism spend (ZAR billions) of priority source markets by region, 2019 to 2022



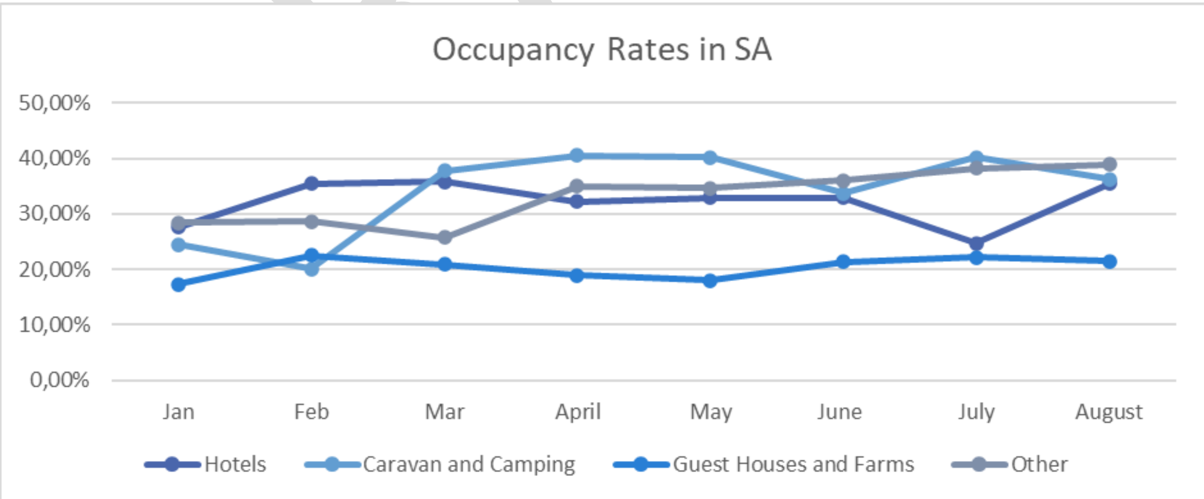
Source: Oxford Economics as of 7 December 2020

Domestic Tourism

The importance of the domestic sector in supporting tourism recovery in the medium term is reflected in the Oxford Economics' forecasts of spend contributions. These predict that domestic and regional markets will contribute 86% of South African tourism spend in 2021 and 82% in 2022.

In 2022, the domestic market has performed very well when compared to 2019. By the end of 2022 KZN received 7.5 million trips compared to 6.1 million trips in 2019.

Figure 5: Percentage change in occupancy in 2022



Source: Statistics SA

The observed recovery is almost entirely attributable to domestic and regional tourism since international travel has been negligible[6]. This demonstrates the short-term necessity to shift focus to servicing and growing the domestic and regional market. South African travel and tourism product owners have tended to discount the value of the African and domestic tourist; and have displayed little

[6] *South African Tourism - The Road to Recovery Report, Version 1 - December 2020*

interest in developing packages or experiences that meet this market's needs. It seems that for the near to medium term it will simply not be possible to continue to neglect this more stable, if less profitable, market segment

KwaZulu-Natal Provincial Tourism Environment

In 2022, international tourist spend in South Africa totalled R59.6 billion, of which KZN received R4.2 billion, or around 7.0% of total spend.

Figure 6: International arrivals, KwaZulu-Natal and South Africa 2022

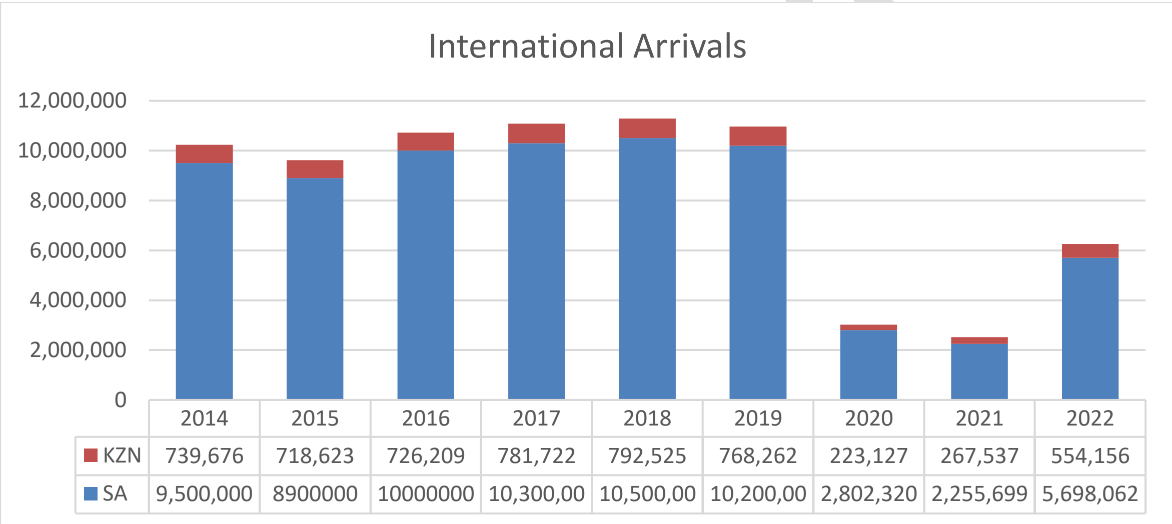
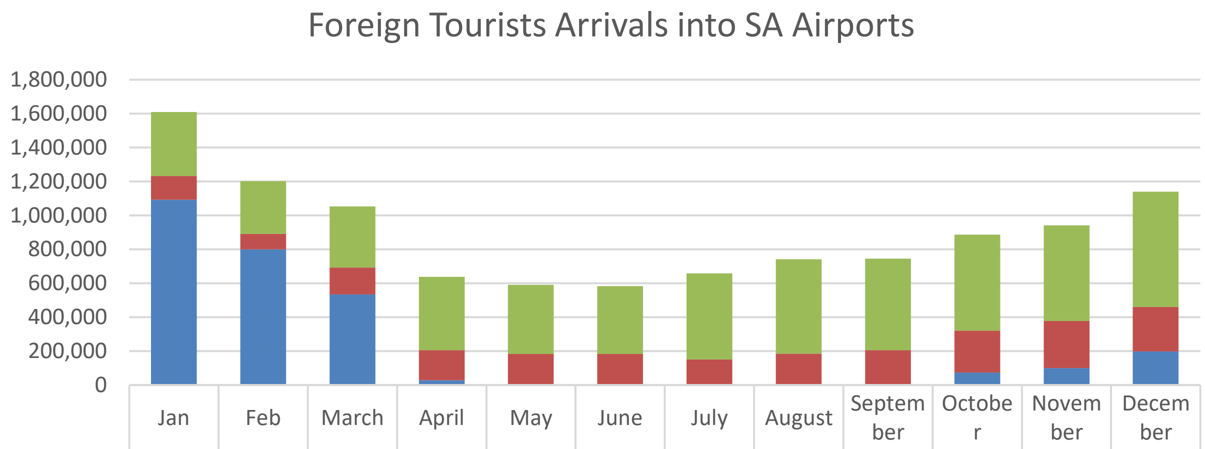


Figure 7: Foreign tourist arrivals into South African airports 2020 – 2022



	Jan	Feb	March	April	May	June	July	August	September	October	November	December
2022	377,651	310,173	359,734	431,376	407,262	399,550	507,824	555,832	539,202	565,862	565,758	677,838
2021	139,134	90,165	157,638	177251	183347	183347	151264	185637	205948	247833	275647	263108
2020	1,093,2	800,815	535,094	29,341	0	0	0	0	0	73,988	101,096	198,054

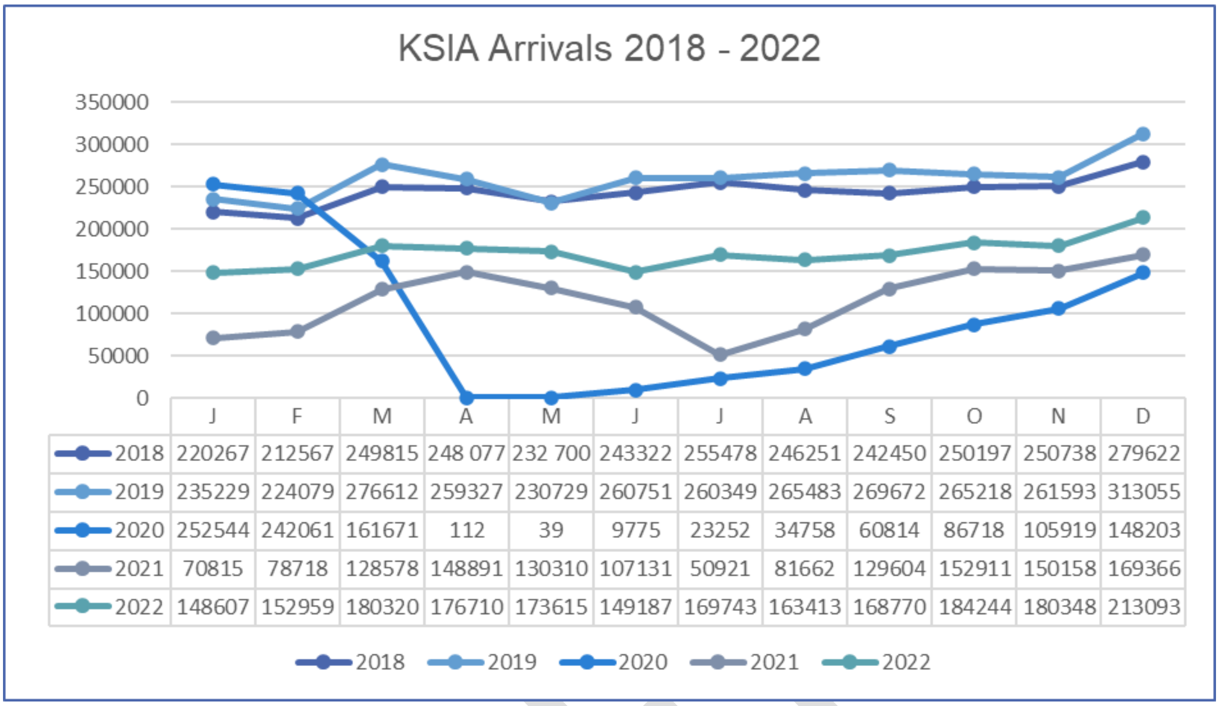
The number of domestic trips to KZN declined substantially during 2017 and 2018, only to rebound in 2019. The impact of COVID-19 resulted in another significant decline in domestic trips. Receipts generated from domestic trips in 2022 was R19.9bn. The total domestic spend for the country was R99.2 billion, meaning KZN generated a hefty 20%.

DOMESTIC TOURISM, KZN AND SOUTH AFRICA (2015-2022)				
Year	Trips (Million)		Spend (R' Billion)	
	SA	KZN	SA	KZN
2015	24.5	4.98	R26.8	R5.1
2016	24.3	4.19	R23.6	R4.5
2017	17.2	2.79	R26.5	R3.5
2018	17.7	2.9	R22.1	R5.0
2019	28.5	6.2	R26.4	R8.0
2020	20.5	3.4	R53.1	R10.3
2021	16.1	2.6	R45.4	R10.3
2022	38.7	7.5	R99.9	R19.9

KwaZulu-Natal receives domestic tourists from all provinces, with the main sources being Gauteng and KwaZulu-Natal, followed by, Western Cape, Mpumalanga and Limpopo.

The table below indicates the impact of arrivals into KSIA, by COVID-19 in 2020, and the recovery in 2021. The graph indicates that 2021 had still not reached 2018 and 2019 levels.

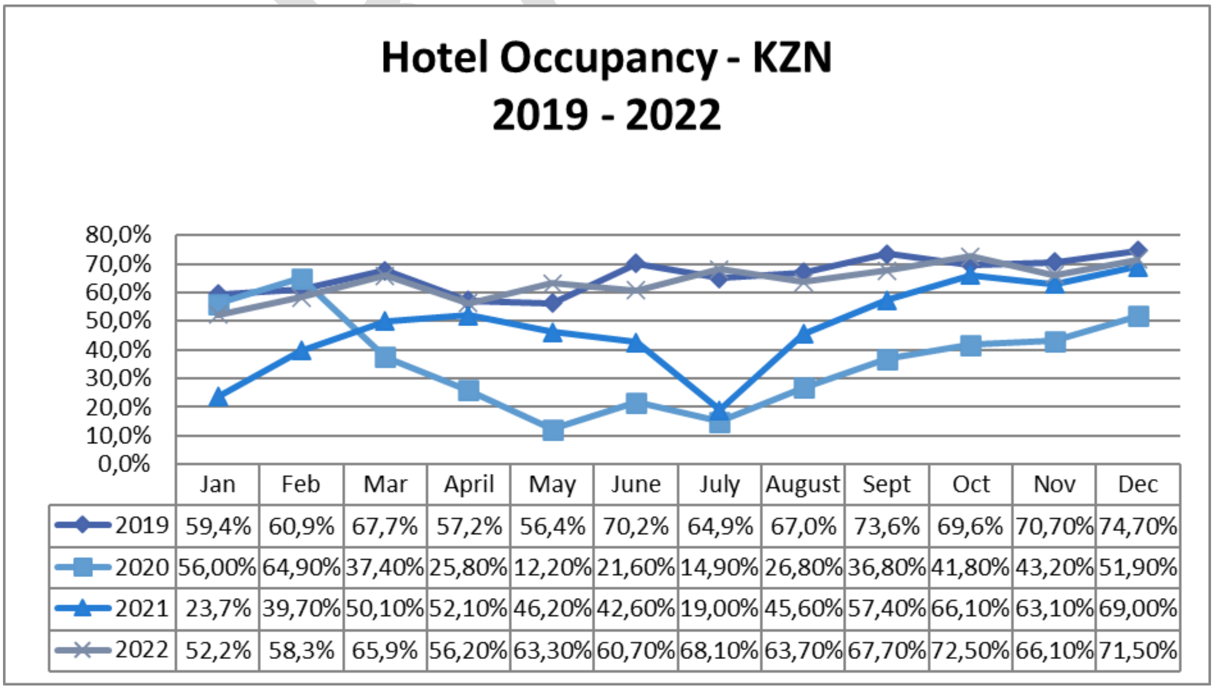
Figure 8: King Shaka International Airport arrivals, 2018-2022



	J	F	M	A	M	J	J	A	S	O	N	D
2018	220267	212567	249815	248 077	232 700	243322	255478	246251	242450	250197	250738	279622
2019	235229	224079	276612	259327	230729	260751	260349	265483	269672	265218	261593	313055
2020	252544	242061	161671	112	39	9775	23252	34758	60814	86718	105919	148203
2021	70815	78718	128578	148891	130310	107131	50921	81662	129604	152911	150158	169366
2022	148607	152959	180320	176710	173615	149187	169743	163413	168770	184244	180348	213093

Hotel occupancy improved significantly in 2022. This period has seen occupancy recovery almost reach 2019 levels, driven by domestic tourism, with KZN regaining its position as the top domestic tourism destination in the country.

Figure 11: Hotel Occupancy figures, 2019-2022



	Jan	Feb	Mar	April	May	June	July	August	Sept	Oct	Nov	Dec
2019	59,4%	60,9%	67,7%	57,2%	56,4%	70,2%	64,9%	67,0%	73,6%	69,6%	70,70%	74,70%
2020	56,00%	64,90%	37,40%	25,80%	12,20%	21,60%	14,90%	26,80%	36,80%	41,80%	43,20%	51,90%
2021	23,7%	39,70%	50,10%	52,10%	46,20%	42,60%	19,00%	45,60%	57,40%	66,10%	63,10%	69,00%
2022	52,2%	58,3%	65,9%	56,20%	63,30%	60,70%	68,10%	63,70%	67,70%	72,50%	66,10%	71,50%

Poor quality, poor management, and the lack of maintenance of cultural and heritage attractions often detract from visitors' experience and damage the image of the KwaZulu-Natal destination. There is a need to develop products and experiences which improve and expand the current offerings, utilising new high-potential tourism areas and meeting domestic and foreign market needs. Tourism product development is mainly driven by the private sector, with some efforts by national, provincial, and local governments, though these have been largely unsuccessful.

There are several rural and township areas within the province that have the potential to be transformed into tourism destinations. Such areas present opportunities to develop new and innovative tourism products to address the changing requirements of the market. However, many black communities and individuals with an interest in providing accommodation or developing tourist attractions are hindered by a lack of funding for project preparation support.

Most potential tourism entrepreneurs do not have the resources or the skills to prepare projects for investment by public and/or private sector funders, and need help with development, design, feasibility studies, business plans and investment structures. They need assistance in putting together a proposal that can be presented to participating development finance institutions (DFIs) and other potential equity investors.

Commercial banks tend to regard the tourism sector as risky and unattractive, due to the relatively small-scale nature of business loans in this sector. Incentives that have been put in place to encourage tourism investment are often difficult to access and have complex application procedures. Certain requirements, such as environmental impact assessments and rezoning, are often cumbersome and slowed by red tape, which further limits tourism investments.

Although tourism investment opportunities are being promoted by the Provincial Investment Promotion Authority, promotion at a provincial level is insufficient to drive the tourism development agenda. Central government interventions to fund project preparation support should be provided to disadvantaged communities and individuals to unlock potential investments and funding opportunities. The drive for tourism investment promotions should be increased to attract both foreign and domestic investments for high-potential tourism projects.

TKZN has received funding for two infrastructure upgrade projects. Implementation will commence in the 2022/23 financial year:

1) Mandela Capture Sites: R12.45 million allocated for upgrading of access road, entrance gate, and guardhouse

2) KwaXolo Caves Adventures: R3.15 million allocated for the design and construction of supporting infrastructure, including, the administration building, amphitheatre, accommodation, conference and restaurant facilities.

KwaZulu-Natal Tourism Sector Transformation

Transformation is a critical success factor for tourism, without which the growth and development of the industry is not guaranteed. However, the rate of transformation has been slow, with few black entrants to the market. Significant effort is required to not only - transform existing businesses, but also to grow the sector to allow for the establishment of more black-owned tourism businesses of all sizes.

Constraints regarding transforming the tourism sector include:

1) Challenging economic circumstances leading to high levels of competition and challenges in maximising efficiencies in different subsectors.

2) Limited access to funding thus adversely affecting the operations of tourism enterprises.

3) The lack of access to tourism markets for emerging enterprises, which hinders their growth and sustainability, often resulting in the collapse of the tourism enterprises.

4) Impacts of the COVID-19 due to travel restrictions imposed internationally and domestically to contain the spread of the pandemic prevented tourism and hospitality business from generating income, especially - small enterprises.

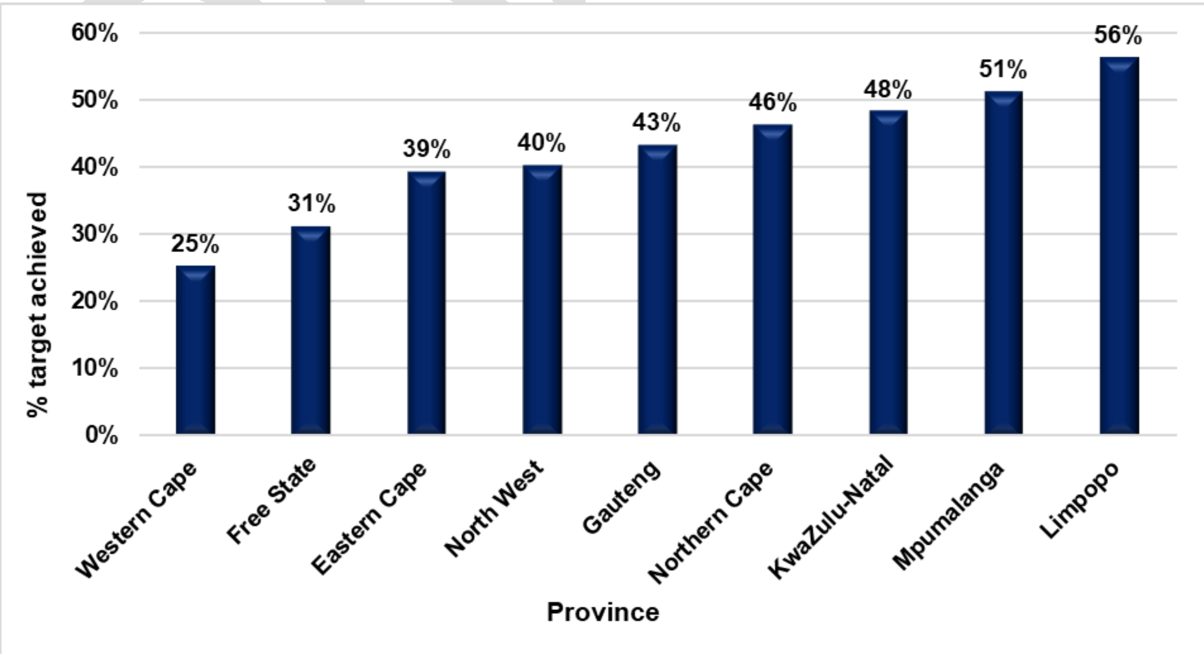
In addition, new black tourism enterprises tend to lack best practice business management skills, which affects the longevity of their businesses. New business owners are often unaware of the opportunities that are present in their environment.

The cost and difficulty of accessing and engaging international travel buyers serves as a major barrier to unlocking the growth potential of small tourism product owners and inbound operators. Interventions are required to reduce the cost burden for small tourism enterprises to participate in selected international trade platforms, thereby improving their access to buyers in new and growth markets.

However, opportunities do exist. Large tourism enterprises are willing to provide enterprise and skills mentorship programmes, alongside financial assistance and programme facilitation from government. There is also an opportunity for collaborative supplier development programmes to be implemented, thus promoting a sharing economy within multiple business networks and destinations. A variety of market access platforms, both domestic and international, present opportunities for small tourism enterprises to engage with travel buyers.

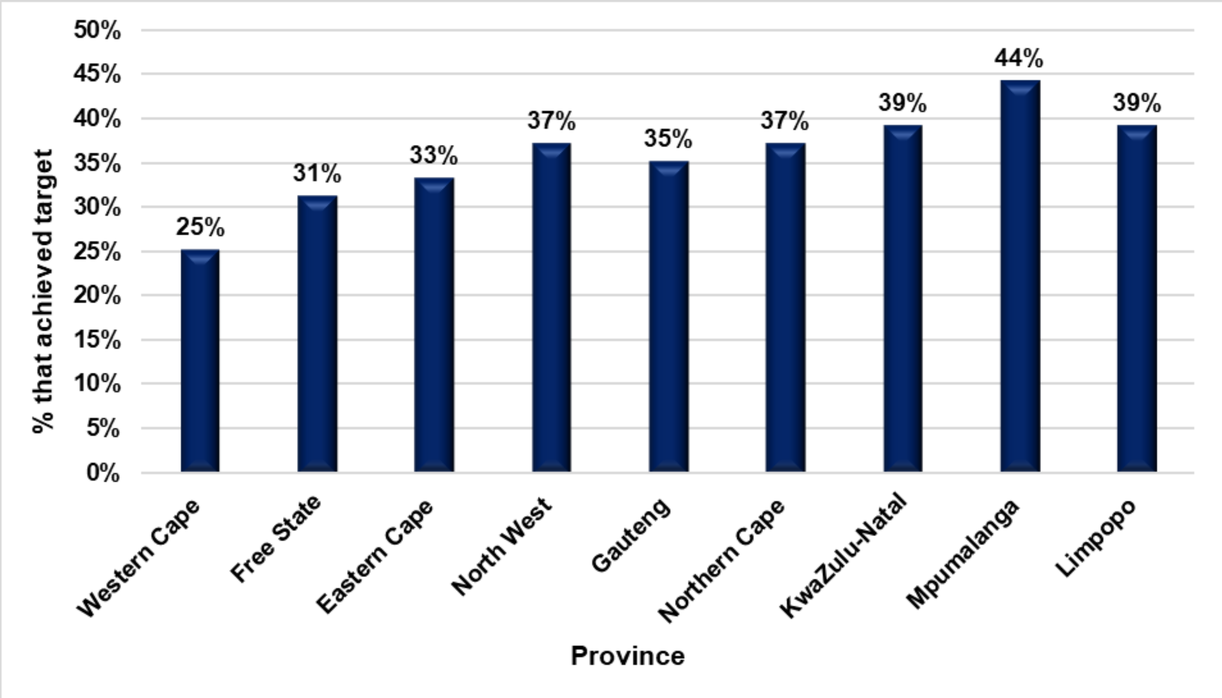
The tourism sector needs to transform through collaborative efforts from both private and public interventions. The successful transformation of the sector during the next several years requires intensive monitoring efforts, awareness programmes, the facilitation of black-owned enterprises to reach maturity, and the promotion of black empowerment in the private sector.

Figure 9: Percentage achievement of exercisable voting rights for black people



Source: Baseline study on state of transformation in the tourism sector, NDT (2018)

Figure 10: Economic interest for black people target achievement.



Source: Baseline study on state of transformation in the tourism sector, NDT (2018)

4.1.5. AUDIO-VISUAL SECTOR

The entertainment industry is slowly coming out of the drastic effects of the COVID-19 pandemic. In September 2023, Statistics South Africa reported that the country has seen a gradual increase in the volume of tourist arrivals in South Africa. In 2022 Tourism report released by Statistics South Africa showed that the volume of tourists dropped by 72.6% from 10 228 593 in 2019 to 2 802 320 in 2020 and declined by 19.5% between 2020 and 2021. The report further states that the volume of tourist arrivals increased by 152.6% from 2 255 699 tourists in 2021 to 5 698 062 tourists in 2022. A gradual improvement was observed in the number of tourist arrivals from January to December 2022; however, the figures are still 44.3% below the pre-pandemic year of 2019.

The SA Stas tourism report is important in the discussion of the recovery aspects of the film sector. Lockdown and travelling restrictions imposed during COVID-19 drastically curtained the functioning of the film industry. The consumer habits of the clients/customers changed resulting in some businesses closing down and the audiences drastically declining. As stated above, it is important to mention that the industry is not out of the woods as yet. The local film industry is still struggling to compete with international productions at the box office. The competition has become even more intense with the growth of new platforms.

More recent studies conducted by PricewaterhouseCoopers (PwC 2023) show that electronic home video or streaming on demand as well as downloading films have overtaken the traditional cinema as the biggest contributor to total film revenue worldwide. The emergence of new Internet Communications Technologies (ICT) such as Video on Demand (VOD) services and an evolving broadband infrastructure have allowed consumers to view what they want, when they want on devices of their choosing. This infrastructure has allowed online streaming services to flourish. Further to this, release windows have shortened: that being the period from cinema release to becoming available to download. This has resulted in the loss of the competitive advantage that traditional cinemas have enjoyed in the past. Online streaming services such as Netflix, Amazon Instant Video and Hulu have seized upon the changing dynamic within the industry and have made the move from being middlemen to creators of original content. These are important developments that will certainly grow the industry as a whole. However, challenges faced by local filmmakers such as lack of skills, inadequate infrastructure, and high costs of business can not be overlooked. KZN Film has introduced some training interventions to assist local filmmakers in closing this gap.

Market Size of the SAFI

Obtaining an accurate measure of the total SAFI's size and its direct investment is challenging given that not all entities are open to providing detailed financial information, especially on profits, incentives or salaries. Deloitte was, however, able to gather sufficient data from the DTI, the NFVF and SAFI stakeholders that responded to our online survey and that met with us. According to information collated from the DTI Film Incentive, Deloitte estimates that the SAFI spent over R1.26 billion on goods and services within the South African economy in 2012. It is estimated that 30% of this value comprises expenses on wages and salaries, with the remaining budget being spent on the costs incurred to produce a long form film. This is in line with research conducted by the Joint Long Form Production Task Team report in August 2012 titled "Report to the Department of Trade and Industry on the success of the

Foreign Film & Television Production Incentive and the South African Film &Television Production and Co-production Incentive”. The size of the SAFI is based on revenues and expenditures directly related to activities within the SAFI across the four stages of the value chain, i.e. pre-production, production, post-production and distribution. Table 6 records the estimated direct investment for each of the four stages.

The SAFI contributes R3.5 billion to South Africa’s GDP and over 25 000 jobs per annum. It is not a significant industry when compared to many of the primary, secondary or tertiary industries in South Africa. However, given that: ·

Table 4.1: Multiplier Set

	GDP / Income multiplier	Employment – jobs per R1 million of expenditure
Film Industry - 2019/20	**2,82**	**5,65**
South Africa (All Industries) - 2019/20	1,75	3,10
Film Industry - 2016/17	2,81	4,90

Source: Quantec

SAFI’s multiplier of 2.82 puts it at mid-range when compared to 99 other industries; and · In terms of government support, it more than pays for itself with a delivery back to the SARS of more than R670 million (R420 million more than an estimated Film Incentive of R250 million paid out in 2012);

Table 6: SAFI Value Chain and Size

Value Chain Stage	**Estimated size - Incl Tax**	**% of Total**
Pre-production	R 32 490 088	3%
Production	R 1 111 459 780	89%
Post-production	R 48 420 962	3%
Distribution	R 63 190 000	5%
Total Market Size	R 1 255 560 830	100

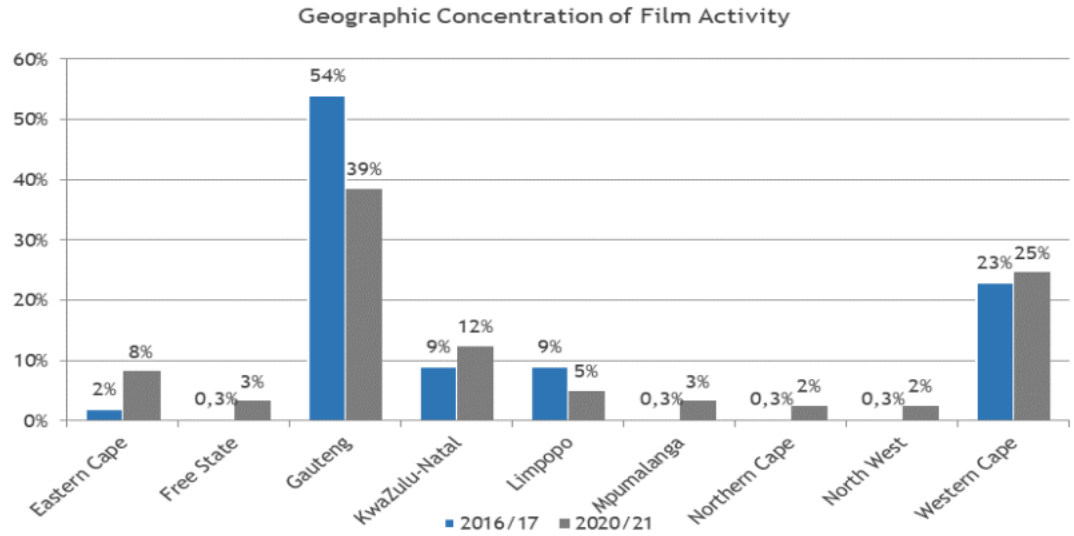
The Production stage of the SAFI’s value chain has the highest expenditure, accounting for roughly 89% of the entire industry.

Various goods and services are purchased at each stage of a production’s lifetime, with each having an effect on the economy. This study only took into consideration purchases of South African products. Purchases made of imported goods or services were not included, as they do not have any lasting impact on the economy and are thus considered leakages

AUDIO-VISUAL MARKET ENVIRONMENTS:

The Kwazulu-Natal Film Industry holds the position of a distant third in the market after Gauteng which is leading in the country followed by the Western Cape.

Figure 2.4: Geographic Concentration of Film Activity



Source: Film Industry Stakeholder Survey, 2021

The Kwazulu-Natal film commission (established in 2014) is in its eleventh year in the industry whereas the National Film and Video Foundation Act was promulgated in the year 2000 and The Gauteng Film Commission, formerly the Gauteng Film Office was established in 2002, the Cape Film Commission was established in 2001 and film is now the preserve of Wesgro under Film and Media. The KZNFILM is therefore a mere infant compared to other entities in the industry.

Audio-Visual -Other players/Stakeholders

1. At a national level other funding bodies include Department of Trade and Industry (DTI), Industrial Development Corporation (IDC) and the National Empowerment Fund (NEF)

2. South African broadcasters are the SABC, Multichoice, ETV and lately NETFLIX

3. The industry is serviced by 5 mainstream distributors and exhibitors namely:

Ster Kinekor, Nu Metro, United International Pictures, Videovision and Indigenous Pictures. Covid 19 impacted these greatly.

The limited choice in distribution means that films are accepted strictly on the terms of the distributor, leaving the producers with very little room for negotiation. This is characteristic of businesses that have a virtual monopoly.

Netflix is one of the fastest growing online distribution platforms that is taking over the world. Locally, there is ShowMax owned by Multichoice which is Netflix's main competition. This provides and additional avenue for producers to distribute their work especially since Netflix is looking to producer more local African content.

Audio-Visual Competitor Analysis

KZN is a distant third (10% market share) in the film landscape falling behind Gauteng and the Western Cape. This competitor analysis demonstrates KZNFILM's positioning with regards to specific and critical determinants in the film industry. The star rating gives an indication of where KZN is in relation to other provinces from a national perspective, it gives a good indication of where the KZN needs to focus its attention with skills and infrastructure falling way behind the other two provinces.

Item	KZN	Western Cape	Gauteng
Infrastructure	**	*****	****
Skills	*	*****	*****
Film Friendliness	***	*****	******
World Wide Recognition as a location	***	*****	****

***Source NFVF.**

New Entrants in the South African Film and Television Market

- Limpopo DSAC is looking at reviving the Film Commission Structure that was there before 2016.
- North West plan to launch a North West film Commission around September 2020 is delayed in the cards.
- Northern Province is still working on a big project around the life of Sol Plaatje at the back of which they planning to launch a Northern Cape Film Commission.
- Mpumalanga Province are proposing, Mbombela Film Commission and have launched a Mpumalanga Film Festival.
- Eastern Cape ECDC are running a new festival called Eastern Cape Film Festival at the back of which they want to formally launch the Eastern Cape Film Hub and are looking at the Film Fund to be launched
- Western Cape Metro Municipality launched a Film Fund

International Competition

The battle for production house's choice as a film destination is driven by few factor:

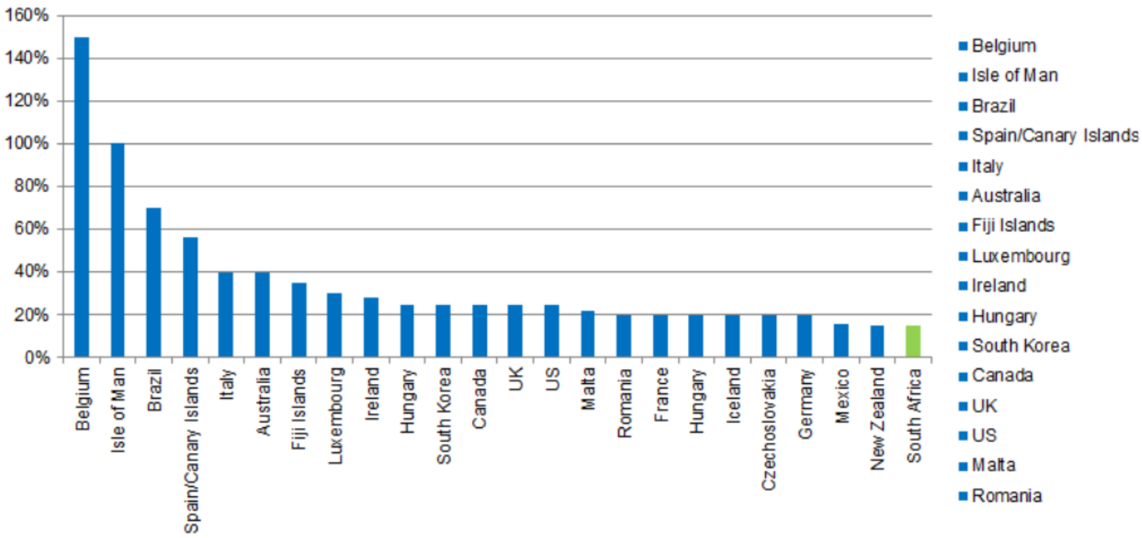
Value for money - Because of the exchange rate African countries are attractive to big production. In this front Mauritius, Kenya, Rwanda would be our immediate competition among others

Tax Rebates – Rebates are a huge driver as it is a direct saving for the filmmaker, however that is country to country. The tax rebate are as follows:

- South Africa 20% (no tracked shift)
- Kenya is 35,
- Mauritius 35% to 40%

Clearly from this sample Mauritius will be more attractive than South Africa. Thus KZN needs to communicate all other incentives, facilities and discounts that are on offer other than rebates this study are shown in Figure 7. A loss of foreign film work to South Africa to other more competitive countries could result.

Figure 7: Comparison of International Film Incentives (2010).



Audio-Visual Market Strategies -
Segmentation, Targeting and Positioning Strategy (STP)
Segmentation

The selection of the market is based on the market segmentation defined in the marketing strategy of KZN Film. The market segmentation has been based on critical criteria such as

- assessing our country's propensity for outward investment in film,
- the existence of co-production treaties with South Africa. The following treaties are existing currently.

- South Africa – Brazil Co-production Agreement
- Final Agreement between SA and France on Cinematographic and Audio-visual coproduction.
- South Africa & Canada – 1997
- South Africa & Germany – 2004
- South Africa & Italy – 2003
- South Africa & United Kingdom – 2007
- South Africa & France – 2010
- South Africa & New Zealand – 2011
- South Africa & Australia – 2010
- South Africa & Ireland – 2012
- South Africa & Netherlands Agreement Signed – 2015

- Geographic – Accessibility, countries with treaties with South Africa
- Demographic – Social groupings, Language, culture and spending power
- Psychographic – attitudes and behavioral pattern

Audio-Visual Targeting and Positioning Strategy

Market Segment	Targeting	Positioning Strategy
Geographic	**Europe:** (France, United Kingdom, Italy and Spain)	KwaZulu-Natal Film Commission is a partner in Film

	Americans: (Canada, USA, Brazil) **Africa:** (West Africa, East Africa, North Africa-New) **South Africa:** Primary: KZN, GP and W CP Secondary – All other provinces	KwaZulu-Natal is film destination of Choice KwaZulu-Natal Film commission is a partner for co-production.
Demographics	**Local**: Youth, Woman, disabled, designated groups, **Global:** Minority Groupings in the 1st world Independent Filmmakers, African and Diaspora (110 million pair of eyes)	KwaZulu-Natal Film Commission is trusted partner in Film
Psychographics	Cinema is Social, Fun out of the house or in-house, History reader, writer, Culturalist	Local authentic stories – Local is Cool.

Audio-Visual Content Promotion and Distribution

The KZN Tourism and Film film fund's portfolio contains a range of content that should be absorbed by markets in the country and abroad. Content promotion at international markets and festivals assists in not only promoting local content but provides intel on the type of content that is popular and saleable and which markets are open for South African Content. This will then inform local filmmakers' content to be in line with the market demand.
In order to ensure that KwaZulu-Natal content is adequately exposed at international markets. Festival screening allows for access to film critics, bloggers, and other members of the media, distributors, colleagues, executives, and others who can help with future films and the general public. Festival screenings also give an immediate sense of how audiences are responding and can create word-of-mouth within the festival.

KZNFATA:

- Pursue a programme for calling for the entry of films to major film festivals around the continent and the world.
- Look to making formal submissions into these festivals and supporting selected films with good marketing support.
- Having a special focus on KwaZulu-Natal content in a film festival further enhances the brand of the film commission and the province, but also establishes and promotes the province as a filmmaking destination.

- Establish relationships with programmers in leading festivals in order to facilitate for special focus KwaZulu-Natal content.
- Developing a Digital Film Catalogue for KZN Tourism and Film funded content and marketing this at festivals. This demonstrates that the KZN Tourism and Film has an active fund and that projects are being produced through the fund. The catalogue can be given to film festival programmers looking for content for their festivals and will assist them to decide which films they could consider viewing for programming. Development content could find potential funders or co-production partners for their projects, through being profiled in the film catalogue. This catalogue will be in electronic format so as to be able to deliver it event in festivals that the commission is not attending.

Reason for KZN Filming Choice:

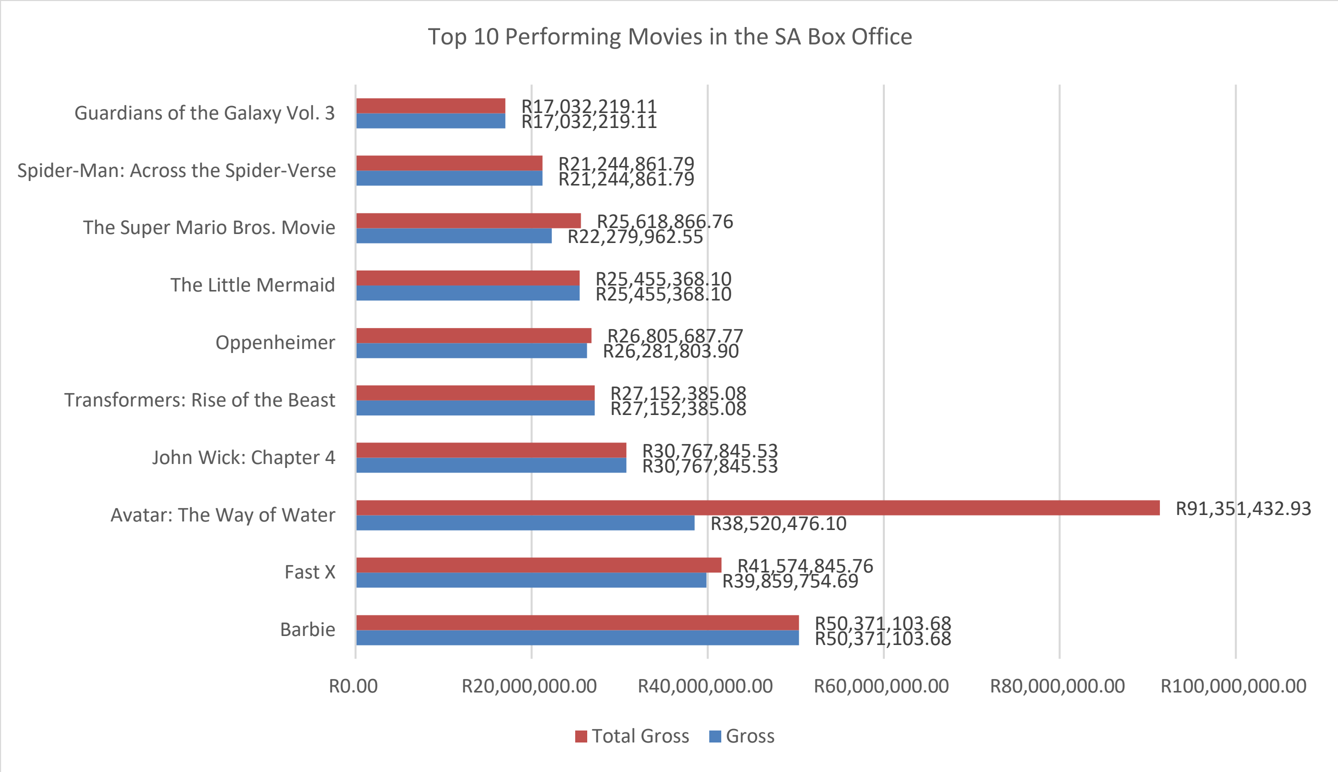
- Filming Favorable weather conditions
- Heritage and cultural character of KZN
- Diverse locations in one (from 600 beach line, to world heritage Drakensburg, bushes, world smallest desert on the South Coast, world heritage wetlands Isimangaliso of St Lucia, to hilly KZN inland and flat planes of Zululand.
- First class infrastructure in the province (King Shaka Airport, Africa busiest port Airport, world largest sand mining and processing operations, 5 star hotels etc.)
- KZN Incentives
- National dtic incentives

4.1.6. SOUTH AFRICAN CINEMA DATA ANALYSIS

From January 2023 up to October 2023, about 111 movies have been featured in the South African Box Office. Most of the top 10 performing movies were from the United States of America, Canada, United Kingdom, Japan etc. Currently, there are 3 South African-produced and co-produced films released or re-released at the South African Box Office. The three (3) local films were Headspace which is an animation film that had an overall rank of 50, with a gross and total gross earning of R1,533,310.36. The second was Hans Steek's Die Rubicon an Afrikaans family movie, which ranked at 79 and it had a gross earning of R444,630.13. The third film on the list was a re-release of the 1992 Drama Musical Sarafina! The film was directed by South African director Darrell James Roodt and featured a number of popular South African actors and actresses as well as American ones. Its gross earnings were at R70,840.59 and it was ranked 104 overall.

The current number one top-performing movie at the South African Box office is *Barbie* raking with a gross earning and a total gross earning of R50,371,103.68. In second place was *Fast X* with a gross earning of R39,859,754.69 and a total gross earning of R41,574,845.76. *Avatar: The Way of Water* ranked third with a gross earning of R38,520,476.10 and a total gross earning of R91,351,432.93.

The Box Office earnings and ratings still convey a message that the locally produced content still finds it difficult to compete at cinema levels/platforms. More support is needed at different levels including amongst others audience development, funding, infrastructure etc,



SA Box Office (2023) Rate $1=R 18.91

Public Television and Local Channels and Content

Television is considered to be dead by many specialists as figures suggest a decrease in the last ten years, and general audiences have stated that television has gone out of date. The television viewer's average age has reached fifty. This is a problem as the targeted young audience is not behind its television anymore. Those market shares are returning to digital media, which is monopolizing younger's attention.

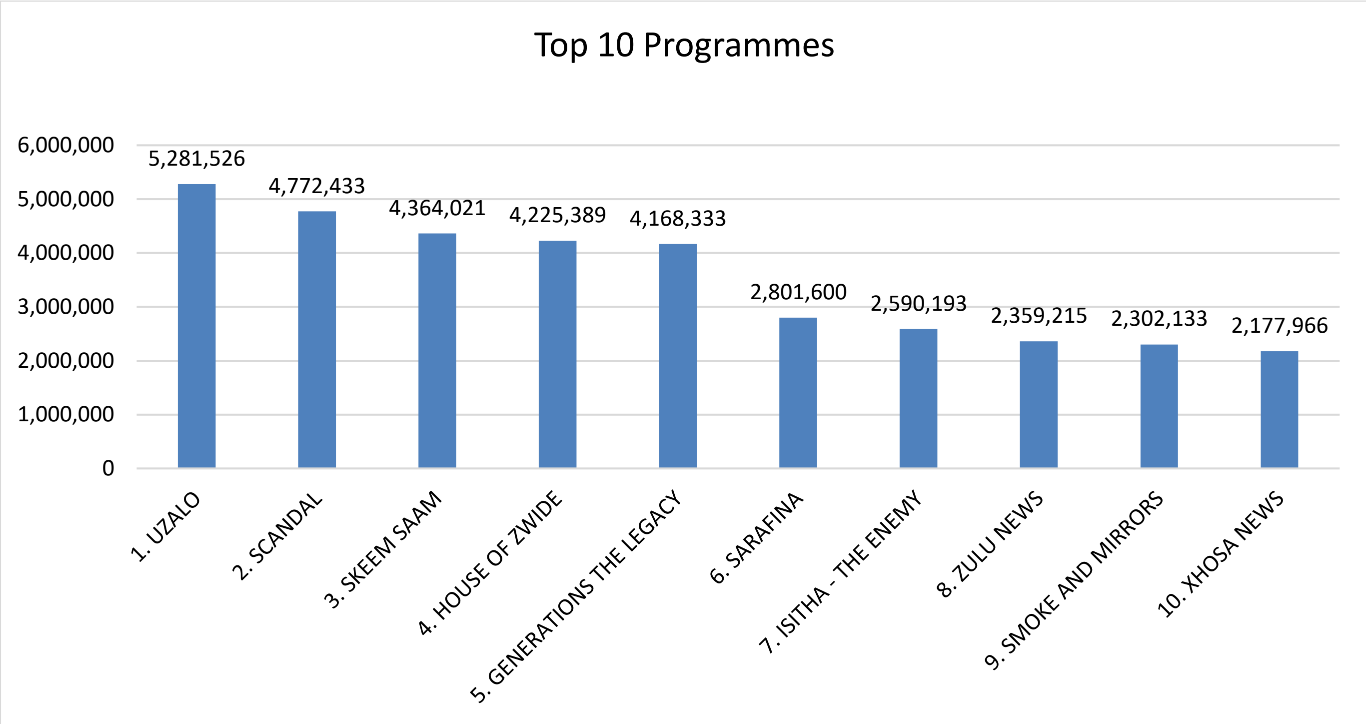
Thus, according to sources and statistics, the growth of the streaming revolution is stretching the TV generation gap, creating a stark divide in the viewing habits of younger and older people. Traditional broadcasters face tough competition from online streaming platforms, which they're partly meeting through the popularity of their on-demand player APPS, while broadcast television is still the place to go for big events that bring the nation together such as local sports, games celebrations and events about South Africa.

However, there is still a growing appetite for more local programming in South Africa regardless of the implementation and consumerism of international content and streaming platforms. In recent years, there has been a noticeable shift in viewership patterns, with more South Africans showing a preference for locally produced content over imported shows. This trend is driven by several factors, including a desire for content that reflects the diverse experiences and identities of South Africans, a growing sense of national pride, and an increased investment in the local entertainment industry by broadcasters and production companies.

The success of locally produced shows such as *Uzalo*, *Isibaya*, *Skeem Saam*, *Scandal and The River* is a testament to the growing appetite for local programming in South Africa. (Refer to graphs below). These shows have attracted large audiences and have helped to establish South Africa as a key player in the global television industry. Furthermore, the South African government has recognised the importance of the local creative industry and has made efforts to support its growth through initiatives.

KZN as a province has competitive advantages in this space. Its unique locations, all-around weather that is suitable for filming, unique heritage and culture and a film-friendly environment make the province an ideal place for filming. As such, KZN Film is prioritising Made for TV projects projects and projects that showcase Zulu culture and heritage in its funding. The fact that leading productions uZalo, Imbewu and Durban Gen are KZN brewed shows the potential that the province has as a film destination. Furthermore, KZN Film managed to place interns on these productions so that they get post-tertiary training and experience the industry needs.

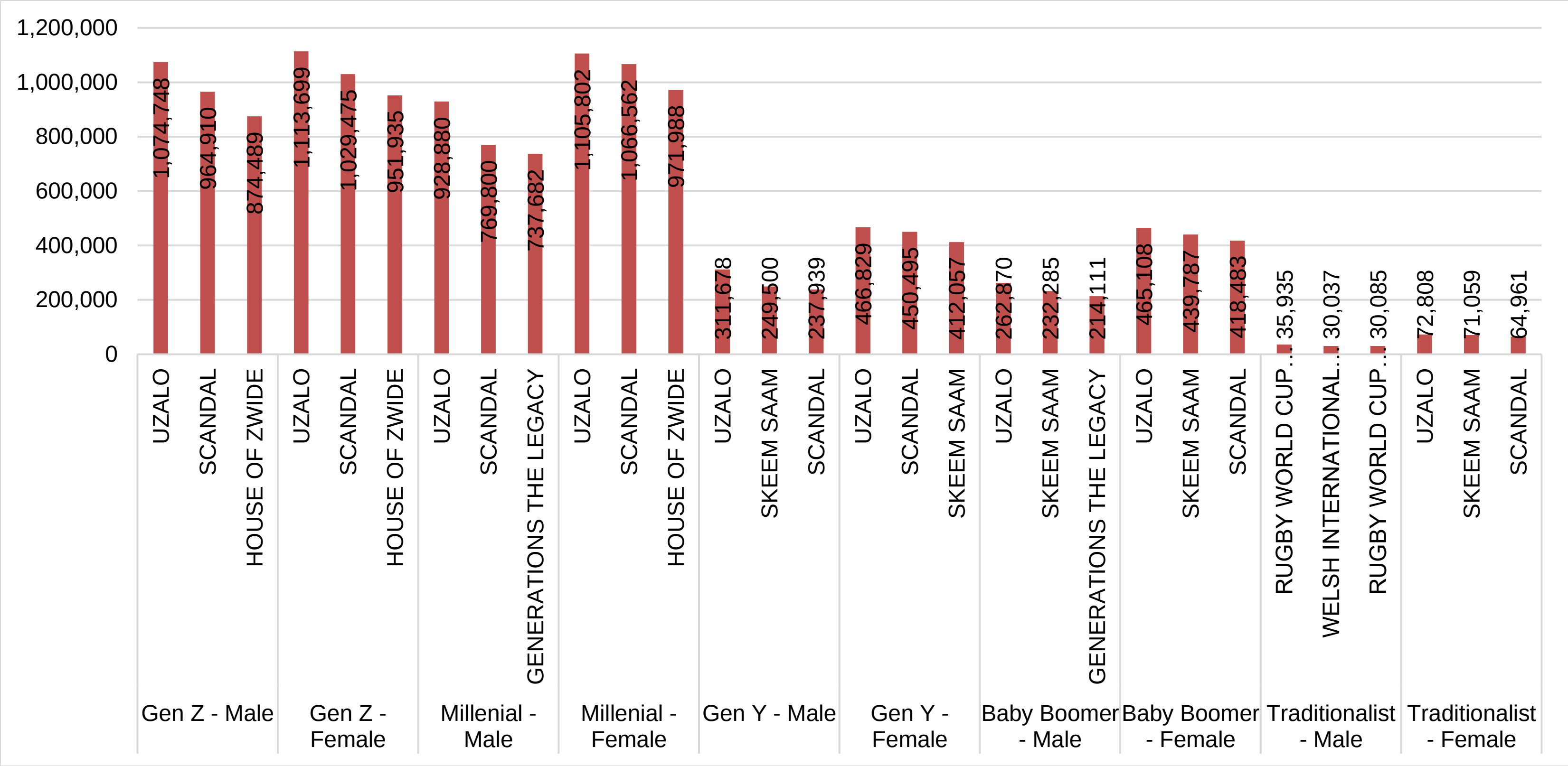
Quarterly Television Audience Analysis
Top 10 performing programme's total audiences in All public Channels



SA Broadcasting Research Council Data (Nielsen, 2023)

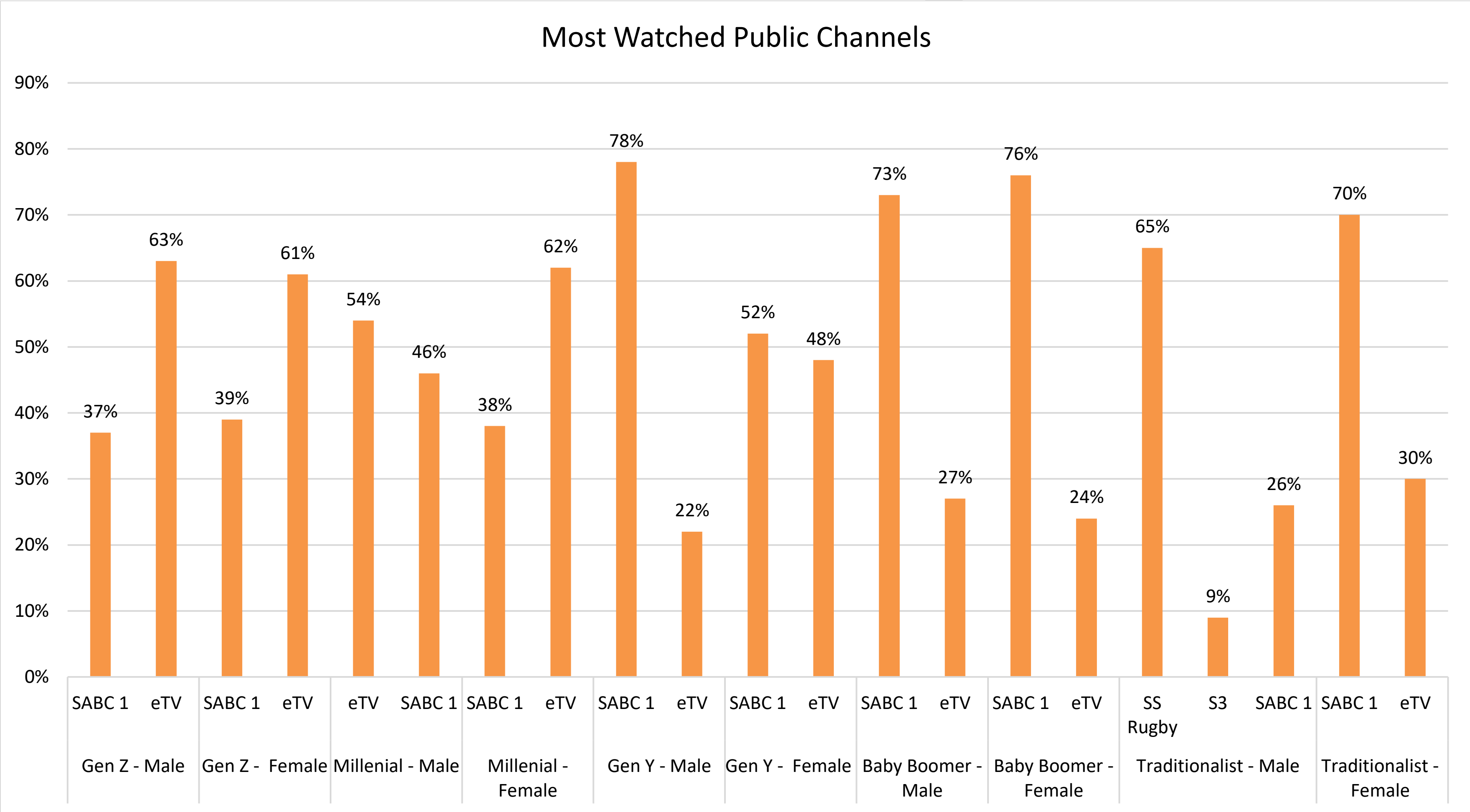
uZalo has occupied the first place in terms of South African television audience ratings for the last couple of years. According to the SA Broadcasting data, uZalo enjoys a substantial percentage of the entire TV audience across South Africa every evening, making it the most-watched TV show.

Top 3 performing programmes by generations and gender splits


1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
1,074,748
964,910
874,489
1,113,699
1,029,475
951,935
928,880
769,800
737,682
1,105,802
1,066,562
971,988
311,678
249,500
237,939
466,829
450,495
412,057
262,870
232,285
214,111
465,108
439,787
418,483
35,935
30,037
30,085
72,808
71,059
64,961
UZALO
SCANDAL
HOUSE OF ZWIDE
UZALO
SCANDAL
HOUSE OF ZWIDE
UZALO
SCANDAL
GENERATIONS THE LEGACY
UZALO
SCANDAL
HOUSE OF ZWIDE
UZALO
SKEEM SAAM
SCANDAL
UZALO
SCANDAL
SKEEM SAAM
UZALO
SKEEM SAAM
GENERATIONS THE LEGACY
UZALO
SKEEM SAAM
SCANDAL
RUGBY WORLD CUP...
WELSH INTERNATIONAL...
RUGBY WORLD CUP...
UZALO
SKEEM SAAM
SCANDAL
Gen Z - Male
Gen Z - Female
Millenial - Male
Millenial - Female
Gen Y - Male
Gen Y - Female
Baby Boomer - Male
Baby Boomer - Female
Traditionalist - Male
Traditionalist - Female

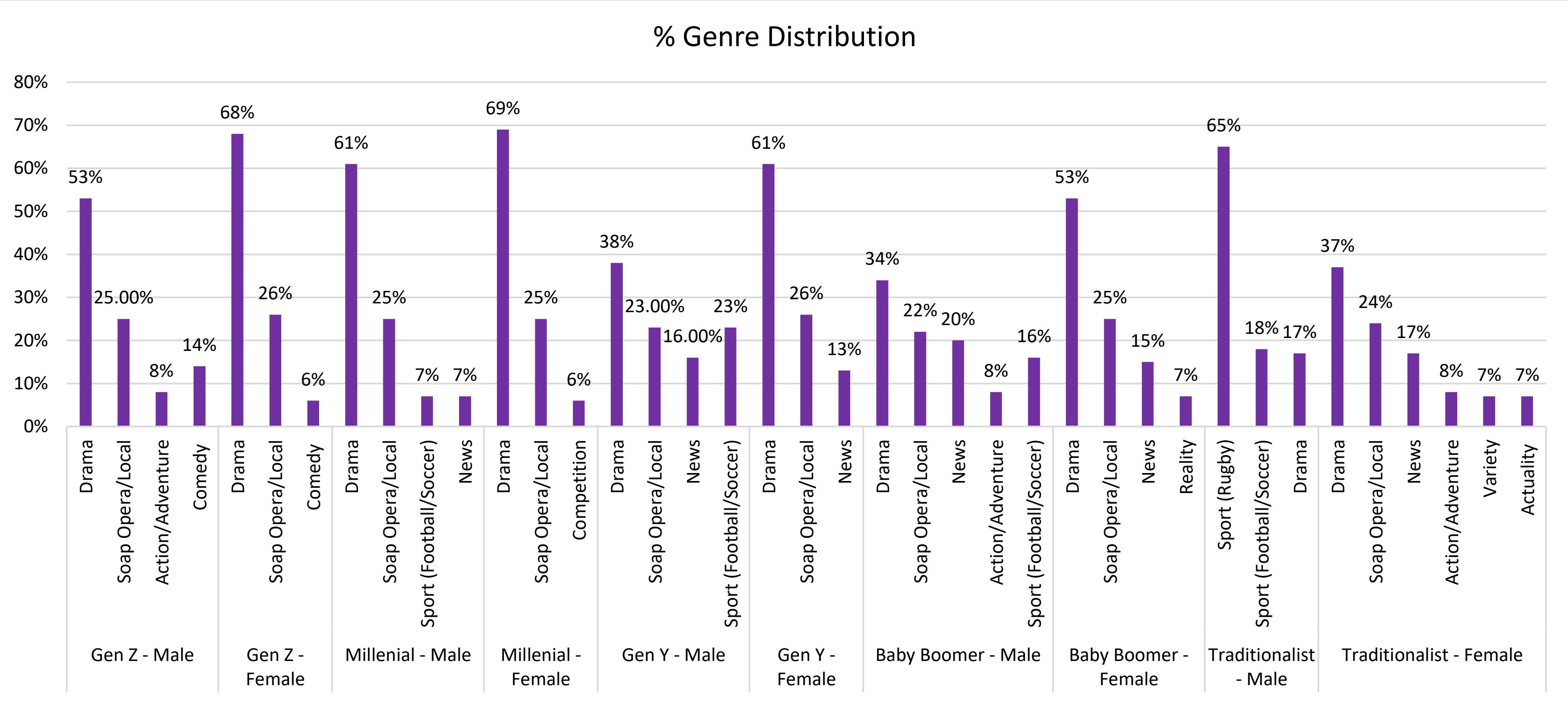
SA Broadcasting Research Council Data (Nielsen, 2023)

Most watched Public Channels per generation and gender splits



SA Broadcasting Research Council Data (Nielsen, 2023)

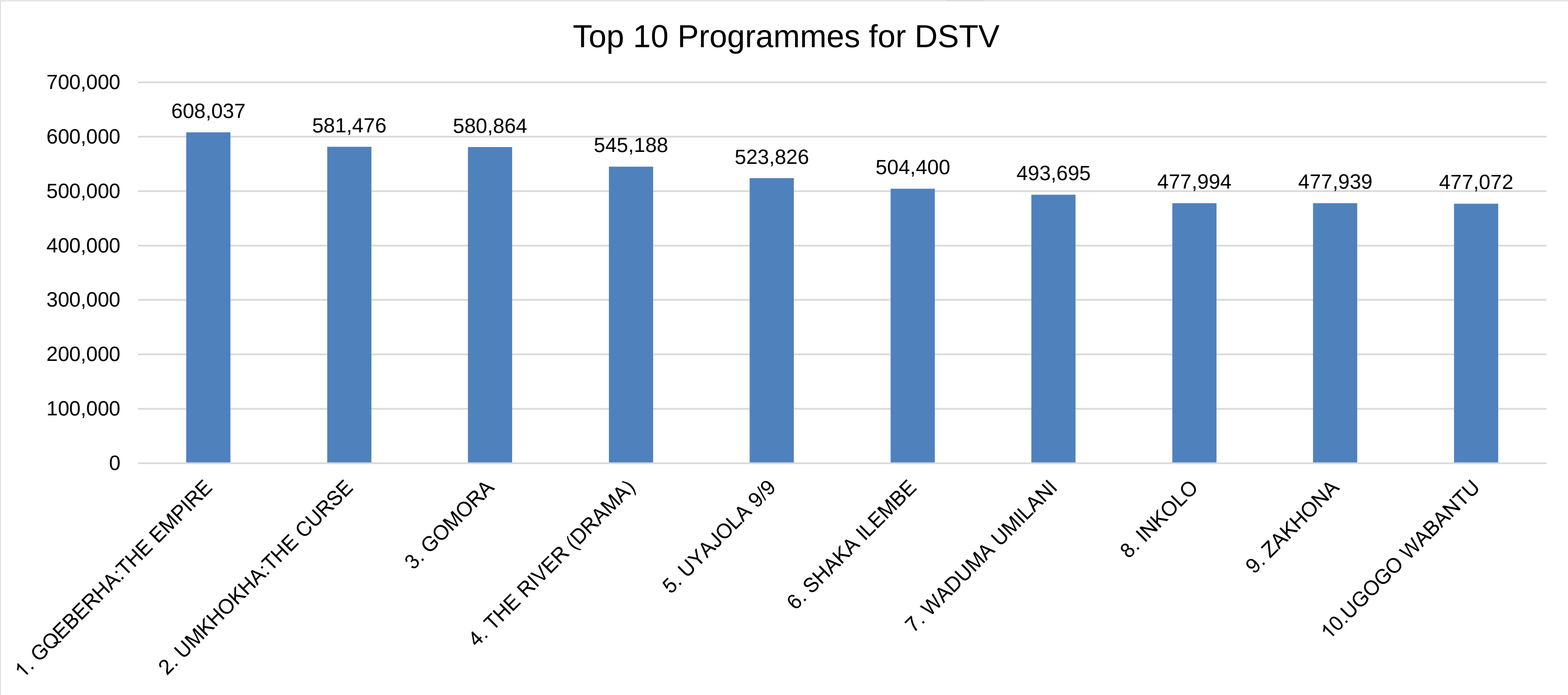
% Genre distribution by generations and gender splits



SA Broadcasting Research Council Data (Nielsen, 2023)

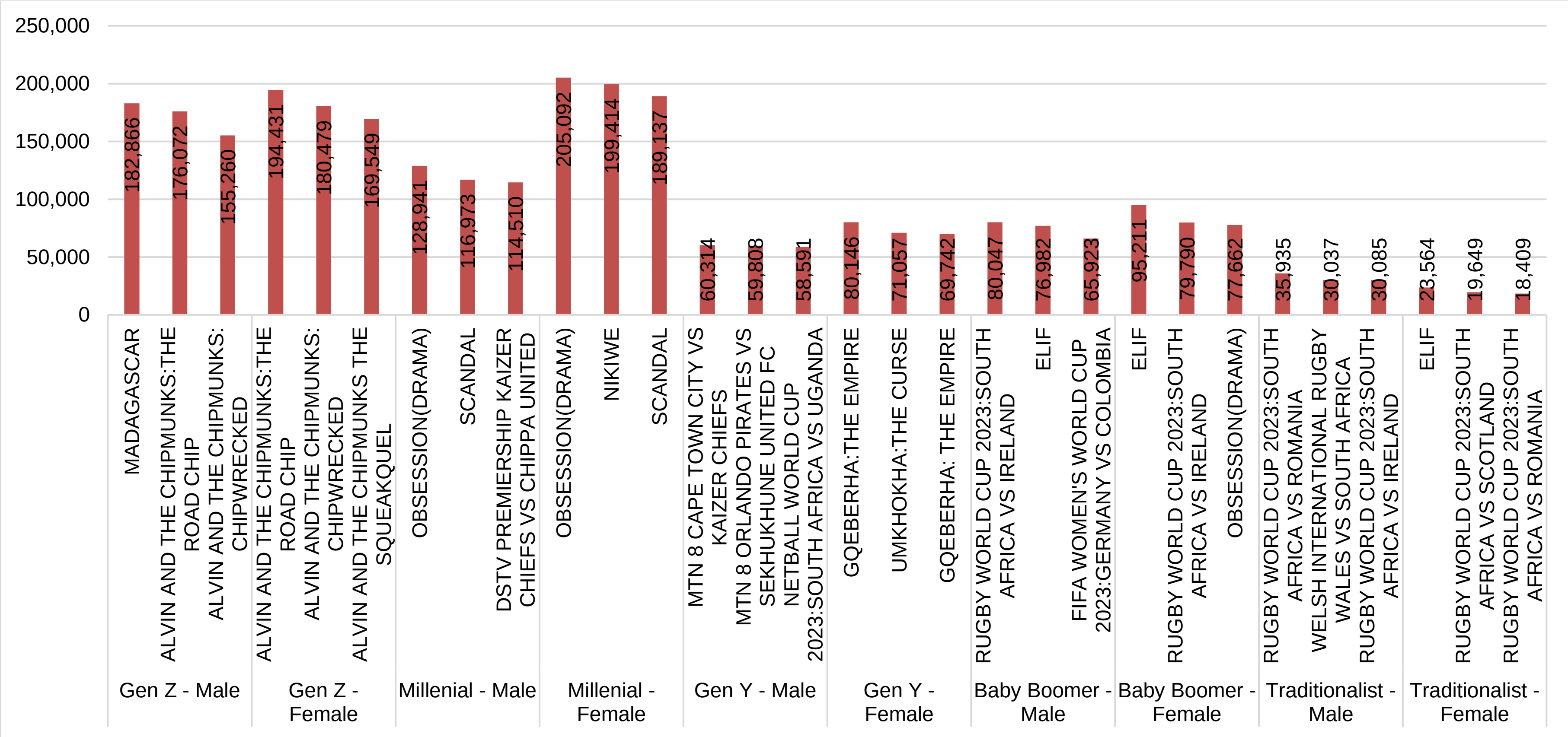
DSTV Channels Audience Analysis

Top 10 performing programmes' total audiences in DSTV Channels



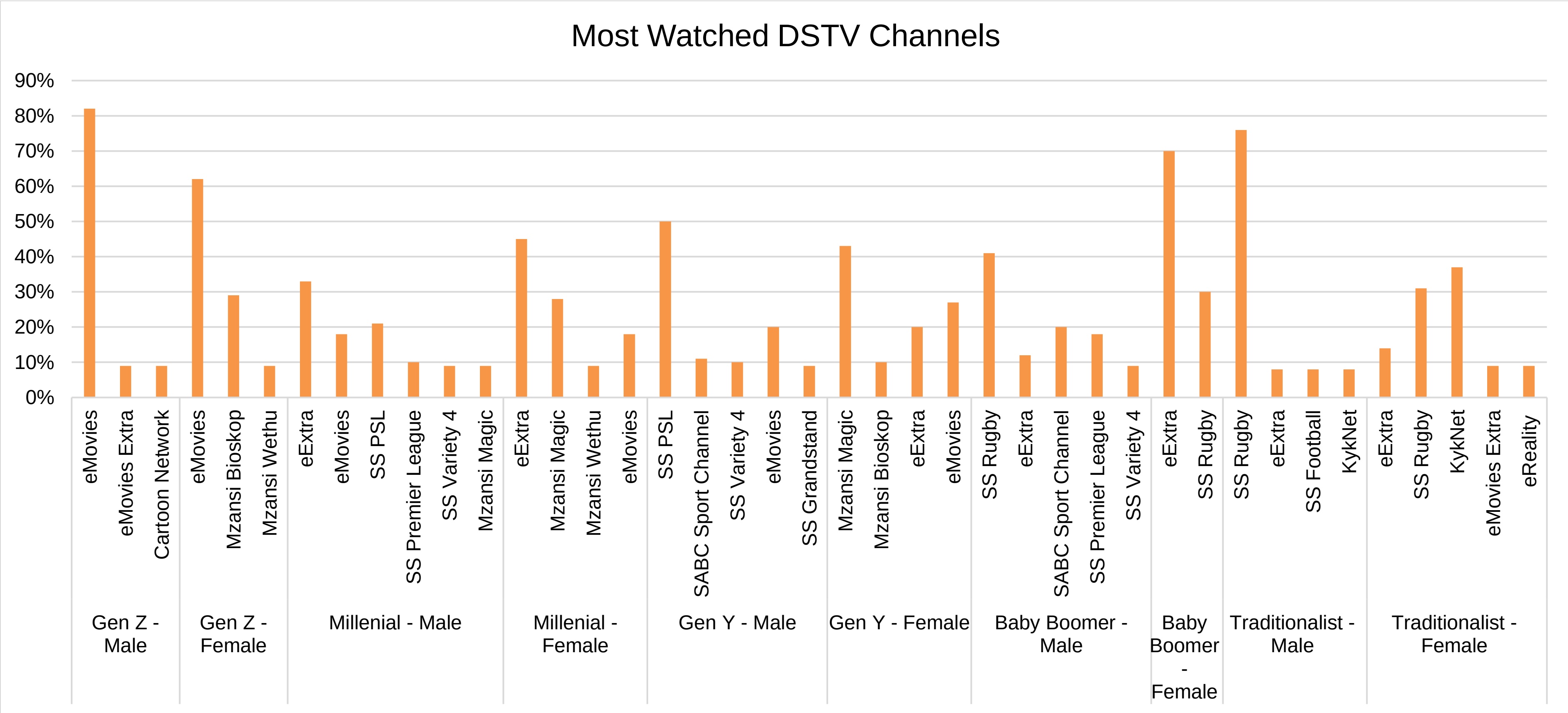
SA Broadcasting Research Council Data (Nielsen, 2023)

Top 3 Performing programmes by generations and gender splits



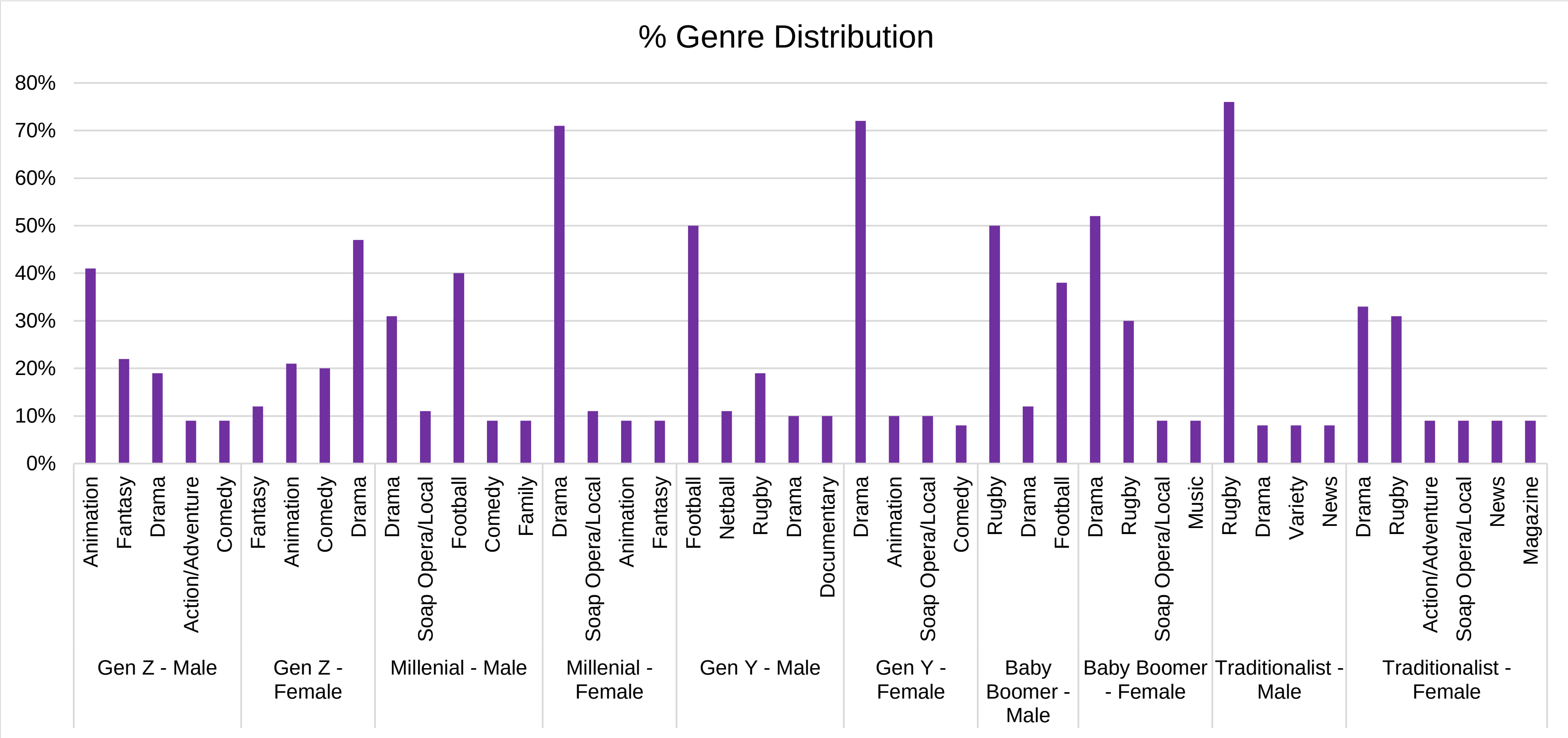
SA Broadcasting Research Council Data (Nielsen, 2023)

Most watched DSTV Channels per generation and gender splits



SA Broadcasting Research Council Data (Nielsen, 2023)

Genre distribution by generations and gender splits



SA Broadcasting Research Council Data (Nielsen, 2023)

4.1.7. ECONOMIC IMPACT OF THE KZN FILM SECTOR

The Moses Kotane Institute (MKI) concluded a review of the KZN Film Sector and produced a baseline study into the economic impact of the KZN film sector in February 2021[7]. Key extracts of the study are highlighted below.

CONTRIBUTION TO THE NATIONAL ECONOMY

In 2016/2017 the total production made of direct, indirect, and induced impacts equated to R12.2 billion. This resulted in a total impact on GDP of R5.4 billion and an estimated 21 656 jobs. The total income in this period equated to R2.4 billion. Urban-Econ[8] estimates that this will increase to approximately R13.7 billion in production, R5.3 billion impact on GDP, an estimated 32 599 jobs and R2,8 billion in income in the 2019/20 financial year. Estimates are based on historical growth figures between 2013 and 2017 in the sector based on the national study of the NFVF (2017).

CONTRIBUTION TO THE KZN ECONOMY

In the 2018/19 financial year, the DTIC incentive scheme approved a total of 102 grants, of which the Western Cape received 43 approvals, or 67.3% of the R996.9 million total grant amount. The reason for the high number of grant approvals in the Western Cape is owing to the high investment multiplier in the province of 4.6. The province is deemed as a good investment and job creation location.

Gauteng followed with 30.9% of the grant funds and 54 approvals. Gauteng has an investment multiplier of 3.6. The location and studio facilities in Gauteng and Western Cape are likely to be the reasons for the large number of approvals in both of these provinces. In terms of KZN, the province only received 0.9% of grant funding and 3 approvals. The investment multiplier equates to 2.1.

At R156 461 per additional job in the film sector, Gauteng is the most favourable location in terms of investment needed to create additional employment opportunities. The Western Cape follows at R190 950 per additional job in the film sector, with KZN much higher at R314 962. The investment needed to create an additional job in the film sector in KZN is also much higher than the average of the five provinces, which stands at R179 920 per additional job[9].

ECONOMIC IMPACT OF THE KZN FILM SECTOR

Given the estimated 2019 South African film sector GDP estimates of R5.3 billion, it is expected that the KZN film sector will contribute an estimated R497 million in the 2019/20 financial year. However, this has been adjusted downward given the decreased investment in the province relative to Gauteng and the Western Cape, and the increased competition from Limpopo and the North West, as well as the impact of Covid-19.

Table 2: Estimated economic impact of the KZN film sector, 2019/20

Economic Impact	Direct	Indirect and Induced	Total
Production	R404 869 313	R470 871 284	R875 740 597

[7] Moses Kotane Institute – KZN Film Sector Baseline Study, February 2021

[8] As cited in the KZN Film Sector Baseline Study, February 2021

[9] Urban-Econ Calculations based on data from the DTIC, 2019, as cited in KZN Film Sector Baseline Study, February 2021

Gross domestic added	R334 583 005	R129 803 363	R464 386 367
Income contribution	R253 837 270	R53 895 648	R307 732 918
Employment creation	1 286	1 496	2 782

From the last baseline study in 2015, the KZN film sector increased its GDP contribution from R327 million to R464 million, thus showing a R137 million increase between 2015 and 2020. In terms of employment, job creation increased from 1 481 to 2 782 additional employment opportunities. This shows that 1301 new job opportunities were created since 2015. This also translates into an estimated 720 new permanent employment positions and 581 new employment temporary positions.

In relation to the above, the key challenges facing the KZN audio-visual industry include:

1) Filmmakers are mainly independent freelancers, with no unified industry association body for the industry to speak with one voice and prevent fragmentation. The industry is unregulated, making it difficult to protect the rights of freelancers.

2) The province lacks the key infrastructure, such as studios, which attracts high-value productions. There is a lack of critical skills throughout the value chain, but particularly in Heads of Department positions.

3) There is also a lack of knowledge on the ownership of IP of content produced, thereby reducing the long term earning potential of filmmakers and therefore their financial sustainability.

4) KZN has a limited number of film servicing companies to support productions. There is a lack of black ownership throughout the value chain. Inadequate content is produced on KZN heroes and legends.

5) The film industry is not transformed, particularly in key areas such as Heads of Department, Producers, ownership of medium to large film companies and the distribution of the major trade incentives in the area of servicing major productions.

6) There is a lack of coordination between the spheres of government, and limited buy-in by local government in terms of resourcing programmes to support the industry. The KZN audio-visual industry does not appear to be a priority.

7) Increased competition from other provinces, particularly, North West and Limpopo, in terms of public sector financial incentives.

THE 4TH INDUSTRIAL REVOLUTION:

1) New and emerging technologies are making a profound impact on both the production and distribution of audio-visual material. Blockchain presents opportunities to protect IP and facilitate payments, widening distribution opportunities. Post-production technologies are improving all the time, and virtual and augmented reality are poised to break through into the mainstream.

2) As the lines between the digital and natural world begin to blur, the KZN Tourism and Film needs to adapt its business processes, embracing online digital tools to engage and increase access. Training and information are critical, and internships for graduates specialising in animation and digital media should be a priority.

3) Emerging digital tools and distribution platforms will open the possibility to create all sorts of new content, including interactive training and educational material. Awareness should be drawn to the abundant skills development material already available online. Mobile devices literally place the power of the World Wide Web in every individual’s hand. As that ‘web’ expands and 5G connectivity becomes pervasive, the possibilities for innovative digital content creation will enter a new era.

4) The KZN Tourism and Film needs to remain cognisant of the digital divide and endeavour to ensure that emerging filmmakers, that currently make up the majority of filmmakers in the province, are kept up to date with the new innovations in the 4IR.

4.1.8. PESTEL ANALYSIS

A PESTEL analysis was used to identify the critical external environment issues and strategic planning implications/considerations informing the development of this strategic plan.

Table 3: PESTEL Analysis: Critical issues and planning implications

Critical Issues	Planning Implications / Considerations
Political Factors	
▪ Agility, competitiveness, and service delivery is often impacted by the bureaucracy of the political/administration interface. ▪ Not receiving equitable share of national spend due to national government prioritising the Gauteng and Western Cape provinces. ▪ Provincially, film matters are not taken through to national discussions, as film is under Arts and Culture nationally while under Economic Development provincially. ▪ Incoherent policy direction/policy uncertainty in terms of what is needed to stimulate the tourism and film industries. ▪ General and local government elections, and reshuffling, affecting policy direction. ▪ Politics and capacity at local/district level at times affects the pace of delivering services. ▪ Changes in global political landscape, for example, the change in the American political leadership may be more Pro-African. ▪ Uncoordinated/inconsistent country to country relationship building by various role-players across the spheres of government.	▪ Increase collaborations and strengthen partnerships with all tourism role-players, including trade, private sector, local government, and CTOs. ▪ Take into consideration different political affiliations/capacity at district and local level and its effect on project implementation. ▪ Strengthen the alignment of KZN Tourism and Film with national government policy directives and national tourism, cultural and creative industries strategies. ▪ Changes in legislation offer the new entity the opportunity to radically implement transformation. ▪ KZN Tourism and Film must collaborate more closely with South African Tourism – be forceful in ensuring priority is given to marketing KZN as a leisure, business, and film destination. ▪ Work with EDTEA public entities and other sector partners to develop partnerships with EU, BRICS and AU countries.

Critical Issues	Planning Implications / Considerations
▪ Inadequate marketing of the province within the EU, BRICS and AU countries results in missed opportunities.	▪ Need to gain an understanding of the legislation that exists to help leverage on multilateral agreements. ▪ The merged entity must strengthen fundraising efforts – partnership development is critical considering the limited resources.
Economic Factors	
▪ Constraints due to the Covid-19 pandemic, economic conditions, and job losses. ▪ High unemployment, especially youth unemployment. ▪ Fiscal constraints/budget cuts for the MTEF. ▪ Declining investment in tourism and film (private and public sector)/shrinking resources thus constrains economic inclusion. ▪ Lack of infrastructure/product development limited geographic spread. ▪ Product support – lack of incentives (e.g., tax incentives) and enablers to make business possible (e.g., bandwidth and data availability to drive digital content). ▪ Overall decline in the audio-visual industry brought on by failures of public channels, such as the SABC to fulfil their developmental mandate. and	▪ Contribute to the KZN economic recovery and transformation plan, as a direct response to the Covid-19 pandemic. ▪ Focus on developing partnerships for product development and packaging of tourist experiences. ▪ Prioritise budgets for targeted, impactful campaigns that increase brand visibility (strengthen global marketing). ▪ Explore alternative sources of own revenue to limit impact of budget cuts on operations. ▪ Work with sector/industry stakeholders to develop a strong value proposition to sell the destination – position KZN as a competitive investment destination for film and tourism. ▪ Due to limited resources to drive transformation, the Authority must focus on developing partnerships to increase

Critical Issues	Planning Implications / Considerations
▪ Increased economic pressure on SMMEs and trade partners – many businesses have not survived the Covid-19 lockdown period.	geographic spread by adopting an inclusionary approach.
Social Factors	
▪ Cultural, generational and language differences – what appeals to one may not appeal to another. ▪ Changing face and needs of travellers and filmmakers (consumption pattern changes). ▪ Lack of transformation – lack of ownership by designated groups of the means of production. ▪ Crime, grime, fraud, and corruption – criminal activities disrupting government development programmes (e.g., Amadela Ngokubona). ▪ Existing players make it difficult for SMMEs to enter the industry – high barriers to entry. ▪ Gender-based violence. ▪ Xenophobic-related violence. ▪ Inequality – high dependency levels. ▪ Excessive levels of youth unemployment (worsened by Covid-19).	▪ Gain a better understanding of what appeals to different cultures and generations within the province (research-based programmes). ▪ Market segmentation is important but escalates the costs of marketing (targeted). ▪ Rural and township tourism product development and access markets for film and tourism (transformation). ▪ Need for enterprise development and support programmes – opportunities for women and youth employment must be prioritised. ▪ Participation in security cluster forums (JCPS) to address visitor concerns around safety and security of the destination. ▪ Extensive marketing to position the new entity as one brand. ▪ Must leverage Durban as a vibrant city hub – South Africa's most visited domestic tourism city, with strong sports events offerings. ▪ Work with partners/investors on product development through the development of bankable tourism and filmmaking proposals.

Critical Issues	Planning Implications / Considerations
▪ An increase in social ills (and corruption) impacts the marketability of the province negatively. ▪ Reducing levels of disposable income for travel and entertainment.	
Technological Factors	
▪ General increase in the utilisation of technology impacting both tourism and film. ▪ Increases in cyber security/crime. ▪ Increased opportunities to exploit content. ▪ Increased use of social media platforms. ▪ Streaming platforms provide for increased access to audiences (affordable). ▪ Opportunities for digital manufacturing, distribution, and monetisation of content. ▪ Lack of public access to internet services (Wi-Fi), high data costs. ▪ Fourth industrial revolution – 5G, blockchain, robotics and artificial intelligence. However, financial constraints make it difficult to implement at scale.	▪ Develop in-depth and current knowledge of changing platforms, capabilities, and digital trends. ▪ Optimise the use of streaming and social media to expand the reach of destination marketing and content dissemination. ▪ Develop expertise in various forms of digital content creation and in the effective exploitation of that content. ▪ Protection of intellectual properties and access to information. ▪ Embrace the use and management of big data – business analytics platform to strengthen intelligence base. ▪ Investments in 4IR are substantial but a necessity for long-term efficiency gains and savings, while developing new skill sets.
ENVIRONMENTAL FACTORS	

Critical Issues	Planning Implications / Considerations
▪ Grime and pollution and the general aesthetics of the province impact on the attractiveness of destination KZN. ▪ Degradation of the environment may lead to inability to market the province. ▪ Waste management (cleanliness of the areas) impacts the ability to effectively promote areas, such as the townships. ▪ Geographically dispersed products present challenges in creating a coherent value proposition. ▪ Climate change impacting the value proposition (warm all year round). ▪ Water scarcity in KZN. ▪ Lack of sustainable business practices in production.	▪ Promote the province as a green province, contributing positively towards a climate-friendly future. ▪ Cannot always live up to the brand promise of being warm all year round. ▪ Partner with wildlife stakeholders. ▪ Optimise opportunities provided by having two World Heritage Sites in KZN. ▪ Educational campaigns, guidelines, training for environmentally friendly business processes and recognition awards.
Legislative Factors	
▪ PFMA restriction making it difficult to be agile in our response to changing market dynamics, and to generate revenue (as a PFMA Schedule 3C listed entity). ▪ Stringent legislation requirements making it difficult for SMMEs to enter the industry. ▪ Destination loses its competitive edge due to legislative changes, for example, visa-	▪ Difficulty to access funding due to stringent legislative requirements. Affects the economy and the development of the industry. ▪ Comprehensive legal framework is needed for audio-visual sector, covering: - B-BBEE amendments - Intellectual property and ownerships

Critical Issues	Planning Implications / Considerations
regulations that are not tourism-friendly and import duties that restrict businesses. ▪ Lack of tax incentives to promote investment opportunities. ▪ IP and Copyright Acts not being passed – key to supporting the film industry. ▪ Limited legislation to protect independent 'filmmakers', for example, in terms of wages/salaries. ▪ Limited legislation for accessibility for people living with disabilities.	- Copyrights - Contracts and licencing - Change in policies (DOCIT) - Lack of local content quotas for cinemas and TV - Covid-19 protocols ▪ Implementation of the requirements of the Protection of Private Information Act (No.4 of 2013) (POPIA), as it pertains a Provincial Public Entity.

4.1.9. STAKEHOLDER NEEDS ANALYSIS

Several stakeholders receive services and contribute to the mandate of KZN Tourim and Film, categorised as follows:

1) Direct stakeholders – whom KZN Tourism and Film services, the Authority's reason for existence.

2) Indirect stakeholders – those that derive benefit from KZN Tourism and Film services.

3) Partners – stakeholders with common objectives, requiring partnerships to achieve these objectives.

The stakeholder needs that KZN Tourism needs to respond to are summarised below:

Table 4: Stakeholder needs analysis

Direct Stakeholders – Whom KZN Tourism and Film Services, the Authority's Reason for Existence	
Public Sector	**Stakeholder Need**
EDTEA	▪ Implementation of the mandate of the merged entity. ▪ Contribution to national and provincial priorities – NDP, MTSF and PGDP; and ▪ Good governance – achieve and maintenance unqualified audit outcome.
Provincial Treasury AGSA	Statutory reporting and compliance with regulatory requirements.
Private Sector	**Stakeholder Need**
Filmmakers	Training, skills development, policy certainty, funding, infrastructure, and access to markets (marketing).
Businesses in tourism	Mentoring, BIZ training, access to markets (marketing), funding, technology office space, IT, equipment, and technology.
Tourists	Quality service, relevant products, affordability, experience, access to information, safety, and value for money.
Audience (consumer)	Quality, relevant, own/preferred language, value for money and access (cinema facilities).
Film businesses	Mentoring, BIZ training, access to markets (marketing), funding, technology office space, IT, equipment, and technology.

Indirect Stakeholders – Those that Derive Benefit from KZNTAFA Services	
Private Sector	**Stakeholder Need**
Intermediaries (travel agents)	Promotion, marketing and packaging, host (educational).
Product owners: Venues, hotels, cinemas, production, transport providers, retails and hospitality, private security, and cruise	Marketing support, business events, business support, product development, information sharing, distribution of content, discounted rates, and access to markets.
Industry associations (Tourism): TBCSA, e.g., SATSA, SAKI and FEDHASA	Policy, coordination, information sharing, access, and assistance with registration.
Industry associations (Film): IPO, EFA, DFG, IBFC, SASFED, Writers Guild of South Africa, SA Freelancers Association, SWIFT, etc.	Policy, coordinates industry and information sharing.
Civil societies: Employees, labour, NGOs, traditional leadership	Consultation on product development and skills development/training.
Local and international online training institutions and networks: Sundance Institute, Netflix Training, Multichoice Talent Factory, Media in Education (USA), The Black List.	Development of skilled crews to support productions in the various destinations. To support productions travelling anywhere in the world. Local economic development by employing locals based on available resources resulting from training, etc

Indirect Stakeholders – Those that Derive Benefit from KZNTAFA Services	
Private Sector	**Stakeholder Need**
Suppliers contracted through the Authority	Clear processes, timeous feedback and communication, and 30 days payment.
Financial institutions and donors (purely private)	Sound business cases and cash flow funding.
Community tourism organisation	Access to information, coordination, and research source.

Partners – Stakeholders with Common Objectives	
Public Sector	**Stakeholder Need**
<u>National departments:</u> Tourism; Trade and Investment; Sports, Arts and Culture; Economic Development; Communications and Digital Technologies; Home Affairs; Environmental Affairs; International Relations; Safety and Security	Funding, statutory approvals, investment, environmental impact assessments, policy and strategic alignment, distribution of marketing materials, quality assurance on content, implementing agent for national, and coordinating marketing platforms.
<u>National entities:</u> NFVF, South African Tourism, GFC, IDC, DTIC, Brand South Africa, NEF, DTPS, SABC, ICASA, SA Maritime, ACSA, ISmangaliso Wetland Parks, SARS, Film and Publication Board, development finance institutions	Funding and distribution, policy, research, accessibility markets (airline strategy), product development and exposure, intelligence/marketing/branding.

Partners – Stakeholders with Common Objectives	
Public Sector	**Stakeholder Need**
Provincial departments: Community and Safety Liaison, DOT, DAC, COGTA, PT, DOE (schools)	Coordination, governance, career development, experience – safety, accessibility, signage, campaigns and funding, infrastructure, culture of tourist.
Provincial public entities: IDFC, DTP, Growth Fund, MKI, Sharks Board, Ezemvelo and Sharks Board, Richards Bay IDZ, Liquor Board, Amafa, TIKZN	Funding, promotion, and marketing (investment), product development, route development, packaging, regulatory (investment), enhance beaches/products.
Provincial tourism bodies/ authorities	Coordination, promotion, and collaboration.
Local government, entities: E.g. ICC and SALGA	Coordination and promotion, policy, training, strategy alignment and Infrastructure development.
Local government film offices (municipal entities)	Coordination.
Film commissions (nationally and internationally)	Business connections, coordination and permitting, and enhance friendliness.
SADC tourism authorities/bodies	Joint marketing, promotion and market access, and investment (co-host).
Exhibitors and Broadcasters: Multichoice, ETV, SABC, Ster Kinekor, Nu Metro, Netflix, 1KZN	Content (quality), co-production and license deals, pre-sales, and marketing partnership.

Partners – Stakeholders with Common Objectives	
Public Sector	**Stakeholder Need**
Airlines	Route development and marketing.
Tertiary institutions (including TVET)	Research, relevant material and training, and accreditation.
Film festival owners	Content, sponsorship and attendance of relevant people, access to markets, activations, and experts.
Property developers	Investment (facilitate, negotiate, approvals), product, marketing and support, market research and intelligence.
Media	Branding and public relations, information discussion, marketing/promotions.
International stakeholders (tour operators)	Joint marketing and promotion, co-production and market access and ranking.
Chamber of Commerce	Investors and support, access to members.

4.2. Internal Environment Analysis

The KwaZulu-Natal Tourism and Film Authority is the successor in law to the KwaZulu-Natal Film Commission and the KwaZulu-Natal Tourism Authority. KZN Tourism and Film is thus responsible for the management of operations and all risks associated with the disestablished entities. As from the commencement date of the Act:

1) All staff members of KZNFILM and TKZN are transferred to the Authority; and

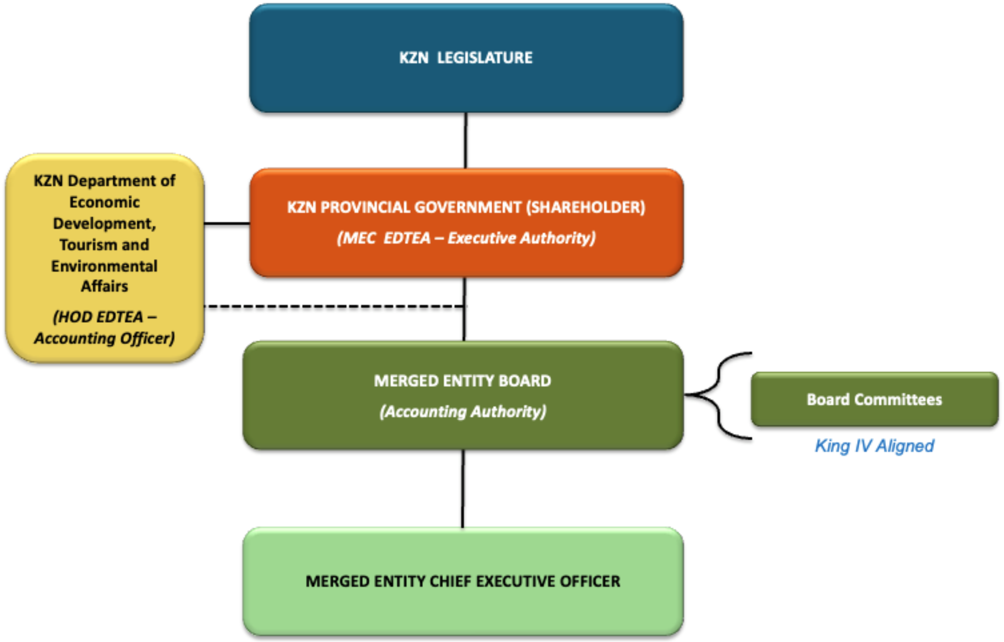
The members of the boards of the KZNFILM and TKZN are deemed to have retired from their positions as members of the respective boards whilst certain members may be appointed on an interim basis until such time as permanent members are appointed in terms of the Act.

2) .

4.2.1. GOVERNANCE AND STAFFING ARRANGEMENTS OF THE MERGED ENTITY

The merged Entity, KZN Tourism and Film, is governed by a unitary Board, which is responsible for governance, oversight, and monitoring; and directs the Entity in the exercise of its powers, the performance of its functions, and the carrying out of its duties in accordance with the Act, the PFMA and the principles of good governance.

Figure 11: Governance arrangement of the merged Entity, KZN Tourism and Film



The Board consists of a maximum of 11 members appointed by the MEC in terms of section 15; and the Chief Executive Officer, who is the *ex officio* member of the Board but does not have the right to vote at meetings of the Board or any of its committees.

Within a period of three months after its appointment, the Board must conclude a shareholder's agreement with the MEC as the Executive Authority; and must approve a board charter to establish and regulate the proceedings, powers, functions, and duties of committees; and to determine the relationship between the Board, the CEO, company secretary and internal audit.

The Board must ensure that the performance evaluations of the Board, its committees, its chairperson and members, the Chief Executive Officer and staff result in continued improved performance and effectiveness. The full prescription of governance arrangements is outlined in Chapter 4 of the Act.

The Board is responsible, in consultation with the MEC, for appointing a suitably qualified, skilled, and experienced CEO of the Authority. The appointment of the CEO is subject to the conclusion of a written annual performance agreement entered into between the CEO and the Board. The CEO is then responsible for, among other management responsibilities, appointing the management and staff that will support the CEO with implementing this strategy and the aligned annual performance plans following consultation with the respective interested and authorised parties.

While the Board is appointed by the MEC and is accountable to the MEC as Executive Authority, in terms of Section 55(3) of the PFMA, reports and annual financial statements for tabling in the provincial legislature by the Executive Authority must be done through the Accounting Officer (HOD) of the Department, thus the dotted line of accountability reflected in the above figure.

The joint Board of TKZN and KZNFILM has agreed that an interim organisational structure will begin to operate from the date that the Act is promulgated, for a period of one year. The interim structure takes into consideration duplicate positions, as well as the expiry dates of employees with fixed-term contracts. During the interim period, an organisation design and development process will be undertaken to ensure a best fit between strategy, structure, capacity, and to build a values-based and performance-oriented culture. The organisation design of the merged entity would need to incorporate best practices, systems and processes for optimising efficiencies and the overall effective of the organisation in order to realise the objectives of the rationalisation.

In terms of Section 197 of the Labour Relations Act, a further legislative requirement of the merger is that the staff transferred from the previous separate entities shall be employed at the same remuneration and salary scale, with the same benefits and privileges, and on the same terms and conditions of employment.

4.2.3. SWOT ANALYSIS

The below SWOT analysis was developed from the perspective of the two separate entities, as the merged KZNTAFA did not yet exist at the time of developing this strategic plan. It does, however, provide a sound basis off which to plan as an incorporated entity, as it contains a combination of common attributes and those that are unique to each entity, all of which would require attention by the merged entity.

Table 5: SWOT Analysis

Strengths	Weaknesses
▪ Both entities are strong institutions with good governance profiles focused on service	▪ Lack of adequate funding, and insufficient skilled and experienced human resources.

Strengths	Weaknesses
delivery. Combination can only make the new entity stronger. ▪ Marketing expertise, strong industry knowledge, and passionate individuals with a can-do attitude. ▪ Two FDIs within EDTEA ‘family’ to financially support black industrialists. ▪ Strong trade presence/ownership of industry matters – further enhanced through government/trade relations that have improved during the Covid-19 period. ▪ PPPFA regulations empower the entity to implement transformation. There are existing transformation policies, strategies and projects being implemented by the current entities; therefore, the new entity will not be starting from scratch. ▪ Strong leadership/expertise ▪ Detailed, intimate, authentic knowledge of the province in terms of its people, cultures, and locations, etc. ▪ No need to start from scratch. Institutional knowledge about processes/how things are done. Learning that staff have put in, for efficiency and speed. ▪ Innovation – Tourism indabas/film fund	▪ Challenges with Entity infrastructure including electricity and broadband. ▪ Uncertainty and lack of clear brand identity because of the merger. ▪ As a collective, not understanding each other. Need to gain full understanding of businesses. ▪ Also, value chains are evolving, before and now more post-Covid-19. Was linear in the past (tour operators, key players, etc. now – intro of online booking…more direct bookings. complexities must be better understood). ▪ No baseline study/situational analysis information (although research currently underway) to inform the design of transformation programmes. ▪ Limited human capacity and financial resources to implement transformation programmes. ▪ Brand not well-recognised internationally.

Opportunities	Threats
▪ Current demand for diverse content, experiences, and talent. ▪ Increased content consumption from digital platforms. Take-up will become even greater. ▪ Technological advancement creates opportunities for innovation and creativity, accessibility (4IR) in both tourism and film. ▪ Collaborations with the private sector to accelerate transformation. ▪ Diverse landscapes and destinations, as well as tremendous cultural diversity. ▪ There is an opportunity for the merged entity to understand and effectively impact the value chain to transform the industry (targeted district level transformation interventions) ▪ Well-known international airport – King Shaka poses an opportunity for leveraging. ▪ District development model (PFT and PTIC) ▪ Strengthened understanding of emerging new value chains. ▪ The merger may assist with achieving a bigger market share of tourists, through film-induced tourism.	▪ Covid-19 impact – filmmakers must find different ways of doing their work, as well as limitation of influx of tourism into the province ▪ Lack of participation from municipalities (due to budget constraints and lack of capacity). ▪ Unstable economic infrastructure including energy and broadband. ▪ Impact of climate change. ▪ Austerity measures and reduced funding from the shareholder and private industries, and lack of participation from municipalities due to budget constraints: – KZN Film Fund inadequate – from the average of 300 applications, can only fund 30 p/a on R10m budget. – Increased competition, e.g., R20m fund launched in Eastern Cape. ▪ Negative sentiments about the province driven by media coverage. ▪ Lack of transformation due to high barriers to entry and limited opportunities. ▪ New commissions (regional competition) like the Eastern Cape Development Corporation (ECDC).

Opportunities	Threats
	▪ Fraud and corruption.

4.2.4. STRATEGIC PRIORITIES INFORMING PLANNING FOR 2020-2025

The SWOT analysis, and the areas of collaboration and differentiation of the previous two separate entities, have informed the following strategic priorities of the merged entity's Mission, which are aimed at KZN Tourism and Film achieving its Vision of *"Positioning KwaZulu-Natal as Africa's leading destination that offers diverse and authentic experiences and a globally competitive audio-visual industry and tourism sector"*.

1) **Market and promote KZN as a preferred leisure, business events and audio-visual destination:**

   a) Revitalise and reposition the KZN brand through brand development work and collaborative efforts to address the issues of crime, grime, and environmental degradation.

   b) Implement an integrated marketing and promotion strategy to position the province as a destination of choice for film productions, leisure and film-induced tourism and business events. A tourism recovery strategy will be developed and implemented to address the immediate challenges of Covid-19.

   c) Promote foreign and local investment in infrastructure, products, and productions.

   d) Align marketing and promotion efforts through partnerships with trade, and national and local government tourism and audio-visual marketing and promotion institutions.

2) **Support the development and transformation of the audio-visual and tourism industries:**

   a) Encourage new entrants into the audio-visual and tourism industries and oversee the growth of existing supported enterprises.

   b) Provide industry/human capital training and skills development.

   c) Fund productions through the KZN Film Fund and co-productions, including productions focused on the telling of regional stories.

   d) Implement business development and incubation programmes.

e) Implement a graduate accelerator programme.

f) Facilitate local employment and empower businesses for increased geographic spread (rural and township enterprise development) through district delivery model/planning.

g) Improve representation and co-ordination by encouraging membership into existing industry associations for KZN-based film and tourism enterprises.

h) Implement B-BBEE and preferential procurement regulations.

3) **Promote service excellence and the facilitation of new experiences and products in the audio-visual and tourism industries:**

a) Promote and facilitate the development of strategic partnerships for audio-visual and tourism product and infrastructure development.

b) Collaborate with EDTEA and other KZN public entities in the implementation of catalytic projects.

c) Provide one-stop-shop production support for sourcing local crew, cast and servicing companies, film facilities, film permitting and location scouting.

d) Promote innovation and the adoption of digital technologies in the audio-visual and tourism sector.

e) Promote an increase in the number of quality assured/graded establishments.

4) **Establish KZN Tourism and Film as a credible, reputable, and well-governed organisation:**

a) Strengthen internal controls, ensure legislative compliance and good governance practices, and effective financial and non-financial management of performance.

b) Build and maintain sound relations and partnerships with all stakeholders.

c) Ensure synergies between the previous separate entities and capacitate the Authority to deliver efficient and effective services.

d) Establish integrated systems and processes through the best use of technology.

e) Raise own revenue to supplement funding received from the Shareholder.

f) Serve as the hub of tourism and audio-visual knowledge in the province by managing an online information portal, tourism information offices, stakeholder databases, producing and disseminating research, and extensive stakeholder education and communication.

PART C: MEASURING OUR PERFORMANCE

1. INSTITUTIONAL PERFORMANCE INFORMATION

1.1. Measuring the Impact

Informed by the mandate and strategic focus of KZN Tourism and Film discussed above, the IMPACT statement of KZNTAFA for the period 2020-2025 is as follows:

Impact Statement	**Inclusive and globally competitive tourism sector and audio-visual industry, as a catalyst for sustainable economic growth, job creation and spatial equity in KwaZulu-Natal**

1.2. Measuring Outcomes

Outcome	Outcome Indicator	Baseline (2019/20)	Five-Year Target (March 2025)
Outcome 1: Institutional excellence	1.1. External audit outcome	2019/20: TKZN: Unqualified with findings KZNFILM: Unqualified with no material findings	Unqualified audit outcome with no material findings

Outcome	Outcome Indicator	Baseline (2019/20)	Five-Year Target (March 2025)
	1.2. KZN Tourism and Film stakeholder satisfaction rating	New indicator	10% improvement on baseline *(Biennial)*
	1.3. Number of KZN relevant audio-visual and tourism research studies produced and disseminated	TKZN: 74 KZNFILM: 31 Total: 105	116
Outcome 2: KZN recognised as Africa's leading audio-visual, leisure, and business tourism destination	2.1. Brand strength index	Domestic: 82% Regional: 82.4% International: 77.4%	Domestic: 85% Regional: 85% International: 80%
	2.2. Net promoter score *(Tourists and filmmakers)*	Domestic: 46.6% Regional: 44.5% International: 37% Filmmakers: New	Domestic: 50% Regional: 48% International: 40% Filmmakers: 40%
Outcome 3: Increased volume of tourists and the	3.1. Number of domestic trips	2015-2019: 17.1m	2020-2024: 21.6m
	3.2. Rand value of spend by domestic visitors	2015-2019: 23.8bn	2020-2024: R26.5bn

Outcome	Outcome Indicator	Baseline (2019/20)	Five-Year Target (March 2025)
value they add to the KZN economy	3.3. Number of international tourists: 1. Intercontinental 2. African 3. Total	2015-2019: 1. Intercontinental: 326 955 2. African: 490 432.8 3. Total: 817 388	2020-2024: 1. Intercontinental: 328 000 2. African: 492 000 3. Total: 820 000
	3.4. Rand value of spend by international tourists	2015-2019: R26.4bn	2020- 2024: R19.1bn
	3.5. Percentage of visitors that visit 2 or more destinations in KZN per trip	Domestic visitors: 17% (2019)	20%
	3.6. Number of business events hosted	150	195
	3.7. Economic impact of business events hosted (international and domestic)	R3.58bn	R6bn
Outcome 4: Enhanced contribution of KZN's audio-visual industry to inclusive	4.1. Economic impact of audio-visual productions in KZN	2019: R875m Multiplier effect 2.1	Total: R4.74 billion *(3% growth per annum 2020-2025)*
	4.2. Audio-visual sector contribution to KZN GDP	2019: R464m	Total: R2.463 billion *(2% growth per annum 2020-2025)*

Outcome	Outcome Indicator	Baseline (2019/20)	Five-Year Target (March 2025)
economic growth	4.3. Percentage KZN market share of SA audio-visual sector	2017: 9%	11% by 2024/25
	4.4. Total number of jobs indirectly created in the KZN audio-visual industry	2019: 2 782	2024/25: 3 060 *(2% growth per annum 2020-2025)*
	4.5. Total number of temporary jobs created through the KZN Film Fund	2019/20: 168	Total: 827 *(2020-2025)*
	4.6. Percentage increase in revenue earned from distribution and exhibition revenue of KZN funded projects (including online)	New indicator	10% increase in revenue over five years
Outcome 5: Increased participation	5.1. Percentage average CAGR* of	New indicator	10% CAGR over the five-year period

Outcome	Outcome Indicator	Baseline (2019/20)	Five-Year Target (March 2025)
of transformed enterprises in the audio-visual and tourism industries in KZN	designated** small enterprises accessing KZN Tourism and Film enterprise / industry development support		
	5.2. Percentage of film fund allocated to black filmmakers and designated groups	2020/21: Black: 86% Women: 50% Youth: 40% PWD: 2%	Overall, 85% of Film Fund: - Black: 92% - Women: 50% - Youth: 40% - PWD: 4%
	5.3. Percentage of training beneficiaries contracted on KZN funded projects	New indicator	40%
	5.4. Percentage of procurement spend on service providers who are majority owned by designated groups	**TKZN:** Black: 80% Women: 40% Youth: 30% PWD: 7%	60% consolidated target of total procurement spend: - Black: 80%

Outcome	Outcome Indicator	Baseline (2019/20)	Five-Year Target (March 2025)
		MV: TBC Co-Ops: TBC **KZNFILM:** Black: 80% Women: 71% Youth: 18% PWD: 2% MV: TBC Co-Ops: TBC	− Women: 40% − Youth: 20% − PWD: 7% − MV: TBC − Co-Ops: TBC

** Compounded annual growth rate.*

*** Designated: Black, women, youth, and persons with disabilities.*

1.3. Explanation of Planned Performance over the Five-Year Planning Period

1.3.1. OUTCOME 1: INSTITUTIONAL EXCELLENCE

The outcome aligns directly with that of the oversight department, EDTEA, and seeks to make a meaningful contribution to the national and provincial priorities relating to building a capable, ethical and development State.

The outcome will be measured through the achievement and maintenance of an unqualified audit outcome with no findings over the five-year period; increased levels of stakeholder satisfaction; and the production and dissemination of knowledge generated through research for internal use in developing relevant programmes, as well as for external use by trade, local government, and others.

As a merger of two separate entities, each with their own unique systems and processes, culture, norms, and standards, and working relationships, the merged entity will work on developing an organisational structure, operating systems and processes, and an organisational culture that draws on the strengths and addresses the weaknesses of the separate entities. The merged entity will need to demonstrate the advantages of the rationalisation process by creating synergies to deliver services in a more cost-effective manner, the elimination of duplications, better financial performance, and resources optimisation. It also calls on working more effectively with the other public entities reporting to EDTEA.

Good practices will be considered in developing the new, modernised, entity:

Organisational Design / Structure and Capacity Considerations	Systems and Technology (ICT) Considerations
▪ Structure to be aligned to strategy and functions and not to existing employees (start on fresh slate). ▪ Avoid antiquated methods of hierarchy (silos) through the establishment of flexible, multiskilled teams. ▪ Business processes to be underpinned by technology, against which capacity requirements will be determined. ▪ Establish clear career paths (horizontal and vertical). ▪ Pool together support/enabling services to achieve efficiencies through shared services. ▪ Entrench new legislative requirements (e.g., document management, POPI Act). ▪ Insource certain services that were previously outsourced due to size, e.g., legal services and internal audit.	Integration of organisational systems: ▪ ERP system – finance, supply chain management and human resources. ▪ Establish a database platform/central repository for storage of information. ▪ Create a business analytics platform – visual dashboard. ▪ Develop the system and data science capacity for the management of big data, to support research and to inform decision-making. ▪ Implement a centralised customer relations management system. ▪ Workflow system to include capabilities to work from remote locations. ▪ Subscriptions to local and international data platforms. ▪ Ensure each function is enabled with unique systems and inhouse capabilities, e.g., in-house film hubs.

PLANNED PERFORMANCE FOR THE MERGED ENTITY OVER THE FIVE-YEAR PLANNING PERIOD

1) Clean audit outcome – strengthen the internal control environment and financial management, risk management, legislative compliance, and monitoring of non-financial performance information.

2) Governance and oversight – oversee effective board and board committee functions and operations.

3) Stakeholder and partnerships management – implement an annually approved stakeholder/partnerships management plan to support the implementation of the Authority's mandate.

4) Own revenue generation – develop and implement a revenue generation strategy to complement the funding received from the fiscus.

5) Hub of tourism and audio-visual knowledge in the province – implement an annually approved rolling three-year research plan. The research programme seeks to provide evidence-based insights for the development of audio-visual and tourism programmes internally for industry and for local government. Key interventions include:

    a) Producing and disseminating tourism and audio-visual research that has a regional focus.

    b) Participating in colloquiums and conferences.

    c) Implementing the recommendations of research through utilisation of the tracking tool.

    d) Publishing peer reviewed papers to enhance the credibility of the Authority and for improved visibility.

    e) Publishing an annual State of Audio-visual and Tourism Sector Report (research that would reflect an annual economic impact of the sector); and

    f) Providing tourist and audio-visual information through information offices and online portals.

6) Strengthen organisational performance through the implementation of good practice people management policies and effective systems and processes.

7) Business processes reengineering and steady roll-out of automated systems to enable the core business functions.

ENABLERS OF PERFORMANCE

1) Structure the organisation as defined by the mandate and strategic framework of the merged entity:

2) Combined assurance model for managing risk and strengthening internal controls.
3) Comprehensive and effective change management to support the merger process.
4) Integrated and efficient systems, processes, and policies (ICT-enabled).
5) Online monitoring and reporting systems, including for quarterly performance reporting and annual reporting, and Board approvals.
6) Performance management system, and implementation thereof, to drive performance culture.
7) Relevant and up to date policies and procedures for all key governance, corporate service, and financial management functions.
8) Research partnerships with academia and research institutions.
9) Business analytics platform/statistics dashboard for the dissemination of quality research.
10) Upgraded tourism information offices to be aligned to global best practice.

CONSIDERATIONS IN RELATION TO WOMEN, YOUTH, AND PEOPLE WITH DISABILITIES

1) Achievement of preferential procurement targets for procurement spend.
2) Achievement of employment equity targets for the merged entity.
3) All research projects to consider the designated groups, including those in rural and township communities.

B-BBEE and preferential procurement targets are included under Outcome 5: Increased contribution of transformed enterprises in the audio-visual and tourism industries in KZN.

1.3.2. OUTCOME 2: KZN RECOGNISED AS AFRICA'S LEADING AUDIO-VISUAL, LEISURE, AND BUSINESS TOURISM DESTINATION

The outcome contributes to the oversight department, EDTEA's outcome on inclusive and transformed economic growth, which includes an outcome indicator on increasing the contribution of tourism and, by implication, film, to the GDP of the province. The outcome seeks to make a meaningful contribution to the national MTSF and aligned provincial PGDS priorities relating to economic transformation and job creation; spatial integration,

human settlements, and local government; and a better Africa and world.

The focus of the outcome is on building the destination brand of KZN in collaboration with a range of public and private stakeholders and partners. The outcome is measured through an improvement in the Brand Strength Index over the five-year period, as well as through changes in the percentage of visitors and filmmakers that are net promoters of the province, based on their personal experience of the destination. A brand tracker survey is used to measure the brand strength and a customer satisfaction survey is used to determine the net promoter score.

STRENGTHENING THE BRAND

The merged entity needs to craft a value proposition for the brand, that not only appeals to leisure and business tourists but to filmmakers as well. This requires an integration of the branding and marketing strategies of the separate entities into one, that clearly encapsulates the new brand positioning and that is recognisable to a broader target audience. The brand needs to be influential within the province and able to compete effectively for the national share of audio-visual, leisure, and business tourism.

PLANNED PERFORMANCE FOR THE MERGED ENTITY OVER THE FIVE-YEAR PLANNING PERIOD

1) KwaZulu-Natal brand review and development – in collaboration with all relevant stakeholders, co-driven with the private sector and aligned with the brand initiatives of South African Tourism, Brand South Africa and the NFVF:

    a) The outcome needs to be an appealing value proposition, which KZN Tourism and Film and strategic partners can market and promote to key target markets.

    b) Support EDTEA with lobbying the safety and security sector, and work with law enforcement through participation in the JCPS cluster to address the negative impact on the brand of issues of crime and grime.

    c) Lobby municipal departments to address issues of grime through participation in relevant IGR platforms and promote the development of minimum standards.

2) Multiple channel promotion – traditional media, digital platforms, tourism information offices and brand activations. This includes:

    a) Continued roll-out of the KZN travel app – digital platform.

    b) Implementation of the brand's Tourism Ambassador Programme.

c) Integrated brand campaigns with South African Tourism and KZN public entities – shift sentiment in terms of crime, and grime, and telling the positive KZN stories.

3) Stakeholder engagements and communication of brand strength (equity) and customer experiences survey outcomes and success stories – leading to robust and meaningful discussions with trade.

4) Spearhead campaigns and competitions for the cleanest town/area – using social media to support and encourage community involvement in addressing issues of grime and to build a culture of pride.

ENABLERS OF PERFORMANCE

1) Commission a brand tracker study to measure the strength of the KZN tourism brand and its various attributes, including film-induced tourism.

2) Financial resources to implement the multiple channel promotional approach, as it has a direct link to all the brand strength (equity) measures.

3) Implementation of a CRM system that enables KZN Tourism and Film to track the impact of various brand management activities.

4) Active participation in IGR forums.

5) Private sector partnerships and funding for clean town campaigns.

ENHANCING THE VISITOR AND FILMMAKER EXPERIENCE

Key to enhancing the visitor and filmmaker experience is the support given to the tourism and audio-visual industries to develop and maintain quality products and infrastructure, and to access the locations, infrastructure and equipment, and crew for productions.

PLANNED PERFORMANCE FOR THE MERGED ENTITY OVER THE FIVE-YEAR PLANNING PERIOD

1) **Enhancing the visitor experience:**

a) Investment-ready projects – development of bankable proposals for product development.

b) Investment facilitation – formation of strategic partnerships with DFIs, government funding and investment promotion agencies.

c) Catalytic projects – support the implementation of the provincial priority product development projects, including, amongst others, the two catalytic tourism product developments Sun Coast upgrade and Blythdale Beach Resort.

d) Spatial planning and land use management – strengthen working relationships with the Ingonyama Trust, traditional and local authorities to solicit support for the rural and township product development strategy.

e) Focused interventions to improve the visitor experience, including:

- Implement service excellence incentive programmes and awards, leveraging off South African Tourism.
- Establish and maintain an integrated programme with Trade.
- Support the implementation of marketing plans by increasing the number of graded establishments that meet market needs.
- Host events, festivals, and contests to showcase visitor experience; and
- Develop an online booking system for accommodation.

2) **Enhancing the filmmaker experience:**

a) Facilitating the access to information by all tiers of the audio-visual industry.

b) Provision of one-stop-shop support – facilities, crew, accommodation, location databases and conflict resolution for site-related complaints.

c) Facilitating investment in infrastructure, such as studios and an in-house production facility within the one-stop-shop.

d) Cluster facilities to enable efficient productions – hot desk, edit suites and sound suite.

e) Build relationships with municipalities and assist municipalities to understand the filming process better through film guidelines and protocols and how they can assist filmmakers, while also promoting their municipalities.

f) The efficiency of the incentive process – assist filmmakers with ease of access to funding that is available from the various government agencies or KZNTAV specifically.

ENABLERS OF PERFORMANCE

1) Conduct the annual net promoter score (NPS) study.

2) Financial resources to prepare the product developments through feasibility and the requirements to package bankable proposals.

3) Availability of an adequate number of project managers to reach out to various areas and communities in need of enterprise and product development support in the province.

8) Availability of critical infrastructure to attract productions.

9) Availability of production companies to support productions.

10) Inter-governmental coordination and buy-in to audio-visual industry development by local government.

CONSIDERATIONS IN RELATION TO WOMEN, YOUTH, AND PEOPLE WITH DISABILITIES

The focus of the rural and township product development strategy will be on supporting local communities, particularly, enterprises owned by the designated groups. KZN Tourism and Film will need to address the high barriers to entry for new entrants (tourism and audio-visual), particularly those from the designated groups through the facilitation of subsidies in collaboration with funding institutions such as the IDFC, KZN Growth Fund and the NEF among other.

Interventions will include pre-investment support, the monitoring and enforcement of transformation policies and facilitating partnerships with existing industry players. Funding will be provided to enterprises owned by the designated groups for innovative film and tourism products, and to improve the quality of product offerings.

Indicators and targets for the designated groups are included under Outcome 5: Increased contribution of transformed enterprises in the audio-visual and tourism industries in KZN.

1.3.3. OUTCOME 3: INCREASED VOLUME OF TOURISTS AND THE VALUE THEY ADD TO THE ECONOMY

The outcome contributes to the oversight department, EDTEA's, outcome on inclusive and transformed economic growth, which includes an outcome indicator on increasing the contribution of tourism to the GDP of the province. The outcome seeks to make a meaningful contribution to the national and provincial priorities relating to economic transformation and job creation; a better Africa and World; and spatial integration, human settlements, and local government.

Growth in the tourism sector is inextricably linked to economic growth as measured by the increased volume of tourists and their Rand value of spend in the economy. Travel restrictions, brought on by the Covid-19 pandemic, particularly for international tourists, has constrained visitor numbers, which are projected to only reach 2019 levels in 2022/23. This creates a significant challenge for KZN Tourism and Film requiring the development and implementation of an innovative tourism recovery strategy for KZN, in line with that of South African Tourism. A further priority is to contribute to spatial equity by improving the geographic spread of tourism in the province.

PLANNED PERFORMANCE FOR THE MERGED ENTITY OVER THE FIVE-YEAR PLANNING PERIOD

1) Implementation of an integrated marketing strategy (incorporating a Covid-19 recovery plan) – domestic campaigns, international campaigns, business events campaigns, film-induced (location specific) campaigns, and geographic spread campaigns.

2) Multiple channel promotion – ensure constant presence in the market through traditional media, digital platforms, tourism information offices and brand activations.

3) Leverage Durban as a vibrant hub city – South Africa's most visited domestic tourism city, with strong sports events, beach offerings, business events facilities and filmmaking locations. Use Durban as the springboard for visits to other destinations in the province.

4) Establish partnerships with trade to promote the KZN destination brand and its offerings – tourism sector and non-tourism trade partnerships. This should include joint marketing activities implemented with tour operators in source markets and MOUs signed with public sector partners.

5) Effective utilisation of research-based market insights – for leisure, business, and audio-visual tourism.

6) Activation of events aligned with the provincial leisure events strategy, for which EDTEA is the custodian –

    a) Align with the South African Tourism 'We Do Tourism' campaign through the lead leisure marketing campaign of the province: 'Do KZN Campaign'.

    b) Packaging of experiences in rural areas and townships – work with CTOs to enhance the geographic spread of tourism in the province; and

    c) Activation of niche market plans, e.g., golf and religious tourism, and package thematic KZN experiences.

    d) Route development – improving accessibility, Africa air access, cruises, etc.

7) Business events:

a) Tap into the opportunity of having the Provincial Bid Fund to increase the flow of business events in the province (pending review).

b) Management of strategic partnerships with various government departments (local, provincial, national).

c) Management of strategic partnerships with key selected global market segments (associations and event owners).

d) Tap into strategic market segments and specific events to increase the ROI of events; and

e) VTSD bidding to improve the geographic spread of business events.

8) Film-induced tourism – market the sites of local films that showcase the rich Zulu heritage in the province to stimulate film-induced tourism.

ENABLERS OF PERFORMANCE

1) Robust public relations – curation of messages and products.

2) Implementation of a media monitoring tool.

3) Insights into the international/Africa split to enable targeted Africa marketing campaigns.

4) Relevant research to inform the design of marketing programmes / segmentation based on consumer demands.

5) Establishment of an effective customer relations management system to better track the return on investment (ROI) of marketing activities to improve decision-making.

6) Availability of the tourism products and filmmaking infrastructure and services to create the experiences.

7) In absence of South African Tourism data, to establish a tracking measure to source regional data on towns and cities visited by domestic (omnibus) and international tourists.

8) Availability, quantum, and accessibility of the provincial bid fund.

CONSIDERATIONS IN RELATION TO WOMEN, YOUTH, AND PEOPLE WITH DISABILITIES

1) Increase the number of transformation activities, and work on upskilling youth and women-owned business to cater for a wider range of business events and their specific demands.

2) Inclusion of the designated groups as product owners and service providers in all tourism programmes.

Indicators and targets for the designated groups are included under Outcome 5: Increased contribution of transformed enterprises in the audio-visual and tourism industries in KZN.

1.3.4. OUTCOME 4: ENHANCED CONTRIBUTION OF KZN'S AUDIO-VISUAL INDUSTRY TO INCLUSIVE ECONOMIC GROWTH

The outcome contributes to the oversight department, EDTEA's, outcome on inclusive and transformed economic growth. The outcome seeks to make a meaningful contribution to the national and provincial priorities relating to economic transformation and job creation; a better Africa and World; and spatial integration, human settlements, and local government. The audio-visual interventions also contribute to MTSF priority 6 – social cohesion and safe communities, and aligns with the priorities of the arts, culture, and heritage sector.

The outcome is measured by assessing the economic impact of audio-visual productions in KZN; its contribution to KZN GDP; market share of the SA audio-visual sector; jobs created, indirectly in the industry and directly through the KZN film fund; and through the increase in revenue from distribution and exhibition revenue of KZN funded projects.

KZN Tourism and Film contributes directly to the outcome through its marketing strategy and the deployment of the KZN film fund to fund audio-visual projects. However, the outcome requires of the KZN Tourism and Film to play a bigger role in overseeing, monitoring, and reporting on all filmmaking activities in the province. This requires the development of partnerships with local government and the establishment of a comprehensive, centralised database to monitor, track and report on all audio-visual projects in the projects.

Over the longer term, the ideal would be for all projects to be logged with the Authority, even if implemented directly with local government. This strategy, therefore, requires of the KZN Tourism and Film to play a larger, more influential role in film production in the province. To fulfil this role and thus to drive film-induced tourism in the province, the Authority will need to be capacitated accordingly, both in terms of human capacity and capabilities, and technology.

Currently, the film industry has limited legislation which protects the rights of filmmakers and the crews on productions. Policy development is critical to ensure that the hurdles and barriers to entry are removed and increased participation takes place. The entity through EDTEA will consult with local stakeholders and develop policy positions to take to national forums to inform the national policy imperatives. This is particularly important for the transformation of the industry.

While the focus is largely on the contribution of the audio-visual industry to economic growth due to the Authority reporting within the economic development sector of the province, it remains important for the organisation to participate in the arts, culture, and heritage sector nationally, which is where the NFVF resides as an entity of the Department of Sports, Arts and Culture.

PLANNED PERFORMANCE FOR THE MERGED ENTITY OVER THE FIVE-YEAR PLANNING PERIOD

1) Monitor and track all permitted audio-visual productions within KZN – productions filmed by KZN Tourism and Film funded, municipal, industry/human capital development, co-productions, and international productions.

2) Increase the access to African (and other) markets through co-productions (joint production and distribution) – provide opportunities for filmmakers and their production companies to reach a larger expanded audience and therefore increase revenues and income for the filmmakers.

3) Production and development – provision of support to various genres for films and TV programmes developed and produced in the province through the KZN film fund. The aim is:

   a) To induce local economic growth by building and retaining resident filmmaker's skills in the province.

   b) To serve as an incentive to attract projects from outside the province to be produced in the province.

   c) To stimulate local content by giving priority to the production of isiZulu content.

   d) To encourage filmmakers to consider using KZN locations and to support the local industry and local crew.

   e) To recognise the role played by made-for-TV movies industry in the province, and to place an emphasis on ensuring that the quality of made for TV movies is improved, and sustainable production methods are implemented developed.

4) Monitor and facilitate temporary jobs created – indirect by the industry and direct through the Film Fund.

5) Local crew placement – placement of local crew on productions facilitated by the entity through conditional funding/incentives.

6) Markets and festivals – attending markets and festivals to provide KZN with the opportunity to position the province on a global stage. Focus of the markets and festivals strategy:

   a) Development of a film catalogue for KZN Tourism and Film funded content and marketing this at festivals. This demonstrates that the Authority has an active fund and that projects are being produced through the fund.

b) Entry of films funded by KZNFILM to major film festivals around the continent and the world (screenings at festivals is critical in building filmmakers' credentials).

c) Focus on KwaZulu-Natal content in local film festivals funded by KZNFILM.

d) Positioning KZN as a location of choice for filming through familiarisation tours wherein the various locations and services of KZNFILM are presented to key decision-makers.

e) Track the success of productions through the revenue generated from distribution and exhibition revenue.

7) Quality content development and production support for KZN funded projects:

a) Support of filmmakers in accessing markets/co-production partners.

b) Provide support to emerging filmmakers with content development in partnership with the DTI Black Emerging Filmmakers incentive.

c) Support in protecting IP of filmmakers to ensure future revenues.

d) Support the increased distribution of productions (more productions that make money); and

e) Funding of film makers (development and production) for the telling of regional stories – localisation.

ENABLERS OF PERFORMANCE

1) Economic impact assessments conducted by the NFVF every three years and contracted research conducted by the Moses Kotane Institute (MKI).

2) Collation of data from other entities with productions in KZN – municipal permits granted for productions.

3) Preferential packages, inclusive of incentives, to attract large filmmakers and productions with significant economic impact (multiplier effect):

4) Industry information sharing sessions to share upcoming opportunities in KZN programmes with filmmakers and other stakeholders.

5) Availability of an adequately funded Film Fund and supporting Policy that clearly outlines the requirements for funding, the target beneficiaries and the terms and conditions.

6) Industry/human capital development programmes to develop skilled crew and equipped film companies throughout the value chain.

7) Simon Sabela Awards: The awards ceremony seeks to recognise local KZN talent and to acknowledge excellence in the film and television industry, as well as demonstrate the growth of the film industry in the province. The event is held during the Durban International Film Festival (DIFF), which provides an international audience, and extensive networking opportunities for our filmmakers.

Considerations in relation to women, youth, and people with disabilities:

Increasing the participation of people from designated groups in industry programmes will contribute to a film industry that is transformed, competitive and sustainable. The entity will embark on a deliberate strategy to involve the rural and the peri-urban communities in filming activities. These initiatives will be through schools' programmes, audience development and screenings. Different media platforms will also be used to disseminate information to these communities.

Attendance at markets and festivals provides an opportunity for the emerging local filmmakers (particularly filmmakers from the designated group), to showcase their products, source funding and distribution deals and to network with the international industry leaders. Filmmakers will be invited to attend as part of KZNFILM delegations at the various segmented markets relevant to their products. Projects must have completed development to qualify for participation.

With more people participating in the industry by harnessing the various opportunities provided to them, this would lead to reducing the unemployment levels of the youth in the province and impact on the levels of poverty. With an increase in consumer spend on local content and improved IP management, filmmakers are more likely to produce sustainable productions (through an increase in revenue earnings) and thereby stimulating economic growth as more film activities take place with a significant economic multiplier effect.

Indicators and targets for the designated groups are included under Outcome 5: Increased contribution of transformed enterprises in the audio-visual and tourism industries in KZN.

1.3.5. OUTCOME 5: INCREASED CONTRIBUTION OF TRANSFORMED ENTERPRISES IN THE AUDIO-VISUAL AND TOURISM INDUSTRIES IN KZN

The outcome contributes to the oversight department, EDTEA's, outcome on inclusive and transformed economic growth. The outcome seeks to make a meaningful contribution to the national and provincial priorities relating to economic transformation and job creation, as well as education, skills, and health. Interventions are aimed at facilitating the increase in the number of functional small businesses with a focus on township economies and rural development.

The MTSF 2019-2024 outcome is increased economic participation, ownership, access to resources, opportunities and wage equality for women, youth, and persons with disabilities. Over the five-year period, the MTSF has targeted a 50% increase in all indicator categories for women, youth, and persons with disabilities.

KZN Tourism and Film contribution to transformation is through its enterprise development and industry/human capital development programmes, which assist in providing access to markets for enterprises owned by designated groups and in building the skill sets of those wanting to build their careers in the audio-visual industry. The compound annual growth rate (CAGR) is used as the measuring instrument. Targets have also been set for the allocation of funding to black filmmakers and designated groups through the film fund, the effectiveness of the industry/human capital development interventions as measured by the percentage of training beneficiaries that are contracted on KZN funded projects, as well as the achievement of preferential procurement targets.

PLANNED PERFORMANCE FOR THE MERGED ENTITY OVER THE FIVE-YEAR PLANNING PERIOD

Tourism capacity building and enterprise development programmes:

1) Incubation (capacity building) programmes – development support for small black, women and youth-owned tourism enterprises in partnership with enterprise development organisations.
2) Facilitate the access to markets post-incubation programmes – SMME monitoring and tracking for effectiveness (SMME growth and survival rates).
3) Tourism Graduate Development Programme – support EDTEA.
4) Tourism advisory services and awareness workshops – to prepare enterprises to effectively participate in market access platforms.
5) Rural skills development – develop skills in rural communities in collaboration with municipalities (CTOs).

Audio-visual industry/human capital development programmes:

1) Implementation of the Industry/Human Capital Development Programme – the Programme is aligned with the Provincial Human Resource Development Strategy and responds to the skills audit conducted within the KZN industry:
   a) Training programmes will cover all of the KZN district municipalities, as well as the eThekwini Metro, and will include skills development programmes for school learners through to professional level.
   b) The initiatives will vary from formal qualifications through bursaries to informal technical training programmes, which will be accredited/industry-endorsed over the next five years. The key programmes to be embarked on over the five years are:

- School’s Programme – educating learners on the concept of digital video production, photography, and storytelling at the high school level, to initiate a career pipeline for school graduates to enter relevant learnerships and skills programmes.
- Industry or university endorsed programmes – programmes aimed at refreshing and updating the skills set of existing practitioners or professionals and will include master classes in identified areas of scarce skills.
- Film Industry Transformation Initiative (FITI) – graduate programme to increase specialised skills in key areas of the industry value chain that will remain as residents in the province and become the core team that services local and international productions at HOD positions.
- Accessible and comprehensive crew database – to facilitate the employment of local crew on productions. The funded projects of KZN will have a requirement of a minimum of 70% black KZN crew.

2) Incubation and mentorship programmes – to provide critical industry exposure and hands-on experience for beneficiaries who are at entry/aspirant and post-school graduates’ level. SMEs are supported through incubation programmes which span from 6 months to 2 years, targeting film companies across the value chain.
3) Selection of persons from the designated groups to attend markets and festivals.
4) Public screenings – expose new communities to public screenings information sharing sessions to access local content and develop consumer demand and spend.
5) Information sharing sessions throughout communities to expose communities to the industry and the various opportunities.
6) Funding of black filmmakers – provision of funding to black filmmakers, especially to stimulate the telling of regional stories whilst embracing commercialised concepts that generate significant revenue based on audience needs.
7) Training beneficiaries contracted on KZN funded projects – support will be given to proposal writing and pitch training and supported by a funding policy that sets conditions for the employment of industry developed trainees and crew.

PREFERENTIAL PROCUREMENT

1) Achievement of the targets for preferential procurement spend on B-BBEE (black, women, youth, PWD and MVs).

ENABLERS OF PERFORMANCE

1) Budget for contracting with enterprise development organisations.
2) Development and implementation of an SMME Tracking System.
3) Establishment of strategic partnerships with the private sector, key role-players within the audio-visual industry, local government, and other spheres of government, as well as the Department of Education and other national public entities to secure the additional funding that is needed to make a more meaningful impact.
4) Online platform for funding applications, application reviews and deal memo meetings.
5) Training and development – accredited training programmes and funding policy with KZN industry development trainees and crew as a condition.
6) Establishment, maintenance and promotion of the KZN crew and suppliers database.

2. KEY RISKS

The table below reflects the key strategic risks aligned to this Strategic Plan for 2020-2025, including risk mitigation measures. The boards of TKZN and KZNFILM brainstormed the key risks (reflected below), which will be further assessed, and mitigations identified once the merged entity has conducted a formal risk evaluation.

Outcome	Key Risk	Risk Mitigation
Outcome 1: Institutional excellence	▪ High vacancy rates and temporary personnel compromise service delivery. ▪ Political interference ▪ Budget constraints and shortage of human resources and skills	▪

Outcome	Key Risk	Risk Mitigation
	preclude effective, accurate research projects	
Outcome 2: KZN recognised as Africa's leading audio-visual, leisure, and business tourism destination	▪ Lack of specialised skills threaten ability to adequately service productions and tourism events. ▪ Financial challenges faced by owners lead to inadequate product investment, and impact negatively on the quality of services provided. ▪ Talent migration out of the province	▪
Outcome 3: Increased volume of tourists and the value they add to the KZN economy	▪ Negative perceptions of crime and grime, aging and non-existent infrastructure, and the prolonged impact of Covid-19 resulting in widespread tourism business closures, from SMMEs to global hotel brands.	▪
Outcome 4: Enhanced contribution of KZN's audio-visual	▪ Uncoordinated film guidelines in the various municipalities slowing and complicating the securing of locations and incentives.	▪

Outcome	Key Risk	Risk Mitigation
industry to economic growth	▪ Budget cuts impact on ability to support needs.	
	▪ Uncoordinated film guidelines in the various municipalities slowing and complicating the securing of locations and incentives. ▪ Budget cuts impact on ability to support needs.	▪
Outcome 5: Increased participation of transformed enterprises in the audio-visual and tourism industries in KZN	▪ High barriers to entry, lack of funding and burdensome bureaucracy suppress formation and development of new black-owned enterprises.	▪

The detailed Tourism KZN risk register is reviewed monthly by Exco and quarterly at each meeting of the Audit and Risk Committee and the Board of Directors.

3. PUBLIC ENTITIES

KZNTAFA does not have any Public Entities.

PART D: TECHNICAL INDICATOR DESCRIPTIONS

1. OUTCOME 1: INSTITUTIONAL EXCELLENCE

Outcome Indicator 1.1	**External audit outcome**
Definition	The audit opinion of the Auditor-General of South Africa (AGSA) on the annual external audit of financial statements, performance objectives and compliance with legislation (for the previous financial year).
Source of data	Final signed Auditor's Report, reflecting the Audit Outcome.
Method of calculation / Assessment	Document verification of the audit outcome for the previous financial year stated in the signed Audit Report.
Assumptions	None
Disaggregation of beneficiaries (where applicable)	Not applicable
Spatial transformation (where applicable)	Not applicable

Desired performance	To achieve an unqualified audit outcome with no material findings from the AGSA in year one of the strategic plan and to maintain the same audit outcome in each subsequent year of the planning period.
Indicator Responsibility	Chief Financial Officer

Outcome Indicator 1.2	**KZN Tourism and Film stakeholder satisfaction rating**
Definition	Results of the stakeholder perception survey conducted every two years over the five-year planning period.
Source of data	Biennial stakeholder satisfaction survey report.
Method of calculation / Assessment	Document verification of the stakeholder perception survey undertaken biennially, reflecting a consolidated result, expressed as a percentage or score.
Assumptions	Budget available to conduct the survey on a biennial basis.

Disaggregation of beneficiaries (where applicable)	Not applicable
Spatial transformation (where applicable)	Not applicable
Desired performance	<u>Higher than targeted performance is desired:</u> Target will be set once the baseline has been established, and will be published as an Annexure to the APP in the year conducted.
Indicator Responsibility	Chief Operations Officer

Outcome Indicator 1.3	**Number of KZN relevant audio-visual and tourism research studies produced and disseminated**
Definition	Knowledge researched and dissemination for internal use in developing relevant programmes, as well as for external use by trade, local

	government, and others. Disseminated refers to journals and other sector relevant publications, website, newsletters, and other relevant platforms.
Source of data	South African Tourism, Statistics SA, Forward Keys, STR Global, UNWTO, ACSA, service providers, academia, WTTC, internal and other external research papers.
Method of calculation / Assessment	Straight count of the number of papers / reports finalised and signed off
Assumptions	The target includes peer reviewed publications and the annual production of the state of the sector report/s. Research assumption: production of new knowledge would assist in decision making to position

	KZNTAFA as a leader of the sector
Disaggregation of beneficiaries (where applicable)	Not applicable
Spatial transformation (where applicable)	Not applicable
Desired performance	<u>Higher than targeted performance is desired:</u> 116 KZN relevant audio-visual and tourism research studies produced and disseminated
Indicator Responsibility	GM: TIS/ Research Manager + FC Head of Research

2. OUTCOME 2: KZN RECOGNISED AS AFRICA'S LEADING AUDIO-VISUAL, LEISURE AND BUSINESS TOURISM DESTINATION

Outcome Indicator 2.1	**Brand Strength Index**
Definition	The brand strength index takes into consideration the functional and emotional attributes of the brand, as well as brand reach and predicts arrivals by assessing the impact of brand metrics across the conversion funnel.

	As an all-encompassing measure of brand performance, KZN Tourism and Film seeks an improvement in the Brand Strength Index.
Source of data	KZN Tourism and FilmBrand Tracker surveys.
Method of calculation / Assessment	The brand strength equation takes into consideration the following elements of a brand: ▪ Functional attributes, as reflected in the 'Affordability' metric, which is affiliated to the destination's performance. ▪ Emotional attributes, as reflected in the 'Stature' metric, which is affiliated to the destination's personality. ▪ Brand reach, as reflected in the 'Awareness' metric. Brand Strength Index is calculated on normalised data for various attributes and is represented on a 0-100 scale.
Assumptions	Sample size representative of population, to draw conclusions.
Disaggregation of beneficiaries (where applicable)	Not applicable.
Spatial transformation	Across entire KZN.

(where applicable)	
Desired performance	An improvement in the index is desired, that is an index of 100% is absolute Brand Strength, while 0% is no Brand Strength. ▪ Domestic: 85% ▪ Regional: 85% ▪ International: 80%
Indicator Responsibility	GM: Marketing

Outcome Indicator 2.2	**Net Promoter Score**
Definition	Measures a respondent’s willingness to recommend KZN to others. It is used to determine customer satisfaction and is also a proxy for brand loyalty. Domestic, regional, and international tourists, as well as filmmakers are targeted. A high net promoter score indicates a high propensity for tourists who visited KZN to recommend the province to friends, family, and peers. This contributes to improving brand recognition. NPS scores vary across different industries, but a positive NPS (i.e., one that is higher than zero) is generally deemed good, a NPS

	of +50 is generally deemed excellent, and anything over +70 is exceptional.
Source of data	KZNTAFA Brand Tracker surveys.
Method of calculation / Assessment	Promoters minus Detractors = Net Promoter Score
Assumptions	Sample size representative of population, to draw conclusions.
Disaggregation of beneficiaries (where applicable)	Not applicable.
Spatial transformation (where applicable)	Across entire KZN.
Desired performance	A high net promoter score is desired: ▪ Domestic: 50% ▪ Regional: 48% ▪ International: 40% ▪ Filmmakers: 40% (Baseline to be determined)
Indicator Responsibility	GM: Tourism Development

3. OUTCOME 3: INCREASED VOLUME OF TOURISTS AND THE VALUE THEY ADD TO THE KZN ECONOMY

Outcome Indicator 3.1	**Number of domestic trips**
Definition	All trips taken within the borders of KZN by an adult resident of South Africa for the main purpose of a holiday. **Domestic tourist -** A resident adult visitor who visits within the economic territory of the country of reference. **Trip -** A trip refers to the travel by a person from the time of departure from his/her usual residence until he/she returns: A round trip. Trips taken by visitors are tourism trips.
Source of data	SAT
Method of calculation / Assessment	Provided by SAT
Assumptions	Figures assume South African Tourism, UNWTO and WTTC projections are reasonable. Covid-19 pandemic lockdown does not revert to level 3-5 for a prolonged period.

Disaggregation of beneficiaries (where applicable)	Not applicable.
Spatial transformation (where applicable)	To improve the geographic spread of tourism within KZN, to areas beyond Durban, including rural and township areas.
Desired performance	=> 21.6m (cumulative total 2020-2024 calendar years).
Indicator Responsibility	Report produced by GM: Marketing

Outcome Indicator 3.2	**Rand value of spend by domestic visitors**
Definition	The money spent on tourism related activities by adult South African residents for holiday trips taken within the borders KZN.
Source of data	South African Tourism Domestic Tourism Survey.
Method of calculation / Assessment	Utilisation of results reflected in the South African Tourism Domestic Tourism Survey. It is calculated as follows: Total spend divided by number of trips

Assumptions	Figures assume South African Tourism projections are reasonable. Covid-19 pandemic lockdown does not revert to level 3-5 for a prolonged period.
Disaggregation of beneficiaries (where applicable)	South African Tourism Domestic Tourism Survey.
Spatial transformation (where applicable)	Aim to ensure a more equitable economic benefit from tourism across all regions, beyond Durban, including rural and township areas.
Desired performance	=> R26.5b (cumulative total 2020-2024 calendar years).
Indicator Responsibility	Report produced by GM: Marketing

Outcome Indicator 3.3.	**Number of international tourists**: 1. Intercontinental 2. African

	3. Total
Definition	An international adult tourist who stays at least one night in collective or private accommodation in the country visited. **Visitor -** A visitor is an adult traveller taking a trip to a main destination outside his/her usual environment, for less than a year, for any main reason other than to be employed by a resident entity in the country or place visited. **Tourist -** An adult visitor who stays at least one night in the place visited.
Source of data	South African Tourism International Survey.
Method of calculation / Assessment	Utilisation of results reflected in the South African Tourism International Survey.
Assumptions	Figures assume South African Tourism projections are reasonable. Covid-19 pandemic is contained, and international travel begins to normalise within the first year of the strategic plan.
Disaggregation of beneficiaries	Not applicable.

(where applicable)	
Spatial transformation (where applicable)	Aim to improve the geographic spread of tourism within KZN, to areas beyond Durban, including rural and township areas.
Desired performance	▪ Intercontinental: 328 000 (cumulative total 2020-2024 calendar years). ▪ African: 492 000 (cumulative total 2020-2024 calendar years). ▪ Total: 820 000 (cumulative total 2020-2024 calendar years).
Indicator Responsibility	Report produced by GM: Marketing

Outcome Indicator 3.4.	**Rand value of spend by international tourists**
Definition	The amount spent directly in South Africa by all adult foreign tourists, excluding amounts spent on capital goods for the duration of their stay in South Africa.
Source of data	South African Tourism Departure Survey.

Method of calculation / Assessment	Utilisation of results reflected in the South African Tourism Departure Survey. It is calculated as follows: Total spend divided by number of visitors.
Assumptions	South African Tourism's departure survey is weighted using data published by Statistics SA. Incorrect data will directly affect the data South African Tourism releases. Covid-19 pandemic is contained, and international travel begins to normalise within the first year of the strategic plan.
Disaggregation of beneficiaries (where applicable)	Not applicable.
Spatial transformation (where applicable)	Aim to ensure a more equitable economic benefit from tourism across all regions, beyond Durban, including rural and township areas.
Desired performance	=> R19.1billion (cumulative total 2020-2024 calendar years),

Indicator Responsibility	Report produced by GM: Marketing

Outcome Indicator 3.5.	**Percentage of visitors that visit 2 or more destinations in KZN per trip**
Definition	Measures whether tourists have visited more than one destination in KZN, i.e., primarily beyond Durban.
Source of data	Results of annual Omnibus Survey.
Method of calculation / Assessment	Utilisation of results reflected in the Omnibus Survey results.
Assumptions	Sample is representative of the population, from which conclusions may be drawn. Covid-19 pandemic is contained, and international travel begins to normalise within the first year of the strategic plan. For domestic travel, Covid-19 lockdown

	does not revert to level 1.
Disaggregation of beneficiaries (where applicable)	Not applicable.
Spatial transformation (where applicable)	Aim to improve the geographic spread of tourism within KZN, to areas beyond Durban, including rural and township areas.
Desired performance	Percentage of visitors that visit 2 or more destinations in KZN per trip: 20%
Indicator Responsibility	Report produced by GM: Marketing

Outcome Indicator 3.6	**Number of business events hosted**
Definition	Number of international Meetings, Incentives, Conferences and Events (MICE) hosted in the province over the five-year period.
Source of data	▪ International Congress and Convention Association (ICCA). ▪ Union of International Associations (UIA).

	▪ TKZN desktop research reports (MICE that may not be recorded by ICCA and UIA) - venues around KZN, accommodation charter.
Method of calculation / Assessment	Simple count – total of MICE based on ICCA, UIA and internal TKZN research reports.
Assumptions	Incentives are not specifically recorded as such.
Disaggregation of beneficiaries (where applicable)	Not applicable.
Spatial transformation (where applicable)	Aim to improve the geographic spread of business events within KZN, to areas beyond Durban.
Desired performance	Increase the number of business events hosted – higher than target performance of 195 is desired.
Indicator Responsibility	GM: Convention Bureau

Outcome Indicator 3.7	**Economic impact of business events hosted (international and domestic)**

Definition	Rand value of international and domestic Meetings, Incentives, Conferences and Events (MICE) hosted in the province over the five-year period.
Source of data	▪ International Congress and Convention Association (ICCA). ▪ Union of International Associations (UIA). ▪ TKZN desktop research reports (MICE that may not be recorded by ICCA and UIA). ▪ Economic Impact Assessment (International and Domestic)
Method of calculation / Assessment	Number of delegates x number of days x rand value spent
Assumptions	Incentives are not specifically recorded as such. Online events can generate sufficient economic impact while the Covid-19 pandemic prevails.
Disaggregation of beneficiaries (where applicable)	Not applicable.
Spatial transformation	Aim to ensure a more equitable economic benefit from business events across all regions, beyond Durban.

(where applicable)	
Desired performance	Increase the economic impact of business events hosted in the province – higher than target performance of R6 billion is desired.
Indicator Responsibility	GM: Convention Bureau

4. OUTCOME 4: ENHANCED CONTRIBUTION OF KZN'S AUDIO-VISUAL INDUSTRY TO INCLUSIVE ECONOMIC GROWTH

Outcome Indicator 4.1	**Economic impact of audio-visual productions in KZN**
Definition	Measurement of the impact of the audio-visual productions taking place in KZN on the economy utilising the economic multiplier.
Source of data	Economic research report from the NFVF / KZN Tourism and Film.
Method of calculation / Assessment	Document review: Results reflected in research report – Total production value per annum multiplied by the economic multiplier.

Assumptions	Figures assume to data is reasonable regarding productions
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Desired performance	3% growth per annum, totally R4.74 billion over the period
Indicator Responsibility	Chief Executive Officer (Update once merged entity structure finalised)

Outcome Indicator 4.2	**Audio-visual sector contribution to KZN GDP**
Definition	Measurement of contribution spend in the audio-visual sector to the provincial GDP.
Source of data	Economic research report from the NFVF / KZN Tourism and Film.

Method of calculation / Assessment	Document review: Results reflected in research report – 1. Converting total spend to GDP figure (I/O) model or SAM model. 2. GDP figure divide by KZN GDP.
Assumptions	Figures assume KZN GDP regarding contribution spend projections are reasonable. Limited access to the data regarding contribution spend
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Desired performance	2% growth per annum, totalling R2.463 billion over the period.
Indicator Responsibility	Chief Executive Officer (Update once merged entity structure finalised)

Outcome Indicator 4.3	**Percentage KZN market share of SA audio-visual sector**
Definition	The KZN share of the South African audio-visual sector.
Source of data	Economic research report from the NFVF / KZN Tourism and Fil,.
Method of calculation / Assessment	Document review: Results reflected in research report – rand value of the KZN audio-visual sector / South African audio-visual sector reflected as a percentage.
Assumptions	Reliance is placed on external research.
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Desired performance	Grow from 9 to 11% over the period.
Indicator Responsibility	Chief Executive Officer (Update once merged

	entity structure finalised)

Outcome Indicator 4.4	**Total number of temporary jobs created in the KZN audio-visual industry**
Definition	Determine the number of temporary jobs created by the KZN audio-visual industry.
Source of data	Economic Research Report.
Method of calculation / Assessment	Document review: Results reflected in research report – total AV spend multiplied by the labour multiplier.
Assumptions	Reliance is placed on external research is reasonable and accurate.
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Desired performance	10% over the 5-year planning period – 2%

	p/a = 3 060 indirect jobs created.
Indicator Responsibility	Chief Executive Officer (Update once merged entity structure finalised)

Outcome Indicator 4.5	**Total number of temporary jobs created through the KZN Film Fund**
Definition	Jobs are created through the employment of cast and crew on projects funded through the film fund.
Source of data	Crew list, cost report and bank statements.
Method of calculation / Assessment	Simple count of total number of temporary jobs created in the audio-visual sector through KZN Film Fund projects paid in the year as a proportion of KZNFILM budget.
Assumptions	Funding projects will create employment opportunities in the province.
Disaggregation of beneficiaries (where applicable)	Women – 50% Youth – 40% PWD – 2%
Spatial transformation	N/A

(where applicable)	
Desired performance	Higher than target performance of 827 apportioned jobs is desired.
Indicator Responsibility	Production and Development Manager

Outcome Indicator 4.6	**Percentage increase in distribution and exhibition revenue of KZN funded projects (including online)**
Definition	Measurement of revenue generated through distribution and exhibition of KZN funded projects.
Source of data	▪ Box office report from NFVF. ▪ Sales report from filmmakers.
Method of calculation / Assessment	Calculate actual rand value of box office revenue or sales revenue per project per annum divided by the previous year value to determine the percentage.
Assumptions	Reliance is placed on the accuracy of reports from filmmakers
Disaggregation of beneficiaries	N/A

(where applicable)	
Spatial transformation (where applicable)	N/A
Desired performance	10% increase in revenue over the five-year planning period (2% increase per annum).
Indicator Responsibility	Production and Development Manager

5. OUTCOME 5: INCREASED PARTICIPATION OF TRANSFORMED ENTERPRISES IN THE AUDIO-VISUAL AND TOURISM INDUSTRIES IN KZN

Outcome Indicator 5.1	**Percentage average CAGR of designated small enterprises accessing KZN Tourism and Film enterprise / industry development support**
Definition	Compounded Annual Growth Rate (CAGR) is used as the instrument to measure the average percentage increase in the growth rate of black-owned small

	enterprises accessing KZN Tourism and Film enterprise development support. It is a measure of business growth (success) over a period. It is indicative of the effectiveness of the enterprise development support provided by KZN Tourism and Film. 'Designated' refers to black, women, youth, and persons with disabilities.
Source of data	▪ Database of tourism and audio-visual enterprises accessing enterprise development support. ▪ Annual financial statements from the small enterprises participating in KZN Tourism and Film enterprise development programmes. ▪ Incubation reports
Method of calculation / Assessment	$CAGR = (BV / EV)^{n1} - 1$ **Where:** EV = Ending value BV = Beginning value ^{n} = Number of years (compounded periods)

Assumptions	The benefits derived from participating in the enterprise development programmes contributes to the growth of supported business enterprises.
Disaggregation of beneficiaries (where applicable)	Preference will be given to supporting 'designated' tourism and audio-visual enterprises that are owned by black people, women, youth and PWD.
Spatial transformation (where applicable)	Increased support for rural and township-based tourism enterprises.
Desired performance	=> 10% average CAGR over the five-year period.
Indicator Responsibility	GM: Tourism Development

Outcome Indicator 5.2	**Percentage of film fund allocated to designated groups**
Definition	The number of filmmakers from the designated groups allocated funding as a percentage of the total available film fund.

	Designated groups include black, women, youth, and people with disabilities.
Source of data	Award letters, B-BBEE certificates, application forms.
Method of calculation / Assessment	Rand value of funding allocated to designated groups/divided by rand value of total film fund budget.
Assumptions	None
Disaggregation of beneficiaries (where applicable)	Black – 92% Women – 50% Youth – 40% PWD – 4%
Spatial transformation (where applicable)	N/A
Desired performance	Overall, 85% of Film Fund.
Indicator Responsibility	Production and Development Manager

Outcome Indicator 5.3	**Percentage of training beneficiaries contracted on KZN funded projects**
Definition	The number of KZN trainees as a percentage of total crew on KZN funded projects to measure the impact of the training initiatives.
Source of data	▪ Training database. ▪ Crew database/schedules. ▪ Internship agreements/contracts. ▪ Cost reports ▪ Bank statements
Method of calculation / Assessment	Number of KZN trainees as a percentage of total crew on KZN funded projects.
Assumptions	Training initiatives meet the industry requirements for skilled crew.
Disaggregation of beneficiaries (where applicable)	Women – 40% Youth – 50% PWD – 2%
Spatial transformation (where applicable)	Province

Desired performance	40% of crew will be from the trained beneficiaries.
Indicator Responsibility	Production and Development Manager

Outcome Indicator 5.4	**Percentage of procurement spend on service providers who are majority owned by designated groups**
Definition	The procurement of goods and services in line with B-BBEE Policy and Preferential Procurement Regulations to empower companies from the designated groups in the province.
Source of data	▪ Procurement Spend Report. ▪ B-BBEE certificates.
Method of calculation / Assessment	Procurement spends on majority owned (51%) designated group enterprises as a percentage of total procurement spend.
Assumptions	Targeted procurement will uplift the designated groups economically.
Disaggregation of beneficiaries	Black – 80%

(where applicable)	Women – 30% Youth – 10% PWD – 5% MV – TBC Co-Ops – TBC
Spatial transformation (where applicable)	Events to be held in local municipalities and the procurement of goods and services will come from local service providers.
Desired performance	60% consolidated target of total procurement spend
Indicator Responsibility	Chief Financial Officer

Figure 12: KZN Tourism and Film Strategy Map

LEGISLATIVE MANDATES

POLICY MANDATES

OUR MANDATE

To market and promote the audio-visual sector, to facilitate the development of the audio-visual and tourism industries, to create an enabling environment for sustainable job creation, and to address historical imbalances in infrastructure and the distribution of skills and resources in the audio-visual and tourism sector, in KwaZulu-Natal

OUR VISION

KwaZulu-Natal positioned as Africa's leading destination that offers diverse and authentic experiences and a globally competitive audio-visual industry and tourism sector

OUR MISSION

In achieving its Vision, KZN Tourism and Film defines its mission as:

- Marketing and promoting KwaZulu-Natal as a preferred leisure, business events and audio-visual destination;
- Supporting the development and transformation of the audio-visual industry and tourism sector; and
- Promoting service excellence and facilitation of new experiences and products in the audio-visual industry

OUR VALUES (To be developed with Staff)

- Can do attitude / results driven
- Integrity / ethical standards
- Respect
- Accountability
- Leadership by example
- Self-introspection / learning organisation / Innovation / Intrapreneurship

OUR IMPACT

Inclusive and globally competitive tourism sector and audio-visual industry, as a catalyst for sustainable economic growth, job creation and spatial equity in KwaZulu-Natal

OUR OUTCOMES AND OUTCOME INDICATORS

Outcome 1: Institutional Excellence	**Outcome 2: KZN recognised as Africa's leading audio-visual, leisure, and business tourism destination**	**Outcome 3: Increased volume of tourists and the value they add to the KZN economy**	**Outcome 4: Enhanced contribution of KZN's audio-visual industry to inclusive economic growth**	**Outcome 5: Increased participation of transformed enterprises in the audio-visual and tourism industries in KZN**
1.1. External audit outcome 1.2. KZN Tourism and Filmstakeholder satisfaction rating 1.3. Number of KZN relevant audio-visual and tourism research studies produced and disseminated	2.1. Brand strength index 2.2. Net Promoter Score	3.1. Number of domestic trips 3.2. Rand value of spend by domestic visitors 3.3. Number of international tourists 3.4. Rand value of spend by international tourists 3.5. Percentage of visitors that visit 2 or more	4.1. Economic impact of audio-visual productions in KZN 4.2. Audio-visual sector contribution to KZN GDP 4.3. Percentage KZN market share of SA audio-visual sector 4.4. Total number of jobs indirectly created in the KZN audio-visual industry	5.1. Percentage average CAGR* of designated small enterprises accessing KZN Tourism and Film enterprise / industry development support 5.2. Percentage of film fund allocated to black filmmakers and designated groups

		destinations in KZN per trip 3.6. Number of business events hosted 3.7. Rand value of business events hosted (international and domestic)	4.5. Total number of temporary jobs created through the KZN Film Fund 4.6. Percentage increase in revenue earned from distribution and exhibition revenue of KZN funded projects (including online)	5.3. Percentage of training beneficiaries contracted on KZN funded projects 5.4. Percentage of procurement spend on service providers who are majority owned by designated groups

STRATEGIC INTERVENTIONS (INFORMING APP OUTPUTS)

Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5
- Strengthen internal control environment - Financial management - Risk management - Legislative compliance - Monitoring and reporting - Stakeholder management - Effective board functions and operations - Own revenue generation - Knowledge Hub: Research produced, and information disseminated - Effective People management - Business processes reengineering - Rollout of automated systems - Employment equity	**STRENGTHENING BRAND:** - Brand review / development - Multiple channel promotion - Lobby stakeholders on issues of crime and grime - Regular engagements with trade on brand strength and visitor experience - Clean town/area campaigns **ENHANCING THE VISITOR EXPERIENCE:** - Bankable proposals for product development - Investment promotion - Support priority product development - Rural and township product development - Focused interventions – service excellence, grading, events, and festivals **ENHANCING THE FILMMAKER EXPERIENCE:**	- Integrated marketing strategy - Covid-19 recovery plan - Multiple channel promotion - Leverage Durban as springboard to other destinations - Use of research-based market insights - Activations aligned with provincial leisure events strategy - Route development / air access, cruises, etc. - Business events growth strategy - VTSD bidding for geographic spread - Market sites of local films (film-induced tourism)	- Monitor and track all permitted audio-visual productions within KZN - Increase access to African (and other) markets through co-productions - Production and development through the KZN Film Fund - Monitor and facilitate temporary jobs created - indirect by the industry and direct through the Film Fund - Local crew placement through conditional funding and incentives - Attend markets and festivals to showcase KZN on national/global stage - Quality content development and production support for KZN funded projects	**TOURISM CAPACITY BUILDING AND ENTERPRISE DEVELOPMENT:** - Incubation (capacity building) programmes - Post incubation SMME monitoring and tracking - Tourism graduate development programme - Tourism advisory services and awareness workshops - Rural skills development (with CTOs) **AUDIO-VISUAL INDUSTRY DEVELOPMENT PROGRAMME** - School's programme - Industry or University Endorsed Programmes - Film Industry Transformation Initiative (FITI) - Crew database - Incubation and mentorship programmes

ENABLERS (INFORMING AOP ACTIVITIES)

	- Infrastructure investment facilitation			groups' attendance at markets and festivals - Public screenings

	- One-stop-shop support - Cluster facilities for efficient productions - Municipal relations and support - Efficient incentive processes			- Community Information sharing (industry) - Funding for black filmmakers - Training beneficiaries contracted on KZN funded projects **PREFERENTIAL PROCUREMENT:** - Achievement of designated group procurement spend targets

Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5
- Structure organisation defined by mandate and strategic framework of merged entity. - Combined assurance model for managing risk and strengthening internal controls. - Comprehensive and effective change management to support the merger process. - Integrated and efficient systems, processes, and policies (ICT-enabled). - Online monitoring and reporting systems, including for quarterly performance	**STRENGTHENING BRAND:** - Commission a brand tracker study to measure the strength of the KZN tourism brand and its various attributes, including film-induced tourism. - Financial resources to implement the multiple channel promotional approach, as it has a direct link to all the brand strength (equity) measures. - Implementation of a CRM system that enables KZNTAFA to track the impact of various brand management activities.	- Robust public relations – curation of messages and products. - Implementation of a media monitoring tool. - Insights into the international/Africa split to enable targeted Africa marketing campaigns. - Relevant research to inform the design of marketing programmes / segmentation based on consumer demands. - Establishment of an effective customer relations management system to better track the return on investment (ROI) of marketing activities to improve decision-making. - Availability of the tourism products and filmmaking infrastructure and	- Economic impact assessments conducted by NFVF every 3 years and contracted research conducted by the Moses Kotane Institute (MKI). - Collation of data from other entities with productions in KZN – municipal permits granted for productions. - Preferential packages, inclusive of incentives, to attract large filmmakers and productions with significant economic impact. - Industry information	- Budget for contracting with enterprise development organisations. - Development and implementation of an SMME Tracking System. - Establishment of strategic partnerships with the private sector, key role-players within the audio-visual industry, local government, and other spheres of government, as well as the Department of Education and other national public entities

reporting and annual reporting, and Board approvals. - Performance management system, and implementation thereof, to drive performance culture. - Relevant and up to date policies and procedures for all key governance, corporate service, and financial management functions. - Research partnerships with academia and research institutions. - Business analytics platform/statistics dashboard for the dissemination of quality research. - Upgraded tourism information offices (KZNFILM – TBC) to be aligned to global best practice.	- Active participation in IGR forums. - Private sector partnerships and funding for clean town campaigns. **ENHANCING THE VISITORAND FILMMAKER EXPERIENCE:** - Conduct annual NPS study. - Financial resources to prepare the product developments through feasibility and the requirements to package bankable proposals. - Availability of an adequate number of project managers to reach out to various areas and communities in need of enterprise and product development support in the province. - Availability of critical infrastructure to attract productions. - Availability of production companies to support productions. - Inter-governmental coordination and buy-in to audio-visual industry development by local government.	services to create the experiences. - In absence of South African Tourism data, to establish a tracking measure to source regional data on towns and cities visited by domestic (omnibus) and international tourists. - Availability, quantum, and accessibility of the provincial bid fund.	sharing sessions to share upcoming opportunities in KZN programmes with filmmakers and stakeholders. - Availability of an adequately funded Film Fund and supporting Policy that clearly outlines the requirements for funding, the target beneficiaries and the terms and conditions. - Industry/human capital development programmes to develop skilled crew and equipped film companies throughout the value chain. - Simon Sabela Awards: recognise local KZN talent; to acknowledge excellence in film and television industry, demonstrate growth of film industry in province. Event is held during the Durban International Film Festival, which provides an international audience, extensive	to secure the additional funding that is needed to make a more meaningful impact. - Online platform for funding applications, application reviews and deal memo meetings. - Training and development – accredited training programmes and funding policy with KZN industry development trainees and crew as a condition. - Establishment, maintenance and promotion of the KZN crew and suppliers database.

			networking opportunities.	

1. SCOPE OF SERVICES

1.1. In order to achieve the six outcomes highlighted in section 1 of the terms of reference, KZN Tourism and Film intends to appoint a strategic Marketing and Advertising Services Agency to provide integrated marketing services aligned to KZN Tourism & Film's 2024-2025 Strategy, and Annual Performance Plans for each year of service. The services include:

1.1.1. Developing annual marketing plan in line with the KZN Tourism and Film Strategy targeting KZN's key source market segments (leisure and business tourism and Filming).

1.1.2. Develop annual concepts for Above-the-line, below-the-line and through-the-line destination seasonal campaigns, activation and promotion based on the main brand campaign.

1.1.3. Copywriting, information gathering and editing of the KZN Destination Coffee Book, KZN Location Filming protocol, Careers in Film, Locations Catalogue, Film Catalogue,

1.1.4. Develop content and creative for various KZN Tourism and Film destination marketing channels including:

- Advertorials (Billboards, Broadcast, online, print);
- Editorials (Billboards, Broadcast, online, print);
- Features (Broadcast, online, print);
- Destination videos (Leisure, Film and Business Events);
- Managing the Destination Marketing image library;
- Exhibition stand artwork;
- This will include third-part procurement e.g media buying and advertising

1.1.5. Design of electronic business cards for KZN Tourism & Film.

1.1.6. Design promotional materials including Meeting Planner, KZN Convention Bureau booklet highlighting successfully hosted business events, trade marketing tools, branding elements and display material, advertorials and generic adverts for the entity.

1.1.7. Assist in the designing and producing bid documents, event specific material such as templates for invitations, itineraries, power point presentations and flash presentations when needed.

1.1.8. Assist KZN Tourism and Film with the creative design and concepts for special projects.

1.1.9. Any data generated on behalf of the entity remains the property of the entity

2.2 Brand Experiential Marketing – Regional and/or Domestic Specific

2.2.1 Examine KZN Tourism and Film’s target market segments and present a regional and/or provincial specific detailed plan to re-engage these segments through the use of effective marketing.

2.2.2 Developing experiential marketing plans, big idea conceptualization, creative, content, execution and project management that is based on the KwaZulu-Natal Tourism and Film strategy that invites, engages and create memorable impact on target audience to encourage them to promote, sell, travel and filming KwaZulu-Natal. The target audience to includes consumers, travel trade and media.

2.2.3 The activations should consider physical, online and offline platforms with relevance to the targeted market respectively.

2.2.4 Identify, where necessary negotiate leveraging and partnership opportunities, travel and non-travel for KZN Tourism and Filmto collaborate with in the delivery of the brand experience.

2.2.5 Develop a trade marketing plans, that aims to establish destination credibility through increased visibility, engagement and profiling for KZN to remain a top-of-mind destination.

2.2.6 Conceptualize with the client innovative an impactful conversion plan for trade that do not currently sell KZN and those that do.

2.2.7 Conceptualize with the client strategic platforms that will provide KZN to position and profile itself (through events and other activities).

2.3 Destination Marketing Collateral

2.4.1 Draft and continuously review KZN’s Tourism and Film destination/locations value proposition through the production of relevant marketing collateral per the brief by client.

2.4.2 Identify and recommend new market trends to ensure fresh and relevant material is used for destination/locations promotion.

2.5 KZN Tourism and Film Marketing Platforms

KZN Tourism and Film’s marketing platforms where the creative execution of destination KZN brand through different activations relevant to each platform will be required include but are not limited to the following:

2.5.1 Consumer shows and general consumer activations as briefed.
2.5.2 Public relations events and activations and briefed.
2.5.3 Trade shows and events and activations as briefed.
2.5.4 Stakeholder events and activations as briefed.
2.5.5 Roadshows and activations as Briefed.
2.5.6 Global activations as required by KZN Tourism and Film in different regions (internationally and domestically).
2.5.6 Domestic and International Film and Markets Festivals.

3.Account Management

3.1 Provide strategic consultancy, idea generation, conceptualization and execution of online and offline consumer and trade conversion campaigns.
3.2 Present measurable marketing campaigns designed to address the issues outlined in this

brief and how these would ultimately drive conversion across the key segments.

3.3 Position KwaZulu-Natal as a preferred leisure and MICE (Meetings, Incentives, Conferences and Exhibitions) destination in the domestic and global markets through creative marketing activities.

3.4 Regular weekly, monthly, quarterly and all campaign reports for all activities.

3.5 Development of measures, deliverables and reporting.

4. COMPETENCIES AND CAPABILITIES

4.1 Strong based knowledge of the South Africa and KwaZulu-Natal tourism and film sectors.
4.2 Project management experience and capability to deliver on a project within a deadline.
4.3 Experience in strategic marketing and advertising.
4.4 Experience in usage of all marketing and communication tools.
4.5 Evidence of previous experience in developing an elaborate marketing strategy and implementation plan for a multi-stakeholder clientele;
4.6 Experience in leveraging small budgets.
4.7 Monitoring and evaluating skills of “brand awareness to conversion”.
4.8 Proven record of accomplishment in strategic and creative marketing services and in handling innovative through-the-line activities.
4.9 Ability to work with an existing supplier of KZN Tourism and Film’s digital platforms.
4.10 Creative design work of templates as briefed in on a regular basis.
4.11 Monthly report generation or as and when required by client.
4.12 Monthly reports to include ‘post event, campaign, activity rolled out analysis.
4.13 The agency must have a fully functional office in KZN.
4.14 Proven record of any previous work done not older than three years in companies that have both domestic and global expectations;
4.15 Provide at least 3 testimonials from their previous clients (these testimonials should be in their client’s letterhead).

5. PITCH PRESENTATION

5.1 The shortlisted agencies who qualify after the technical evaluation (Stage 2) will be expected to present a pitch revert against the background, environment and scope of work stated above. The shortlisted agencies will be given a written brief (Phase 3) on the challenges, target markets, competitor analysis and pitch deliverables.

6. CONTRACT DURATION

6.1 The appointment of the successful bidder will be subject to the signing of a contract and service level agreement for a period of three (3) years. The service provider will commence on the date stipulated in the Award letter that will be issued by KwaZulu-Natal Tourism and Film Authority.

7. ACCOUNT RESOURCING

Description	Activity	Type of resource required	Number of resource.
Above-the-line Services	Above-the-line services is either thematic, Promotional and/or Ad hoc	Media manager	1
		Client service	1
		Traffic & Production	1
		Strategic Planner	1
		Art Director	1

	Producing of world-class creative origination & execution	Copy Writer	1
		Key Account Manager	1
			1
Below-the-line Services	Publications Marketing Collateral Branding CRM	Client Services	
		Designer	1
		DTP operator	1

8. EXCLUSIONS

8.1 This to be excluded from the service provider cost as such will be provided for by KZN Tourism and Film:

8.1.1Any costs relating to accommodation, meals and transport for the media and KZN Tourism and Film team.

8.1.2Any costs pertaining to media buying.

8.1.3Any costs pertaining to travel to meetings on behalf of KZN Tourism and Film including mileage.

9. INTELLECTUAL PROPERTY RIGHTS

a) It must be noted that KwaZulu-Natal Tourism and Film Authority will have unlimited access to all documents and processes applied by the successful Tenderer during and after the completion of the project at hand.

b) An appointment will be made in terms of the procurement policy of KwaZulu-Natal Tourism and Film Authority.

c) Please note: No proposals will be accepted after the closing time.

d) Please note that these dates are guidelines only and KZN Tourism and Film reserves the right to amend them.

10. INTELLECTUAL PROPERTY RIGHTS INDEMNITY

a) The Bidder undertakes to obtain the necessary consent proprietors, or their licenses should the Bidder make use of the intellectual property of any other person.

b) The Bidder hereby indemnifies KwaZulu-Natal Tourism and Film Authority against any action, claim, damage or legal cost that may be instituted against KwaZulu-Natal Tourism and Fil on the ground of an alleged infringement of any copyright or other intellectual property right in connection with the work outlined with this bid.

c) The Bidder further indemnifies KZN Tourism and Film against any claim or action (including costs) caused by and/or arising from the failure to obtain such consent.

d) All original drawings and documents received from KwaZulu-Natal Tourism and Film together with all other drawings, including photographic reductions and negatives thereof,

e) computer programme and other data prepared by the Bidder in connection with the work with prior approval and at the expense of KwaZulu-Nata Tourism and Fil shall be lodged together with ay software and/or intellectual property rights in relation thereto with KwaZulu-Natal Tourism and Film and become the property of KwaZulu-Natal Tourism and Film. Bidder shall not make any of the data, details, drawings or information available to any third party, for whatever reason, without prior written approval of KwaZulu-Natal Tourism and Filmand shall take the necessary steps to safeguard against this happening.

f) Copyright of all documents prepared by the Bidder in terms of this bid shall be owned by KwaZulu-Natal Tourism and Film but KZN Tourism and Film shall have unlimited access and free use of the material as and when required.

11. PRICING

a) A detailed pricing schedule for tender evaluation purposes, based on a fully inclusive monthly retainer as per the scope of services as outlined in (Scope of Services – Functionality) and must detail relevant agency resources to be allocated to the KZN Tourism and Film account as per Number 8 (Account Resourcing) as well as the total number of hours per month, services rendered for the retainer and any exclusion.

b) This price should be stated clearly as a VAT inclusive monthly amount.

12. : PROPOSED FEES:

12.1 Pricing Schedule Final Summary

NAME OF BIDDER:

……

OFFER TO BE VALID FOR 90 DAYS FROM THE CLOSING DATE OF BID

12.2 The bidder must price all items.

DESCRIPTION	**Number of required hours**	**Price Per Hour**	**Total Price (for the total number of hours allocated**
Creative Advertising • Ads copy, design, development and optimization (360-degree advertising campaign) • Develop and implement marketing and communication plans Develop content and creative	350		
Always on advertising • Media strategy development • Advertising design Media purchase for social and on-line advertising	100		
Account Management per month Account management and meetings (4 meetings per month)	50		
Each bidder must quote on a detailed pricing schedule based on a full-monthly service retainer fee for a maximum of 500 hours a month based against the proposed scope of work in section 7 of the Terms of Reference.	500		
Travel and disbursements (fixed rate) – limited to 10% of retainer fee, payable on prior approval from KZN Tourism and Film			
Subtotal			
Vat			
TOTAL BID PRICE including Vat			
YEAR 1- including VAT			
YEAR 2 - including VAT			
YEAR 3- including VAT			

12.3 KZN Tourism and Film reserves the right to negotiate hourly rates and / or timeframes submitted for any of the tasks assubmitted by the service provider.

12.4 In addition to the services quoted above, the agency is expected to secure media placement on behalf of KZN Tourism and Film. The agency should therefore for the purposes of this bid indicate separately their media commission on media placements/buying. This is, however, subject to negotiation with KZN Tourism and Film, therefore KZN Tourism and Film reserves the right to determine the value of that commission, since KZN Tourism and Film will be doing their own negotiation with the media partners.

12.5 Any additional services in the advertising and media services over and above the ones specified in (Scope of Services – Functionality) shall be communicated to the agency in advance and quoted for separately in accordance with Treasury regulations.

12.6 The pricing schedule should reflect the full budget breakdown for the period of one year.

12.7 Each bidder must quote on a detailed pricing schedule based on a full-monthly service retainer fee for a maximum of 500 hours a month based against the proposed scope of work of the terms of reference.

12.8 Provide a complete, detailed pricing schedule as per the table above.

13. EVALUATION CRITERIA

The bid for the appointment of each service provider will be evaluated on compliance, functionality, preference point system and specific goals in accordance with the Preferential Procurement Regulation 2022.

Phase 1: COMPLIANCE

- ***The bidder must be registered as a vendor on the National Treasury Central Supply Database (CSD). If not registered bidder must make means to register in order to bid for the process: Link below for registration on the database:***

  Register user - Central Supplier Database Application (csd.gov.za)

- ***The bidder must be in good standing with SARS, the information will be verified through Central Supply Database (CSD) and SARS efiling pin in compliance with Instruction Note 9 of 2017/2018 prior to the award of the Tender.***

- ***Completed Standard Bidding Documents (SBDs), Defaulters etc.***

Phase 2: MANDATORY REQUIREMENTS (If applicable) *(**disqualifying requirement****)***

- **N/A**

Phase 3: EVALUATION ON FUNCTIONALITY
The service provider must score a minimum of 70 % for phase 3A of the functionality evaluation to be invited for phase 3B presentations. And a minimum score of 60% of the technical presentation is required to be evaluated further for price and preference points. ***Refer to Annexure 1*** below, for the information that must be provided and supported with documentation in order for the bid proposal to be evaluated and scored on Functionality.

Phase 4: APPLICATION OF PREFERENCE POINT SYSTEM AND SPECIFIC GOALS:
The 80/20 preference points system will be applicable for the evaluation of this process in accordance with the Preferential Procurement Regulations 2022.

	Specific Goals
Price	80
Ownership Goals	
• At least 51% Black Africans, Indians or Coloureds Owned Companies	10
• At least 51% Women Owned Companies	05
• At least 51% Youth Owned Companies	05
Total	**100**

Kindly Refer to Table 1 of SBD 6.1 of the Preference Claim Form to claim for Points.

Verification of Specific Goals:

- **Black Africans, Indians or Coloureds** verification will be conducted through submission of the Sworn Affidavit or BBBEE Certificate with a summary report.

- **Women** verification will be conducted through submission of the Sworn Affidavit or BBBEE Certificate with a summary report or CSD Report.

- **Youth** verification will be conducted through submission of the Sworn Affidavit or BBBEE Certificate with a summary report or CSD Report.

Failure on the part of a tenderer to submit proof or documentation required in terms of this Tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

The organ of state reserves the right to require of a tenderer, either before a Quotation is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

For Technical Enquiries Contact: Mpume Ngubane

Email: mpume@zulu.org.za

For SCM Enquiries Contact: Ms Thembekile Mdlophane and Ms. Olivia Manjate
Email: tenders@zulu.org.za and tenders@kznfilm.co.za

ANNEXURE 1: EVALUATION GRID

<u>EVALUATION CRITERION FOR FUNCTIONALITY PHASE 3 (A):</u>

TECHNICAL CRITERIA	DESCRIPTION	MAX POINTS
COMPANY EXPERIENCE	Agency credentials against the proposed scope of services as outlined above on (Scope of Services – Functionality) of the Terms of reference. <u>Required evidence</u>: • Reference letters to confirm the marketing and advertising experience. The letter must be signed and dated. Minimum 3 Reference letters on companies' letterhead (letters should not be older than 5 years) • A detailed company profile/proposal that reflect the company's relevant experience. ➢ 5 client reference letters = 10 points ➢ 4 client reference letters = 8 points ➢ 3 client reference letters = 5 points ➢ 2 or less / no client reference client reference letters = 0 points • Companies' relevant Marketing and Advertising years of experience through submission of a Company Profile: ➢ 10 Years and above = 10 points ➢ 7 – 9 Years = 7 points ➢ 5 – 6 Years = 5 points ➢ 4 Years = 2 points ➢ 0 – 3 Years = 0 point	20
CAPABILITIES OF THE SERVICE PROVIDER	A detailed understanding of the scope by the service provider and how they propose to carry out the Scope of the services listed *<u>on</u>* the Terms of Reference (methodology) • The bidder must demonstrate thorough understanding of the objectives and scope of work for this assignment by providing a comprehensive creative methodology/approach to be utilised for the execution of this assignment. • Outline resources to be allocated in each aspect in the execution of this assignment. • In its methodology, the bidder must address critical aspects such as project planning, concept development, timelines/ reverts turn around times, monitoring & evaluation, graduation system, quality assurance, output and impact assessment. Provide stakeholder mapping. The proposal (methodology) contains all required information, project planning, concept development, timelines / reverts turnaround times, resource schedule, activity sequencing linked to timelines, monitoring & evaluation, graduation system, quality assurance, output and impact assessment and stakeholder mapping = 20 points The proposal (methodology) contains limited/insufficient /shows understanding of the terms of reference and the points but not clear on how the results will be achieved above= 10 points No proposal (Methodology)/ proposal reflects poor understanding of the terms of reference = 0 points	20

<table>
<tr><td></td><td><u>Previous Experience</u>
Previous relevant experience and examples of previous strategic and creative work produced and paid for by clients that is in line with the KZN Tourism and Film scope as outlined in (Scope of Services – Functionality) of the bid document.
Portfolio of Evidence (PoE) with a minimum of five (5) accounts of similar scope and magnitude.

Each PoE to be in a form of a presentation with at least three (3) slides per account outlining the work done. <u>Slides to be submitted in hardcopy format</u>
• 0 – 4 Account = 0 point
• 5 Accounts = 15 points
• 6 Accounts = 20 points</td><td>20</td></tr>
<tr><td>EXPERTISE OF KEY PERSONNEL</td><td>Experience and Qualification for the Key Personnel

The bidder to submit a detailed CV's of the Team that will be working with KZN Tourism and Film. (The table of resources must be submitted using the Human Resources table).

The resources must have experience and supporting qualifications clearly outlined in their CVs. All relevant qualifications listed in their CV must be accompanied by a certified copy of the certificate.

All personnel submitted by the bidder cannot be changed without prior approval from KZN Tourism and Film

The qualification and experience of key personnel allocated to the project responsible for various functions, on behalf of the Service Provider, will be evaluated in relation to his/her academic and professional qualifications and experience on projects having scope of work relevant to this project as presented below.

A CV of each of the Key personnel of no more than 5 pages should be submitted. The C.V of each employee must include contactable references.

The CV’s of individuals will be used for evaluation of each of the personnel for this section.

EXPERTISE OF KEY PERSONNEL ALLOCATED TO THE PROJECT = 40 POINTS

Breakdown of Points. The team should include:

• Accounts Manager = 10 points
• Creative Director = 10 points
• Strategist = 10 points
• Content Writer= 10 points</td><td>40</td></tr>
<tr><td></td><td>A. ACCOUNTS MANAGER = TOTAL OF 10 POINTS

Number of relevant years of experience = 5 points

Number of relevant years of experience

a) 3 up to 5 years = 1 points
b) Above 6 up to 7 years = 2 points
c) Above 8 up to 9 points = 3 points
d) Above 10 years = 5 points</td><td></td></tr>
</table>

	Qualification = 5 points **a)** National Diploma in Marketing/NQF Level 6 or equivalent certification in the same field= 3 points **b)** Bachelor’s degree in marketing/BCOM with marketing majors/NQF Level 7 or equivalent certification in the same field = 5 points	
	B. CREATIVE DIRECTOR = TOTAL OF 10 POINTS **Number of relevant years of experience = 7 points** **a)** 3 up to 5 years = 3 points **b)** Above 6 up to 7 years = 4 points **c)** Above 8 up to 9 points = 6 points **d)** Above 10 years = 7 points **Qualification = 3 points** **a)** An NQF Level 6, bachelor’s degree and/ National Diploma in Marketing, Public Relations, Creative and Graphic Design or equivalent and related studies = 1 point. **b)** An NQF Level 8 - Post Graduate qualification in Marketing, Public Relations, Creative and Graphic Design or equivalent = 3 points	
	C. STRATEGIST = TOTAL OF 10 POINTS **Number of relevant years of experience = 7 points** **a)** 3 up to 5 years = 3 points **b)** Above 6 up to 7 years = 4 points **c)** Above 8 up to 10 points = 6 points **d)** Above 10 years = 7 points **Qualification = 3 points** **a)** An NQF Level 6/7 National Diploma or Degree in Project Management; Strategy Development, Marketing or equivalent and relevant qualification = 1 points **b)** An NQF Level 8 -Post Graduate qualification in Project Management; Strategy Development, Marketing or equivalent = 3 points	
	D. CONTENT WRITER = TOTAL OF 10 POINTS **Number of relevant years of experience = 7 POINTS** **a)** 3 up to 5 years = 3 points **b)** Above 6 up to 7 years = 4 points **c)** Above 8 up to 9 points = 6 points **d)** Above 10 years = 7 points **Qualification = 3 points** **a)** An NQF Level 6/7 Degree or National Diploma in Public Relations, Communications, Strategy Development or equivalent, relevant qualification = 1 point **b)** An NQF Level 8 - Post Graduate qualification in Public Relations, Communications, Strategy Development or equivalent = 3 points	
TOTAL FOR FUNCTIONALITY		**100**

Minimum qualifying score- A bidder scoring below 70 points in quality will be considered as disqualified for evaluation and will be discarded from any further evaluation.

EVALUATION CRITERION FOR FUNCTIONALITY ON TECHNICAL PRESENTATION PHASE 3 (B):

a)The shortlisted agencies who qualify after the technical evaluation (phase 2) will be expected to present a pitch against the background, evaluation and scope of work stated above. The shortlisted agencies will be given a written brief on the challenges, target market, competitor analysis and pitch deliverables.

b)Bidders will be required to achieve a minimum threshold of 60% in order to proceed to Phase 4 for Price and Specific Goals evaluation.

Presentation Evaluation Matrix

Rating	Definition	Max Points for the evaluation for each task
Excellent	Exceeds the requirement. Exceptional demonstration by the supplier of the relevant ability, understanding, experience, skills, resources, and quality measures required to provide the good/services. Response identifies factors that will offer potential value, with supporting evidence.	20
Acceptable	Satisfies the requirement with minor additional benefits, above average demonstration by the supplier of the relevant ability, understanding, experience, skills, resources, and quality measures required to provide the goods/services. Response identifies factors that will potential required services, with supporting evidence.	15
Average	Submission meets the minimum requirement with major reservations. Considerable reservations of the supplier's relevant ability, understanding, experience, skills, resources, and quality measures required to provide the goods/ services, with little or no supporting evidence	10
Unacceptable	Does not meet the requirement. Does not comply and/or insufficient information provided to demonstrate that the supplier has the ability understanding, experience, skills, resources and quality measures required to provide the goods / services, with little or no supporting evidence	5
Non-responsive	Poor or lack of evidence demonstrating the capacity to understand and ability to execute the services. The score is the acknowledgement of receipt of bid by client.	3

a. The presentation should address the following business issues:

Task1

Recommend the best approach for KZN to position itself as in the domestic and global markets. Please prepare a creative Market Growth plan on how KZN can ensure to remain competitive and top of mind tourism (leisure and business) destination to its key source markets.

Task 2

Provide a long-term integrated solution in growing the domestic and international market share in line with the destination's objectives and how expected results will be delivered and measured. Clearly illustrate how you would deliver the service and any creative campaigns you could offer, indicating when it would be appropriate to commence this campaign.

<table>
<tr><td rowspan="2">Content</td><td>Proposed marketing and advertising plan for the organization
Brand Positioning (below and above the line)
Creative Look and feel.
Key source markets destination positioning and awareness.</td><td>20</td></tr>
<tr><td>Previous work done
Provide at least 2 case studies of what you have previously done. Demonstrate the results with the comprehensive pos-campaign reporting.
Provide customized campaign for KZN Tourism to showcase your solution to address the mandate of KZN Tourism.
The solution must provide a 360 view of how you would deliver the service and any creative campaign you can offer. Clearly indicting when it would be appropriate to commence this campaign and how entity can leverage the occasions in the different markets.

The presentation should include but not be limited to:
Clear set of objectives
Campaign creative
Packaging of messages for different target audiences
Creative advertising strategy recommendations
Proposed channels
Resources required
Budget recommendations
Related timelines</td><td>20</td></tr>
<tr><td colspan="2">TOTAL POINTS FOR THE PITCH PRESENTATION</td><td>40</td></tr>
<tr><td colspan="3">Minimum qualifying score- 60%</td></tr>
</table>

HUMAN RESOURCES

SUMMARY - RESOURCES ALLOCATED TO KZN TOURISM & FILM						
ROLE	**NAME**	**SURNAME**	**CERTIFIED COPIES OFQUALIFICATIONS INCLUDED (YES / NO)**	**CV INCLUDE D(YES / NO)**	**QUALIFICATION S (Kindly indicate the qualifications for the resources)**	**NUMBER OF YEARS EXPERIENCE (Kindly indicate years of specific experience of the resource)**
Accounts Manager						
Creative Director						
Strategist						
Content Writer						

APPROVED/NOT APPROVED:

---------------------------- **DATE: ------------------**
Sbusiso Gumbi
Chief Executive Officer