



# PROPOSED ESKOM STEELPOORT PUMP STORAGE SCHEME

## DRAFT TOURISM SCOPING STUDY

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### BOHLWEKI ENVIRONMENTAL

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**Client: Bohlweki Environmental**

Title: Scoping Report

Proposed Pump Storage Scheme, Project Lima

prepared by: SiVEST

Environmental Division

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## 1 INTRODUCTION

SiVEST has been appointed to undertake a Tourism Impact Assessment for the proposed Steelpoort pump storage power generation facility which Eskom are planning to construct.

As part of the Scoping Report and Environmental Impact Assessment and in the light of the land uses surrounding the proposed site, it is important that the impact on the existing and future tourism industry is assessed.

It must be stated at the outset, that this report is not intended to be a detailed and exhaustive tourism analysis of the area, but purely a basis from which to reasonably assess the significance of the likely impacts of the proposed development on the tourism industry.

This report provides an overview of the legislative environment of the tourism industry, it then covers the salient points of international, national, provincial, and local tourism. The report then describes the proposed impacts and issues of the proposed development on the tourism industry.

## 2 METHODOLOGY

Information was gathered about the tourism industry in the area of the development area using the following methods:

- Site visit
- Ad hoc interviews with various tourism facility operators in the area
- Telephonic conversations with key stakeholders such as the Greater Groblersdal Local Municipality, Mpumalanga Tourism Authority, tourism facility operators in the immediate area of the alternative sites
- Internet research
- Personal knowledge and application
- Reference to other specialist reports as part of the EIA team.

### 2.1 Assumptions and Limitations

This report is not aimed at providing exhaustive tourism statistics for the Steelpoort area. Rather, this report is aimed at providing the EIA team with sufficient information to meaningfully inform the proposed development of a pump storage scheme and ancillary

facilities through the minimisation of negative environmental impacts, and optimisation of positive environmental impacts on the tourism industry in the area.

The information in this report is limited to brief interviews with a handful of parties in the tourism industry in the area, and also on the limited research that has already been undertaken. We were not able to project quantifiable increases or decreases in the tourism industry as a result of the proposed development.

### **3 BACKGROUND**

#### **3.1 Acts and Policies**

##### **3.1.1 The White Paper on the Development and Promotion of Tourism in South Africa, 1996**

The White Paper provides a broad framework to guide the development, planning and management of tourism in South Africa. The context is set through a discussion on the potential and economic role of tourism in the country and the identification of constraints that hinder the realisation of this potential. Some of the key constraints relate to inadequate funding, limited community integration, inadequate education and training, poor environmental management, lack of infrastructure, increased levels of crime, and a lack of national, provincial and local tourism structures.

Identifying tourism as an engine for economic growth, the White Paper builds a rationale and sets a clear vision for responsible tourism development. The vision is supported by a set of guiding principles for responsible tourism development and is underpinned by economic, social and environmental objectives.

To achieve the vision, the following key performance areas for tourism development are sighted in the white paper:

- a safe and stable tourism environment;
- involvement of local communities and previously neglected groups;
- sustainable environmental management practices;
- creating a globally competitive tourism industry;
- ensuring innovative development that meet visitor requirements;
- focus on product development and diversity;
- effective training, capacity building and awareness promotion;
- aggressive and creative marketing and promotion;

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- strong economic linkages with other economic sectors;
- appropriate institutional structures; and
- appropriate support infrastructure.
- The White Paper goes further by recommending the formulation of a range of key policies and frameworks that will facilitate the role of tourism as an economic driver.
- Areas where further policy development is required include:
  - safety and security;
  - education and training;
  - access to finance;
  - investment incentives;
  - foreign investment;
  - environmental management;
  - product development;
  - cultural resource management;
  - transportation - air and ground;
  - infrastructure;
  - marketing and promotion;
  - product quality and standards;
  - regional co-operation; and
  - youth development.

In addition to its recommendations on specific policy development that will smooth the progress of tourism development, the White Paper broadly defines the roles to be played by various stakeholders involved in tourism, and provides a framework for institutional arrangements for tourism in South Africa.

Although the White Paper was developed at national level, it provides an overarching framework to guide tourism development across South Africa. In this respect it allows for the alignment of National, Provincial and Local tourism development to ensure “that everyone pulls in the same direction”. The White Paper does not address specific requirements on Provincial or Local level, nor does it provide the required strategic direction. Provincial and Local governments therefore need to align to, and take guidance from the National White Paper when developing their own tourism development strategies as it pertains to the specific dynamics present.

### 3.1.2 The National Environmental Management Act (Act No 107 of 1998)

The aim of the act is to encourage, promote and create parameters for legal enforcement for environmental protection, management and compliance. Chapter 1 of the National Environmental Management Act (NEMA) defines the National Environmental Management Principles that apply throughout the Republic and stresses the fact that “environmental management must place people and their needs at the forefront and serve their physical, psychological, developmental, cultural and social interests equitably”. It also provides a framework for sustainable development that implies “meeting the needs of the present generation without compromising the needs of the future generations”.

The Act requires that national departments exercising functions that may influence the environment or the management thereof prepare a consolidated environmental implementation and management plan in order to:

- coordinate and harmonise environmental policies, plans and programmes and decisions of different National departments that exercise functions affecting the environment;
- give effect to the principles of cooperative government;
- secure the protection of the environment across the country;
- prevent unreasonable actions by provinces in respect of the environment; and
- enable monitoring of the achievement, promotion and protection of sustainable environment.
- The Act requires the inclusion of specific information in both environmental implementation plans and the environmental management plans. In this respect, every environmental implementation plan must contain:
  - a description of policies, programmes and plans that may affect the environment and the manner in which these will comply with the environmental management principles and legislative provisions in the Act; and
  - recommendations for the promotion of the objectives and plans for implementation.
- In this regard, every environmental management plan must contain:
  - a description of the functions exercised and norms and standards set by the relevant department in respect of the environment;
  - a description of the policies, programmes and plans designed to ensure compliance, as well as the priorities and extent of compliance with policies by the organs of state;
  - a description of arrangements for cooperation with other National departments and spheres of government; and

- proposals for the promotion of the objectives and plans for the implementation of the procedures and regulations of the Act.

In addition to the NEMA, consideration should also be given to the Environmental Impact Assessment (EIA) process as discussed in the Environment Conservation Act, 1989 (Act No 73 of 1989), which control certain activities and developments that could have an impact on the environment.

### **3.1.3 National Environmental Management: Biodiversity Act No. 10 of 2004**

The object of the Act is to provide for the management and conservation of South Africa's biodiversity within the framework of the National Environmental Management Act, 1998; the protection of species and ecosystems that warrant national protection; the sustainable use of indigenous biological resources; the fair and equitable sharing of benefits arising from bioprospecting involving indigenous biological resources; the establishment and functions of a South African National Biodiversity Institute; and for matters connected therewith.

The objectives of this Act are:

within the framework of the National Environmental Management Act, to provide for

- (i) the management and conservation of biological diversity within the Republic and of the components of such biological diversity;
- (ii) the use of indigenous biological resources in a sustainable manner; and
- (iii) the fair and equitable sharing among stakeholders of benefits arising from bioprospecting involving indigenous biological resources;
- (iv) to give effect to ratified international agreements relating to biodiversity which are binding on the Republic;
- (v) to provide for co-operative governance in biodiversity management and conservation; and
- (vi) to provide for a South African National Biodiversity Institute to assist in achieving the objectives of this Act.

The South African National Biodiversity Institute was established by the act and is responsible for monitoring biodiversity in a holistic manner.

A Biodiversity Framework must be prepared in terms of the act within three years of coming into effect. This document will then be reviewed at least every 5 years.

The act is in effect to:

- provide for the protection of ecosystems that are threatened or in need of protection to ensure the maintenance of their ecological integrity;

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- provide for the protection of species that are threatened or in need of protection to ensure their survival in the wild;
- give effect to the Republic's obligations under international agreements regulating international trade in specimens of endangered species; and
- ensure that the utilisation of biodiversity is managed in an ecologically sustainable way.
- to prevent the unauthorized introduction and spread of alien species and invasive species to ecosystems and habitats where they do not naturally occur;
- to manage and control alien species and invasive species to prevent or minimize harm to the environment and to biodiversity in particular;
- to eradicate alien species and invasive species from ecosystems and habitats where they may harm such ecosystems or habitats; and
- to ensure that environmental assessments for purposes of permits in terms of the Genetically Modified Organisms Act, 1997 (Act No. 15 of 1997), are conducted in appropriate cases in accordance with Chapter 5 of the National Environmental Management Act.
- to regulate bioprospecting involving indigenous biological resources;
- to regulate the export from the Republic of indigenous biological resources for the purpose of bioprospecting or any other kind of research; and
- to provide for a fair and equitable sharing by stakeholders in benefits arising from bioprospecting involving indigenous biological resources.
- restricted activities involving specimens of—
  - (i) listed threatened or protected species in terms of section 57(1);
  - (ii) alien species in terms of section 65(1); or
  - (iii) listed invasive species in terms of section 71(1);
- activities regulated in terms of a notice published in terms of section 57(2);
- bioprospecting involving indigenous biological resources in terms of section 81(1); or
- the export of indigenous biological resources for bioprospecting or any other type of research in terms of section 81(1).

#### **3.1.4 National Water Act (Act No 36 of 1998)**

The purpose of the Act is to ensure the protection, usage, development, management and control of water resources of the Republic by taking into account the following principles:

- meeting the basic human needs of present and future generations;
- promoting equitable access to water;
- redressing the results of the past racial and gender discrimination;

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- promoting the efficient, sustainable and beneficial use of water in the public interest;
- facilitating social and economic development;
- providing for growing demand for water use;
- protecting aquatic and associated ecosystem and their biological diversity;
- reducing and preventing pollution and the degradation of water resources;
- meeting international obligations;
- promoting dam safety; and
- managing floods and droughts.

In order to achieve the above, the Act states that suitable institutions with appropriate community, racial and gender representation must be established.

In terms of this study, the most relevant areas of the Act are those that deal with the management, protection and usage of water resources. In terms of water management, the Act requires the development of a National Water Resource Strategy (NWRS) as well as a Catchment Management Strategy (CMS). The NWRS provides the framework for the protection, use, development, conservation, management and control of water resources in defined water management areas at a national, regional and catchment level, while the CMS deals with the management and allocation of specific water resources in a catchment area.

A series of measures intended to ensure the protection of all water resources is prescribed in the Act and deals with the following:

- developing a classification system for water resources that must provide guidelines, and procedures for the determination of different classes of water resources;
- determining and establishing the reserve for water resources in terms of a basic human needs reserve and an ecological reserve;
- preventing pollution of water resources that may occur as a result of activities on land; and
- control of emergency incidents in order to remedy pollution of water resources caused by such incidents.

Regarding the use of water, the Act sets general principles that provides a basis for regulating water usage in terms of:

- types of water use;
- permissible water use;
- quantity of water that may be allocated by responsible authorities;
- licenses for use of water found under ground;

- transferring authorization for water use; and
- regulations for water use.

The Act also discusses the establishment, powers, duties and functions of catchment management agencies, water user associations, advisory committees and a water tribunal.

### **3.1.5 National Heritage Resources Act (Act No 25 of 1999)**

The National Heritage Resource Act serves to introduce an integrated and interactive system for the identification, assessment and management of the heritage resources of South Africa. It promotes good governance and the empowerment of civil society to preserve their heritage for future generations, and states the principles of heritage resource management while making provision for legislation protecting national heritage resources.

The Act further establishes the National Heritage Resource Agency (SAHRA) and stipulates its functions, powers and duties as a national governing body, while allowing for the establishment of similar bodies at provincial and local level. Although specific functions, powers and duties of Provincial Heritage Resources Agency are also described in the Act, the specific heritage resource management principles for the province may be prescribed in accordance to principles set in the Act and by SAHRA. A high level grading system for heritage resources distinguishes between the following:

- Grade I: Heritage resources of special national significance due to its exceptional qualities;
- Grade II: Heritage resources, although part of the national estate, with special qualities making them significant within the provincial or regional context; and
- Grade III: Other heritage resources worthy of conservation.

In this regard, management of Grade I heritage resources are the responsibility of SAHRA, while Grade II and III heritage resources are the responsibility of the provincial and local heritage resources agencies respectively. In particular Section 31 places a duty on a local authority to investigate the need for the establishment of heritage areas whenever a spatial development framework is compiled. Before heritage status can be awarded to such an area the local authority is required to consult with the Provincial Heritage Resources Agency, landowners and the affected community. Joint approval of conservation measures is required from the Provincial Heritage Resources Agency, the Provincial Planning Authority and the local authority.

### **3.1.6 Institutional Guidelines for Public Sector Tourism Development and Promotion in South Africa, 1999**

The Inter-provincial Technical Committee of MINMEC (a joint forum of ministers responsible for tourism matters) compiled the Institutional Guidelines, published by the Department of Environmental Affairs and Tourism (DEAT) in 1999. It seeks to formulate the institutional system and mechanisms to facilitate synergy in the management of tourism between the various tiers of government. The document further provides clarity on the roles, responsibilities and allocation of funding at National, Provincial and Local Government level to inform intergovernmental co-ordination on matters regarding tourism.

It is recognised in the institutional guidelines that historical development trends, macro conditions, constitutional dispensation and existing tourism structures differ at the various levels of government. Three models of institutional structures have therefore been proposed to accommodate the relevant circumstances at each level. These include:

- differentiated model;
- mainstream model and
- independent model.

One set of guidelines is proposed to ensure effective monitoring and control regardless of the model followed.

Specific guidelines and conditions with regards to the roles and responsibilities at each level of government are provided. The issues addressed and the respective guidelines in terms of the roles and responsibilities of the Greater Tubatse Local Municipality at local level include the following:

- introduction of tourism legislation – alignment of local by-laws and regulations with national and provincial tourism policy;
- establishing international relations and agreements – reaching agreements with cities/local authorities in other countries, with the knowledge of national and provincial government;
- international tourism marketing and promotion activities – exposure of local areas within the framework of national marketing strategies and aligned to such;
- domestic tourism marketing activities – develop domestic marketing strategies in line with provincial marketing framework;
- provision of tourism infrastructure – providing local infrastructure taking cognisance of provincial tourism strategies;

- setting of tourism standards – annual inspection, certification and registration of tourism establishments;
- promoting tourism awareness – plan and implement programmes to improve tourism awareness within local authority in line with national and provincial campaigns;
- tourism training – assist in the implementation and promotion of national and provincial training programmes;
- establishing tourism incentives, investment and financing programmes – provide advice and assistance to emerging entrepreneurs in coordination with provincial investment framework;
- tourism information management – provide appropriate information as input to national and provincial systems;
- domestic tourism information dissemination – establish local tourism information offices;
- tourist guiding training – work in collaboration with provincial authorities to ensure representative curriculum content;
- tourism development – lead tourism development in the area of consultation with provincial authorities; and
- tourism safety and security – establish local tourism safety programmes in collaboration with local business, SAPS and communities.

### **3.1.7 The Tourism Act, 1993**

The objective of the Tourism Act is to make provision for the promotion of tourism to and in the Republic; the further regulation and rationalisation of the tourism industry; measures aimed at the maintenance and enhancement of the standards of facilities and services hired out or made available to tourists; and the co-ordination and rationalization, as far as practicable, of the activities of persons who are active in the tourism industry; with a view to the said matters to establish a board with legal personality which shall be competent and obliged to exercise, perform and carry out certain powers, functions and duties; to authorise the Minister to establish a grading and classification scheme in respect of accommodation establishments, the membership of which shall be voluntary; to authorize the Minister to establish schemes for prescribed sectors of the tourism industry, the membership of which shall be voluntary; to make provision for the registration of tourist guides; to prohibit any person to act for gain as a tourist guide unless he has been registered as a tourist guide in terms of the Act; to authorise the Minister to make regulations; and to provide for matters connected therewith.

The Act prompted the establishment of the South African Tourism Board which acts as the juristic person with regards to this Act.

The object of the board shall be, with due regard to the sustainability of environmental resources, to promote tourism by encouraging persons to undertake travels to and in the Republic, and with a view thereto:

- to take measures in order to ensure that services which are rendered and facilities which are made available to tourists comply with the highest attainable standards;
- to manage information and conduct research relating to tourism; and
- to advise the Minister on tourism policy, either of its own volition or when requested to do so by the Minister.

### **3.2 Implications for Development**

The legislation outlined above indicates that the proposed development has a number of restrictions, regulations and guidelines that apply to both the construction and operation phases. From a tourism perspective, NEMA enforces a holistic view of the development through a thorough investigation of all aspects of the environment including tourism as one of the socio-economic imperatives in the area surrounding the proposed development site.

According to the Biodiversity Act (No.10 of 2004), the proposed development must take cognisance of the biodiversity of the area to be developed with special focus on protected species, alien species and sensitive ecosystems. The development must also be carried out in a way that will ensure that the utilisation of biodiversity is managed in an ecologically sustainable way. This could be important in providing a tourism attraction related to this natural capital in the area surrounding the proposed development.

The White Paper on Promotion and Development of Tourism in South Africa, provides guidelines and motivation to the tourism industry which relate specifically to sustainable development and environmental management practices.

The promotion of the tourism industry through the creation of linkages to other economic sectors is probably the most important aspect of the paper. The Tourism Act of 1993 endorses the promotion of tourism in South Africa and established the South African Tourism Board which is responsible for aiding tourism development in an area like Steelpoort and aiding communities in linking commercial practices with tourism.

## 4 TOURISM IN SOUTH AFRICA

The World Travel and Tourism Council (2006) estimated that South Africa Travel & Tourism will generate R198.1 billion of economic activity (total demand) in 2006.

The industry is expected to have the following *direct* impacts:

- employment of 1,083,000 jobs to be maintained through this economic system, representing 7,5% per cent of total employment; and
- the industry is expected to contribute R 55.8 billion of the Gross Domestic Product (GDP), equivalent to 3.3% per cent of the total GDP.

However, since the travel and tourism system touches upon all sectors of the economy, its real impact is far greater. South Africa's travel and tourism economy *directly* and *indirectly* accounts for:

- 1, 500 000 jobs, representing 8.6% per cent of total employment;
- R 72.5 billion of GDP, equivalent to 7.1 per cent of total GDP;
- R 204,2 billion of exports, services and merchandise or 14,3 per cent of total exports;
- R 106,9 billion of Capital Investment, or 14,4 per cent of total investment; and
- R 3,7 billion of Government operating expenditure, or a 0.6 per cent share.

Moreover, the World Travel and Tourism Council argues that over the next ten years South Africa's travel and tourism system is expected to achieve annualised real growth of:

- 5.1 per cent in travel and tourism GDP, R 84.8 billion in 2012 for the industry directly and up to R194.3 billion for the travel and tourism economy overall (this figure includes direct and indirect expenditure);
- 3.3 per cent in travel and tourism employment to 679 200 jobs directly in the industry and 3.1 per cent to 1 555 300 jobs in the travel and tourism economy overall;
- 4.8 per cent in total travel and tourism demand to R 288.5 billion;
- 4.7 per cent in visitor exports, rising to R 86.2 billion;
- 5.2 per cent in terms of capital investment, increasing to R47 billion; and
- 1.6 per cent in terms of government expenditure to R1.8 billion.

The tourism industry thus represents an important economic sector in South Africa, which requires attention and effort to strengthen the products, as well as linkages to other economic sectors.

#### **4.1 International Tourists**

Tourism South Africa (2006) state that the vast majority (55%) of the international tourists to South Africa are from our immediate neighbours. The majority of the remainder (31%) of the international tourists are mostly from United Kingdom, Germany and the USA. In the case of African tourists, the main reasons for visiting the country relate to business travel with holiday or leisure tourism taking in a secondary position. However, in the case of overseas visitors the purpose of visitation is the reverse, with the overriding emphasis on leisure travel.

#### **4.2 Domestic Tourism**

Unlike many developing countries, South Africa has a strong and well-established domestic tourism industry. In 2001 South African Tourism commissioned a South African Domestic Tourism Survey. The study found that, in the 12-month period, domestic tourists took 33.5 million overnight trips and 57 million day trips.

#### **4.3 Tourism in Mpumalanga Province**

It has been reported by MTA, 2005 that the Mpumalanga Province attracted International tourists that visited the Province primarily for holiday purposes (55.2%) followed by shopping (18.3%) and visiting family and relatives (VFR) (14.2%). The Province is still regarded as a holiday destination by tourists. The vast majority of foreign tourists to the province go to the following landmarks: Kruger National Park, Blyde River Canyon/ God's Window, Private Game Reserves, Pilgrim's Rest, Trout/ Fly fishing based on 2004 figures. Overall, the receipts from international tourist arrivals contributed R7.1 billion to the Province's GDP and

Shopping, nightlife, wildlife, natural attractions, cultural, and historical as well as heritage features were regarded as the top highlights for tourists by the SoTI (2004). According to the 2004 Annual Tourism Report produced by South African Tourism (SAT), Mpumalanga Province has recorded a decline in the number of foreign tourists arrivals from 1,061,297 in 2003 to 1,001,860 in 2004. This was a decrease of 5.5%.

#### **4.4 The site in context**

The site is located within the Greater Sekhukhune District Municipality and in the Greater Groblersdal Local Municipality. These areas have unique issues relating to economic development and tourism features. Below is a summary of the current economic drivers as well as the tourism status.

#### **4.4.1 Greater Sekhukhune District Municipality**

##### ***4.4.1.1 Major Economic drivers***

According to the Integrated Development Plan (IDP) for 2005 / 2006 as well as the draft IDP for 2006 / 2007, tourism potential together with improvements in investment, revenues and jobs have been identified as an opportunity within the Greater Sekhukhune District Municipality.

Agriculture dominates the land use within the Municipality although the majority is subsistence resulting in a low contribution to the region's GGP. The fact that 75% of the land in Sekhukhune is under land claims further hampers the development of the agricultural sector within the Municipality.

Although not the dominant land use, mining is the main economic contributor within the Municipality. This contribution is both direct and indirect through spin-offs or multiplier effects within other economic sectors, for instance the increase in demand for housing and related infrastructure services for the mineworkers. The highest level of mining activity is currently within the Tubatse Municipality, followed by the Fetakgomo Municipality, with Groblersdal and Marble Hall recording the lowest activities.

The trade sector is negatively affected by the low employment levels within the Municipality which reduce the buying power of the people.

The government is the major employer within the Municipality and employs 16% of the total population. It is thus a major economic contributor to the GGP.

According to the Draft IDP for 2006 / 2007, Tourism has the potential to boost the economy of Sekhukhune but has not been fully exploited yet, and still needs coordination. The municipality has developed its local economic development plan, which paints the economic development challenges facing the municipality, the proposed strategies to roll in the implementation of the plan. This includes the implementation of a tourism plan.

#### **4.4.1.2 Tourism**

The District Municipality in which the study area is located recognises the importance of tourism development<sup>1</sup>. The important tourism attractions in the area include the Loskop Dam Nature Reserve, and Mapoch's Caves, located just to the east of the site, which are also listed as important tourism attractions. It is noted that the municipality places emphasis on future development of the tourism industry, rather than growth of an already-vibrant industry.

#### **4.4.2 Greater Groblersdal Local Municipality**

##### **4.4.2.1 Major Economic Drivers**

The economy of the area is historically underdeveloped with the majority of the population unemployed. The major economic drivers of Municipality are commercial agriculture and the government service sector. The government service sector offers the most in terms of employment opportunities. The lack of formal employment opportunities in the area has resulted in several employable people moving to the larger urban centres of Gauteng and other growing cities.

Second to the government sector is the wholesale / retail industry which also employs a large number of economically active persons. Mining, manufacturing and construction activities are limited within the Municipality and these sectors have been identified as areas which require attention in order to promote their growth.

The Municipality is in the process of developing a Local Economic Development Strategy which promotes the principles of financial and ecological sustainability of the area. This strategy has been placed high on the Mayoral and Executive Committees list of priorities for the Municipality.

##### **4.4.2.2 Tourism**

The development of tourism and associated infrastructure within the Municipality has been placed low on the Mayoral and Executive Committees list of priorities. Several other issues

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<sup>1</sup> <http://www.sekhukhune.gov.za/welcome/tourism.htm>

such as poverty alleviation, addressing HIV / Aids and other economic factors are considered a greater priority for the Municipality.

There are however some developments in the pipeline to improve the tourism infrastructure of the area. Infrastructure projects are planned for the Mapoch Cave (Erholweni) and Mantrombi Reserve. Ablution facilities are planned for the Blinkwater Shopping Complex and permanent vending stalls and ablution facilities are planned for the roadside stalls near Blinkwater and Roosenekal. An accredited information centre is also planned for the Greater Roosenekal area. The Greater Marble Hall Tourism Organisation also aids in the promotion of the tourism for the Municipality.

## **4.5 Tourism in and around Steelpoort**

### **4.5.1 The Highlands Meander**

The Mpumalanga Tourism Authority has divided the province into several tourism regions based on the tourism attractions in an area. The site in question is located within the “Highlands Meander” area. This area is characterised by scenic landscapes and attractive river valleys. The region extends from the northern boundary of Mpumalanga, and extends southwards through the Steelpoort River Valley towards Dullstroom and Waterval-Boven. The fly fishing in this area of the country is well known and has resulted in the rapid growth of the tourism industry in this area. The area is also home to a variety of hiking trails, rock climbing routes and historic towns. The tourism possibilities of this province are as diverse as the landscape itself. It is a scenically magnificent province and boasts a rich cultural heartland. Forests, pristine waters and trout fishing opportunities abound and there is no shortage of adventure activities, such as rock-climbing and abseiling.

Apart from Verloren Valei Nature Reserve, there are very few formally conserved areas around which tourism development is located. The natural value of the area has given rise to a variety of guest lodges (9), bed and breakfasts (4), country houses (2), hotels (4), lodges (15) and self catering facilities (23) (MTA, 2005)<sup>2</sup>. However, these areas are generally

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<sup>2</sup> Mpumalanga Tourism Authority Annual Report, 2005

located in the south of the Highlands Meander area, with a scarcity of accommodation in the northern areas in the vicinity of the proposed development.

#### 4.5.2 The Kamoka Open Africa Route

The Kamoka open Africa route has been established from Moloto via Marble Hall to Groblersdal and then on to Roosenekal. The proposed Cultural/Information centre proposed for Marble Hall will link to the route giving the opportunity for arts/craft and cultural groups to present their wares.<sup>3</sup>

The Kamoka Open Africa Route will cover areas such as:-

- KwaMhlanga,
- Kwaggafontein,
- Siyabuswa,
- Greater Marble Hall,
- Greater Groblersdal,
- Stoffberg,
- Roosenekal and many other small villages and townships.

It will also pass through two District Municipalities, the Nkangala District Municipality and the Greater Sekhukhune District Municipality.

The Route will be in what was once called the “KwaNdebele Homeland”, which the area was given to the Ndebele people by the apartheid government in its failed Bantustan policy. There are other tribes such as the Pedi, and Bantwana (an offshoot of the Tswana tribe) living in the area, and this Route highlights their cultures preserved through the ages.

It historically tells of the struggle of these indigenous people to maintain their culture and their heritage against tremendous odds. This Route is about how the people here decided to work together despite their differences in order to make the region a prosperous one from a tourist point of view in the interests of sustainable economic growth. There could not be a better way

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<sup>3</sup> Greater Marble Hall IDP review 2005/2006

to unite these people than by the name they chose to be known by, Kamoka, which means together.

#### **4.5.3 Tourism Trends and Land Use**

The Steelpoort area is very well located as it is a cross boundary municipality located partly in Mpumalanga Province and partly in Northern Province with the site for the proposed development being located within the Mpumalanga Province.

The land use in the area surrounding the potential sites for development is generally agriculture and mining. The areas to the west of the Steelpoort Valley have generally been degraded by unsustainable farming practices. The Steelpoort Valley itself is scenically beautiful, with a diversity of habitats from typical bushveld riverine in the valley to highveld grassland on the plateau. Areas to the north of the development sites are presently being mined.

While the tourism potential in the area is high, especially for activities such as hiking, mountain biking, abseiling, birding, general ecotourism etc, very little of this potential has been recognised and developed. Most tourism establishments have developed to serve the business tourism needs of the mines.

#### **4.5.4 Tourism Supply**

Based on a field trip to the study area, and contact details obtained from facilities within the area, a number of telephonic interviews were conducted with accommodation facility owners. There were only six facilities identified most of them being located on the R555 to the south of the development area.

Lodges and chalets supply the passing through and leisure markets, while the guesthouses, team building and conference facilities supply the business tourism markets. The results from the interviews with local accommodation facility owners showed that people using these facilities are attending business related meetings as well leisure based activities over the weekends. Visitors to the Steelpoort area have limited accommodation facilities to use depending on their needs for such services.

Average occupancy rates range from 80 to 50 percent throughout the year with little seasonal variation. These percentages are based on the observations of accommodation establishment

owners who were interviewed. It is important to note that the occupancy rate mentioned differs per facility<sup>4</sup>.

The number of beds available per establishment range from as little as eight, to as much as 90. These accommodation facilities are mainly used during the week as the main visitors to this area are business people visiting the mines. Very few of the accommodation facilities attract purely ecotourism clients, although some facility owners did mention that occupancy rates are sustained over holiday periods with family groups.

Name of Establishment	Type of Facility	Number of beds	Average occupancy	Main guests	Comments regarding proposed development
Kumula Game Lodge	Game lodge	36-38	Fully booked during the week	Mine visitors	No negative impact
Koring Huis	B&B, Restaurant, Guest house	19 beds	Fully occupied during December-July	Mine contractors are main guests	Positive impact: improvement on the supply of electricity
Lapeng	Lodge, Guest house	24 beds	December - April	Business related visitors	
Die Ouklipkool	Guest house	6-8 beds	No sure	Business, weddings	The impact won't be negative
Banamnazi	Guest house/ Lodge	90 beds	Visitors in group during weekends 50% occupancy and business during the week 70% occupancy.	Mainly businessmen going to the mines.	Development will boost tourism

<sup>4</sup> Based on interviews with accommodation owners

Megapa	Game lodge	39	80% occupied	Family groups, team building related visits, overnight guests	The development will improve on power supply.
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## 4.6 Tourism Demand

These accommodation facilities have shown that their occupancies appear to reflect the high numbers of business tourists staying in these facilities. Thus the primary demand for tourism facilities in the area is from the mines themselves.

### 4.6.1 Business Tourism

Generally this type of tourism shows trends for high occupancy during the week, and lower occupancies during the weekend. The stays are normally longer than leisure based tourism. Unfortunately no information was available on average stay length. One of the facilities provides team building activities within an attractive surrounding. A number of facilities also advertised game viewing as activities on offer. However, it is likely that these are not the core business of the facilities, but rather additional attractions to the business tourist.

### 4.6.2 Leisure Tourism

Leisure tourism is important to the future of the tourism market in the Steelpoort area. This form of tourism is made up of a number of subgroupings, which include site seeing, game viewing, family holidays on the game farms, etc. These tourists generally spend their time in game reserves and lodges. Most of the owners of the tourism facilities in the area seem to rely on the business tourists for the success of their businesses. This may be the result of less development of adequate tourism infrastructure such as good road access which can be regarded as a key input required for unlocking the tourism potential of the area. The potential for leisure tourism in the area has not yet been recognised, some facilities did state that they did not rely solely on business tourism, but also catered for family holidays, which could indicate a change to the status quo.

#### **4.6.3 Educational Tourism**

The geological academic fraternity regard this area surrounding the study area as particularly interesting. This area is used by a number of tertiary (and possibly other) educational institutions for studying the geological formations which are so prominent in the area. Very little information was available of the extent of this as contributor to the tourism industry.

#### **4.6.4 Passing Through**

The R579 which runs just to the west of the proposed development area, provides an important link between towns in Mpumalanga (Belfast etc) and Polokwane. This route passes through the Sehlakwane settlement and is well-frequented by taxis. The R555, which passes to the east of the proposed development area, provides an important link to Steelpoort and Burgersfort, which is undergoing significant development presently.

Various sectors of the tourism industry (for example accommodation facilities and restaurants) will certainly benefit from this strategic location. However, this form of tourism is considered small and is therefore not considered further in this scoping study.

#### **4.7 Future Tourism in and around the study area**

The tourism potential in the area has not been fully recognised. The dominance of the business tourism sector is likely to grow with the proliferation of mining ventures in the area. However, it is likely that the scenic and ecological value of the area will also be recognised and developed. This is likely to result in a diversification of the tourism industry to include ecotourism as a new growth area. A number of facilities already promote ecotourism attractions.

The proposed development of the De Hoop Dam nearby could also provide a tourism attraction by allowing water sports, and other water-related activities to be developed in proximity to this dam.

### **5 POTENTIAL IMPACT OF THE PUMP STORAGE SCHEME ON TOURISM**

## 5.1 Scoping of Impacts relating to the Tourism Industry

SiVEST have identified 4 major impacts that are likely to result from the development of the proposed pump storage scheme and ancillary facilities:

- Visual Impact
- Noise Impact
- Land Use change
- Corporate Demand (increased business tourism)
- Biodiversity

While we have not examined specifically the environmental impacts described above, we have related them to the tourism industry. These impacts are considered in relation to the following types of tourism which are common in the study area:

- Leisure
- Business
- Educational Tourism
- Passing through (this sector is not covered in detail as these tourists make up very low numbers)

The proposed pump storage scheme has three potential alternative sites that have been examined in the scoping phase.

Site C is located to the north west of the proposed De Hoop Dam, Site B is located to the south west of the proposed Dam, and Site A is located south south west of the proposed Dam. The Site Selection Report<sup>5</sup>, states that Site A is the preferred site for further investigation. However, no tourism aspects were examined as part of this investigation.

### 5.1.1 Visual Impact Relative to Tourism

The Site Selection Report (2006)<sup>6</sup> states that very little visual impact is likely to result from the proposed development. However, Site C is stated as having the least visual impact, with Site A and B upper dams having a potential visual impact if viewed from the Steelpoort Valley.

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<sup>5</sup> Project Lima Feasibility Study, Site Selection Report, BKS Palace Consortium, May 2006

The visual impact relative to existing tourism facilities is expected to be negligible. The close proximity of Sehlakane settlement will act as a mitigating impact for Site A and Site B. However, views from the Steelpoort Valley should be protected where possible as this valley holds great tourism development potential.

#### **5.1.2 Noise Impact Relative to Tourism**

The proposed pump storage scheme is not expected to generate noise during the operation phase, but noise will be a factor during the construction phase. This phase will be temporary and is not likely to be a significant factor impacting the tourism facilities in the area. There is no apparent difference in potential noise impact between the alternative development sites.

#### **5.1.3 Land Use Relative to Tourism**

There is no dedicated tourism land use that has been identified at the scope study level. However, during a site visit, it was noted that a game fence was being erected close the location of Site A. This may indicate the potential introduction of game to the area for breeding, hunting or ecotourism purposes. This issue will need to be explored further in the EIA phase through more detailed public participation, but is unlikely to indicate a fatal flaw. Land use for tourism purposes is unlikely to be an issue for Site B and Site C.

#### **5.1.4 Corporate Demand**

The existing corporate demand for the few tourism facilities in the area is likely to increase as a result of the proposed development. The construction phase will see increased numbers of business people visiting the area, and this is likely to be the case to a lesser degree during the operational phase. There is unlikely to be any difference in this corporate demand for business tourism accommodation between the three alternative development sites.

#### **5.1.5 Educational Tourism**

The proposed development may generate some interest in the secondary and tertiary educational institutions in terms of engineering. However, safety and security concerns may make this unfeasible. There is the potential for development of a controlled visitors centre to increase public awareness of the pump storage scheme, and this could be developed into a tourism attraction in the area. This issue will be discussed in more detail in the EIA phase of the project. Education tourism is unlikely to be a determining factor of alternative site selection.

### 5.1.6 Preferred Site Selection

From a tourism perspective, the proposed development is not likely to be a significantly negative or positive impact on the preferred site selection process. The natural beauty of the Steelpoort Valley should be seen as the greatest tourism asset. This defers the impact assessment to the visual, biodiversity and noise aspects, which will then relate to the tourism development potential of the area.

## 6 CONCLUSIONS

The tourism industry in the areas immediately adjacent to the proposed alternative development sites is largely undeveloped. The potential does exist for further development of the tourism industry, particularly related to the scenic beauty of the Steelpoort Valley. However, the mainstay of the existing tourism industry in the immediate vicinity is related to business tourism of the mines in the area, and this is likely to grow in the foreseeable future. The scoping phase of this study concludes that the natural capital of the areas of the Steelpoort Valley should be preserved where ever possible and the site selection process should bear this in mind.

It is our opinion that tourism is not likely to be a determining factor in the final site selection, but rather other aspects (noise, visual, biodiversity) which are related to tourism, should assist in preferred site determination.

## 7 RECOMMENDATIONS

The EIA phase of the study should investigate the following aspects in more detail:

- Visual Impact – to be undertaken by visual impact specialist
- Noise Impact – to be undertaken noise impact specialist
- Development of a nature reserve – to be undertaken by biodiversity specialist, land use specialist and SiVEST
- Tertiary institution interest in the proposed development – enquiries by PPP consultant and SiVEST
- Development of a visitors centre with a focus on tertiary institutions
- More detailed PPP discussions regarding future tourism development in the area of the preferred site.