

Metro to convert tourism body into municipal entity

By [Rochelle de Kock](#)

6 Jul 2017

For years, the municipality has been pumping millions of rands into the financially unsustainable Nelson Mandela Bay Tourism (NMBT) agency with almost no say over how it runs its affairs. Now, the metro wants to change this and has started the process of converting the tourism agency into a fully fledged entity of the municipality.



©Diriye Amey via [123RF](#)

The move, which is expected to take months, will improve the municipality's oversight over the agency.

Yesterday, the city advertised its notice of intent to establish the entity, inviting the public to submit comments. The decision is in line with a council resolution to rationalise its entities to avoid a duplication of mandates and save on costs. It comes as the Uitenhage-Despatch Development Initiative (UDDI) is in the process of being dissolved and some of its functions moved to the Mandela Bay Development Agency (MBDA) and the municipality.

The municipality's political head of economic development, tourism and agriculture, councillor Andrew Whitfield, said the decision to establish the NMBT as a fully fledged entity aimed to "improve alignment between destination management and destination marketing as well as to improve operational efficiencies."

Agency struggling to keep afloat

The agency relies solely on the city for its funding as it has struggled to keep afloat with money from membership fees only. In the 2015-16 financial year, the metro gave the NMBT about R12.3m and only a third of the money was spent on marketing the city, according to Whitfield.

The municipality budgeted about R14m for the agency for the current year.

New board

The details of the way forward are expected to be thrashed out at a meeting between the tourism agency's board and representatives of the municipality this afternoon (5 July).

It is unclear at this stage if any of the NMBT staff will be affected by the change. However, an entirely new board will have to be appointed, with nominations from the public to fill the director positions. At present, the NMBT members choose the board, and the metro has no say over the structure.

Whitfield said the board had agreed to the planned move. "The conversion of the NMBT into an entity will only affect the board at the time of the conversion," he said. "I will be meeting with the NMBT board [today] to discuss the detailed way forward.

"We are confident this is an important step towards improving our tourism offer and acting in the interests of our shareholders, the ratepayers."

NMBT board chairman Sithembiso Foster said they were fully aware of the municipality's intention and were in agreement. "The municipality is the main funder of the NMBT, so it makes sense for them to have a say in the way it is driven," Foster said. "The members contribute less than 5%, and yet the municipality is contributing money with no say at all."

Source: Herald

For more, visit: <https://www.bizcommunity.com>