



HARK ROCK PIER - GQEBERHA

Sharing of best practices: Theme: Sustainable Tourism Development

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Eastern Cape
PARKS & TOURISM AGENCY



1. EASTERN CAPE PARKS AND TOURISM AGENCY

The Eastern Cape Parks and Tourism Agency (ECPTA) manages 21 provincial nature which are managed as 15 units. The objectives of the ECPTA are defined in the Eastern Cape Parks and Tourism Agency Act No. 2 of 2010 (Eastern Cape) as follows:

- (a) Manage biodiversity in protected areas located in the Province;
- (b) manage tourism in the province;
- (c) ensure the effective implementation of its biodiversity management and tourism and powers and duties granted in terms of this Act and any other law; and
- (d) ensure excellence in the business and resource management of the Agency.

Grading by (TGCSA)

- ▶ Hluleka Nature Reserve - 4 Star self-catering
- ▶ Silaka Nature Reserve - 4 Star self-catering (with Electric Vehicle Charging Station)
- ▶ Nduli Luchaba Nature Reserve - Mthatha Dam Conference Resort - 4 Star
- ▶ Baviaanskloof WHS (Caravan & Camping) - 3 Star
- ▶ Islands Groendal Nature Reserve - Rooikranz Campsite - 3 Star
- ▶ Great Fish River Nature Reserve (Nottingham Lodge) - 3 Star
- ▶ East London Coast Nature Reserve - Double Mouth Campsite - 3 Star
- ▶ Mkhambathi Nature Reserve - 3 Star
- ▶ Thomas Baines (Chalet and Campsite) - 3 Star
- ▶ Dwesa Nature Reserve (Caravan & Campsite) - 3 Star
- ▶ Tsolwana Nature Reserve - 3 Star
- ▶ Commando Drift Campsite - 3 Star
- ▶ Oviston Nature Reserve (Lodge and Camping site) - 3 Star
- ▶ Mpofu Nature Reserve Nduli Luchaba Nature Reserve - 3 Star





The Leopard Trail

Leopard Trail



Leopard Trail and Mkhambathi Concessions

The Leopard Trail concession



Mkhambathi concession



Gwegwe eco-lodge at Mkhambathi Nature Reserve

L1+2 Lodge guest rooms
V1 Villas
"Grey" water
Fresh water



Sustainable Tourism Development through Commercialisation

- ▶ PPP Tourism Toolkit by National Treasury
- ▶ ECPTA Concession Framework
- ▶ Commercialisation Strategy of 2016 (Under review for Board Approval in March 2025)
 - ▶ The vision aligns with the visions of Biodiversity Economy Strategy and ECPTA 2025-20230 Strategy
 - ▶ “To drive **sustainable revenue growth** through leveraging our unique **biodiversity and tourism assets** to create a **thriving tourism industry** that harmonizes **economic growth with environmental stewardship**, fostering **sustainable development** and enriching the lives of **local communities** while ensuring the **preservation and protection of our ecosystems for future generations**”.
 - ▶ The Mission of the Commercialisation Strategy is to enhance and create new inclusive opportunities for economic growth and for **socio-economic development** through **sustainable biodiversity and tourism initiatives**.
- ▶ PPP Tourism Toolkit by the National Treasury

The Leopard Trail (Baviaanskloof World Heritage Site)

- ▶ ECPTA-Baviaans Hiking (Pty) Ltd PPP (20-year partnership, second term started in 2024) readvertised in 2023
- ▶ A 4-day and 3-night 64 km long Hiking Trail
- ▶ R12 800 per sleeping hut for 4 people (R3 200 per person)
- ▶ The Leopard Trail Concession exemplifies **sustainable tourism** through **revenue sharing, community empowerment, and conservation.**
- ▶ Its partnership with ECPTA and **investment in local development** set a **global benchmark for sustainable tourism and conservation.**
- ▶ The construction of the Hikers' huts and installation of facilities was funded to the tune of **R5,5 million** by the national Department of Tourism.
- ▶ Hikers huts started operating in 2022
- ▶ The concession has generated a total revenue of **R1,217,287.55** over the period from January 2024 to January 2025.

.....Leopard Trail

1. Concession Overview

- ▶ Activity: Operation of a **64 km Hiking trail** in the western Baviaanskloof World Heritage Site and **three campsite** facilities (Hikers' Huts).
- ▶ Fully booked for 2025 and already has booking for 2026
- ▶ Facebook (The Leopard Trail and the Leopard Trail Hikers Group)

Concession Fees:

- ▶ Minimum monthly Rental fee: R12 500 + a Variable PPP fee: 13% of gross revenue.
- ▶ Monthly rent escalates annually based on Consumer Price Index (CPI).
- ▶ Rent due by the last day of each month.

....Leopard Trail

2. Maintenance Responsibilities

- ▶ Baviaans Hiking (PTY) Ltd is responsible for:
- ▶ Maintaining the 64 km hiking trail, ensuring a clear and safe path.
- ▶ Upkeep of 16 km of water supply pipelines.
- ▶ Maintaining three campsite facilities (Hikers' Huts), pools, and access roads for 4x4 vehicles.

3. Upgrades (3-Year Plan)

- ▶ At its own cost, Baviaans Hiking will:
- ▶ • Upgrade Hikers' Huts cladding and internal floors of catering huts (10-year design life).
- ▶ • Resurface swimming pools to fix cracks.
- ▶ • Erect shade structures at catering huts and handrails for Hikers' Huts' steps (within 1 year).

Sustainability Model for the Leopard Trail

- ▶ **Revenue Sharing:** A portion of income is **reinvested into local communities** for education, healthcare, and infrastructure, fostering socio-economic development and conservation ownership.
- ▶ **ECPTA Partnership:** Ensures environmental protection, biodiversity conservation, and sustainable tourism practices. Initiatives include leopard monitoring through camera traps and ecosystem restoration.

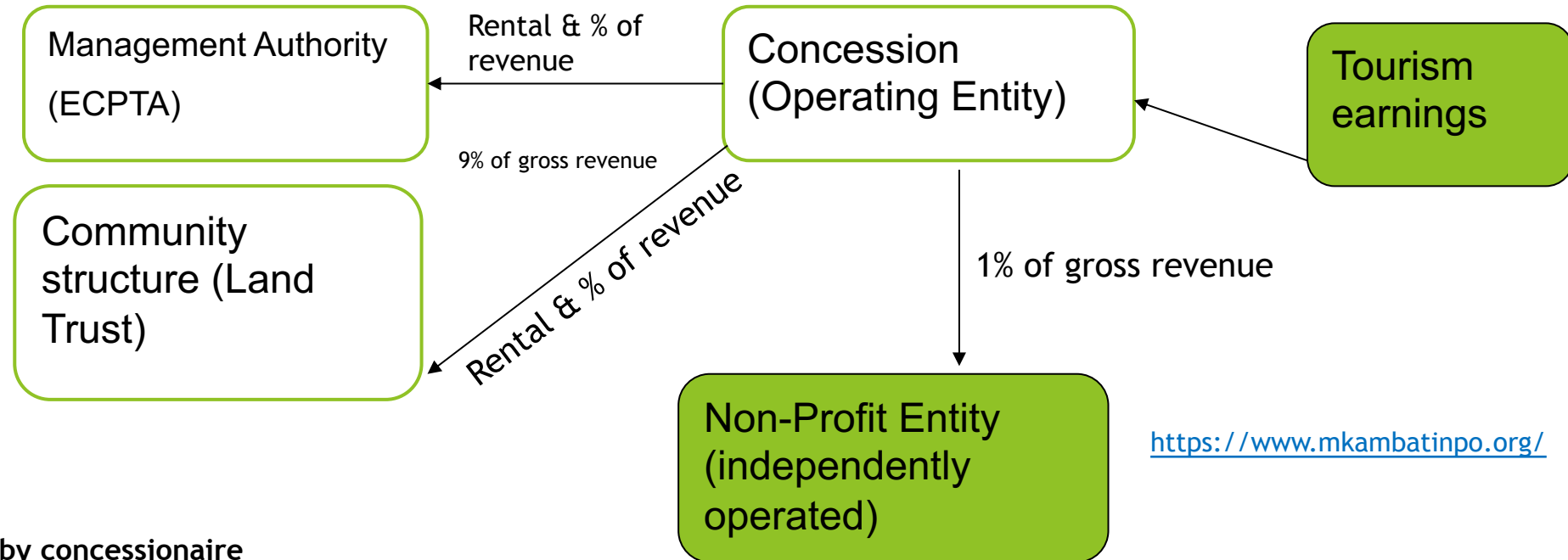
Non-Operational Expenditure (2022-Present)

- ▶ Total investment: R3.8 million.
- ▶ Key areas:
 - ▶ **Team Welfare:** R360 000 annual profit share; R200 000 for team experiences; medical and education support.
 - ▶ **Community Development:** R3.4 million for housing development; R34 000 for local sports field donation.
 - ▶ **Conservation:** R140 000 for leopard research with ECPTA and Cape Leopard Trust.
 - ▶ **Local Empowerment:** Key management roles filled by locally trained team members.

Mkhambathi Concession

- ▶ **ECPTA- Mkambati Matters- Mkhambathi Land Trust PPP**
- ▶ Mkambati Matters is currently spending between **R350,000 and R450,000 monthly** in direct contributions to the **local community**, demonstrating the significant potential of eco-tourism for socio-economic upliftment.
- ▶ The construction of 10 villas - is underway planned for the concession area, 6 are in the final stages of construction.
- ▶ A plot for a villa costs **R7 mil** excluding VAT and the structure.
- ▶ **Job creation:** Each villa employs 18 to 30 workers during construction.
- ▶ The villas will contribute toward the overall target of **110 approved beds** for the Northern Concession Area.
- ▶ The Mkhambathi Non-Profit Company is fully registered and operational
- ▶ Lodge operations continue to focus on **socio-economic upliftment**
- ▶ The US-based group of teachers visited and conducted a conditional assessment of Mkhambathi Primary School, will be ploughing into the school.

Hybrid CPPP model: A case of Mkhambathi



- NPO set up by concessionaire
- Conservation fees paid by concessionaire's customers re-directed to NPO
- Independent governance
- Receives % of revenue from Concession
- Open to donations
- Collected funds ring-fenced for socio-environmental efforts to address PA funding gap

Public-Private Partnership (PPPs) and sustainable Tourism



PPPs and Community Public-Private Partnership (CPPPs) enable DMOs like ECPTA to co-create value and achieve sustainability.



The Structuring and Implementation of a PPP

Proper preparation on behalf of the institution intending to implement a PPP Project is vital.

PPP projects are typically large and complex and require long-term commitments from numerous stakeholders.



Before the commencement of procurement, the contracting authorities need to **gauge the viability** of a project through robust and **rigorous assessments** to ensure that **viable** and **effectively structured projects** are selected to be delivered and expedited.



The structuring process necessitates that there needs to be an assessment of the needs and the identified solution option to deliver the project as a PPP project or other methods of procurement. An assessment of this nature helps with the identification of projects of optimal availability that have a high chance of reaching financial close and producing the expected outcomes.



The **assessment process** serves as an opportunity for the procuring authority to clearly understand the critical characteristics of the project, which can then allow the authority to thoroughly develop the **structure of the project** before designing a comprehensive PPP contract.

Strategic pillars of Commercialisation Strategy:



Strategic approach

ECPTA as a public entity operating within the frameworks of government, the strategy serves to **provide a strategic direction** to utilise public assets and/or services into revenue generating opportunities while maintaining public interest and fulfilling **governmental objectives**:

- ▶ The optimisation of existing ECPTA operations and concessions.
- ▶ The identification of key opportunities suitable for commercialisation in the Tourism and Biodiversity economies.
- ▶ Infrastructure development and continuous maintenance.
- ▶ Embed community and socio-economic development and partnerships with the private sector and government institutions.

SANParks Concessions

Retail and Restaurant	Commissioning Date	Termination Date	Annual Minimum Rental	Concession Fee as a % of Gross Revenue
The Park Shop North (Tigers Eye KNP)	1 February 2013	31 January 2023	R10 670 000	12%
The Park Shop South (Tigers Eye – Addo & Tsitsikamma)	1 February 2013	31 January 2023	R1 402 000	12%
Jobojali cc t/a Salt & Pepper Restaurant (Karoo)	1 December 2013	30 November 2023	R144 900	5%
Garden Route Catering & Restaurant	1 March 2010	28 February 2025	N/A	5%
Crocodile Bridge Gate Bush Braai Facility – Royal Ibhubesi Safari Co (Pty) Ltd	28 March 2018	28 March 2026	N/A	7,5%
Astrorail 145 cc (Augrabies – Shop & Restaurant)	15 November 2012	14 November 2022	R249 200	7%
Goedeten (Pty) Ltd – (Mugg & Bean – Lower Sable)	1 March 2014	28 February 2024	R415 722	7%
Tourvest Holdings (Pty) Ltd – Cattle Baron Restaurant Skukuza	1 October 2014	30 September 2024	R426 815	5% - 8%
Select Events & Venues cc	1 December 2013	30 November 2023	R193 295	7%
Ringgold 474 (Pty) Ltd (Mugg & Bean – Letaba)	14 April 2014	13 April 2024	R236 459	7%
Quay 4 Knysna	28 March 2008	27 March 2023	R609 472	6% - 10%
Tourvest Holdings (Pty) Ltd – Cattle Baron Restaurant Tsitsikamma	1 August 2014	31 July 2024	R342 555	8%
Tourvest Holdings (Pty) Ltd – Cattle Baron Restaurant Addo	1 April 2014	31 March 2024	R283 407	8%
Ringgold 474 (Pty) Ltd (Mugg & Bean – Olifants (Terminated Nov 2017))	3 April 2014	2 April 2024	R202 460	7%
Ringgold 477 (Pty) Ltd (Mugg & Bean – Satara (Terminated Nov 2017))	11 March 2014	10 March 2024	R363 635	7%
Eysbos (Pty) Ltd – (Mugg & Bean - Pretoriuskop)	25 March 2014	24 March 2024	R175 858	7%
Tshokwane Picnic Site – Tourvest Holdings	1 October 2016	30 September 2031	R98 400	4,5% - 5%
African Picnic Site – Tindlovu Bush café	1 June 2016	31 May 2031	R206 400	4,5% - 5%

Activity Concessions at Parks owned by SANParks

Activities	Contracting Party	Type of Activity	Commissioning Date	Termination Date	Concession Fee as a % of Gross Revenue
Kruger National Park	Skukuza Airport Management Co	Aviation	1 June 2014	31 May 2024	10%
	AM Spa	Wellness	22 May 2017	21 May 2027	
Cape Point Lease & TMACC	Cape Point - Concor	Attractions	1 May 1995	30 June 2021	10%
	Table Mountain Aerial Company	Cable Car	26 November 2006	25 November 2025	12,5%
	Absailing	Abseiling	1 June 2015	31 May 2020	7%
	Rhodes Memorial	Heritage	1 November 2010	31 October 2020	10%
	Mild2Wild	Outdoor Adventure	1 April 2013	31 March 2020	R25pp
	Tours & Woodcutter Trail Cadeau Hiking Trail	Outdoor Adventure	1 December 2016	31 March 2022	8%
Tsitsikamma Rest Camp	Untouched Adventures	Outdoor Adventure	1 January 2015	31 December 2020	10%
	Segway Bike Tours	Outdoor Adventure	1 December 2013	31 December 2020	6%

How ECPTA intends to achieve sustainability through Concessions

- ▶ **Revitalising Tourism Value:** Reverse the decline in tourism appeal and enhance the overall value of ECPTA's nature reserves and Eastern Cape's tourism sector for increased GDP contribution of tourism and biodiversity by 2030 to the provincial GDP by 2% - 5% by 2030.
- ▶ **Return on Investment (RoI):** Increase both non-financial and financial RoI. establish a baseline for future strategies after implementation of the 5-year strategy.
- ▶ To achieve optimal RoI, ECPTA will prioritise **data-driven decision-making**, **monitor performance metrics**, and **adapt strategies** to align with market trends and visitor preferences.
- ▶ Balancing financial gains with **environmental** and **social responsibility**.
- ▶ **Increasing Revenue Generation:** Increase Revenue for ECPTA by 5% to 10% by the end of 2030.
- ▶ **Biodiversity and Conservation:** Ensure the ongoing conservation and protection of ECPTA's biological assets, reinforcing its core mandate.

Critical success factors for sustainable tourism development via Concessions

1. Strategic Alignment & Market Responsiveness

- Align with national/provincial legislation, policies, strategies, and market trends.(Tourism & Biodiversity Conservation)
- Adapt to evolving tourism demand and competitive shifts.
- Collaborate with key institutions (ECDC, dtic, provincial departments, private sector et al).

2. Financial Support & Investment

- Secure funding through DEDEAT and ECPTA's equitable share.
- Allocate budget for infrastructure, maintenance, and commercialisation.

3. Community Involvement & Skills Development

- Prioritise local participation, capacity building, and service excellence.
- Partner with landowners for mutually beneficial tourism initiatives.
- Biodiversity conservation

4. Competitive Positioning & Destination Experience

- Create a unique, high-quality visitor experience to enhance ECPTA's appeal.

5. Sustainable Partnerships & Investment Facilitation

- Promote public-private partnerships (PPPs) and investor-friendly policies.
- Attract responsible investment for long-term financial sustainability and socio-economic benefits.



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THANK YOU!

Eastern Cape
PARKS & TOURISM AGENCY

