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"Re-thinking Public Private Partnerships (PPP) in Tourism"

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Mr. Nathi Thusi
(Chief Executive Officer)
Geographical Significance of Jozini

- 32% of UDM (3057 Square Kilometres)
- Freedom fighters route
- Gateway to Mozambique and Swaziland
- 7 traditional communities
- 3rd largest dam in Africa
- World heritage site
- Game reserves with big five
The epitome of PPP in tourism
Demographics and Economic Sectors

- 186,502 people (29.8% of UDM)
- 38,849 households.
- 72% of population under 29 years of age.

Major Economic Sectors
- Agriculture
- Tourism
- Government services

Potential Economic Sectors
- Light industry
- Hospitality
- Retail
Municipality’s role in LED promotion

- Intervention on second and first economy dichotomy gap
- Address income poverty and past racial and socio-economic discrimination
- Through integrated spatial planning – provide infrastructure and services
- Become a centre of coordination of development efforts
- Facilitate coming together of private and public partners
- Fight poverty and unemployment by supporting BEE initiatives
- Mobilisation of role players
Challenges

- Poor access to basic infrastructure
- Poor maintenance of towns
- Poor access to land
- Unemployment
- Poverty
- Limited Resources
- Poor access to social development services (rural communities)
- Poor levels of domestic tourism
Tourism and Investment Opportunities

- Historical & Other Places of Interest
  - Lebombo Mountains;
  - Pongolapoort Dam (Jozini Dam);
  - Pongolapoort Game Reserve;
  - Mkhuze Game Reserve;
  - Ndumu Game Reserve;
  - Hlatikulu Forest;
  - Border Cave;
  - fishing in the Pongola River;
  - King Dingaan’s Grave;
  - Usuthu Gorge.
- Adventure tourism.
History of Jozini Tiger Lodge

- Built from January 2008 and completed in December 2009
- Opened in March 2010 – 4 months before Soccer World Cup
- 70 rooms, conference venues, Spar & wellness centre, swimming pool, etc
- Slow start, but reached break-even point on the 6th month of opening.
- Profitable month on month, with most months exceeding estimated income
- Built on an old hotel site, which had closed down some 30 years earlier.
Time Lines – Growth Since Opening

- Prior JTL, the area had a couple of unregistered B&Bs and stats for this period is not readily available to do a proper comparison.
  - First year of operation Mar 2010 – Feb 2011, JTL – 17,321 pax
  - 2nd year Mar 2011 – Feb 2012 – 24,301 pax
- Revenue increased by 117% in 2012 due to increase in:
  - conferencing
  - weddings
  - day visitor business
- Demand for accommodation & other services is on the increase. JTL now works with & refers overflow business to other properties including a recently built 21 room B&B across the lake.
Sustainability of the Project

- All Key Stakeholders are hands on, have a keen & vested interest in the long term growth & sustainability of JTL in particular & the area of Jozini in general.
- Assurance by Municipality that Jozini is a Premium Investment Destination for tourism & other sectors.
  - Private investors – Came up with concept plus project plan; provided seed plus venture capital
  - Community – made LAND available for development
  - National Empowerment Fund (NEF) funded the community interest, plus provided initial working capital to the project
  - Municipality – provision of services & necessary approvals;

- Key Success Factors are & must remain characterised by:
  - Unity of purpose among all key stakeholders = a common vision
  - Differences in stakeholders + Diversity Management = GROWTH
Ownership and Management Mix

- **Ownership Structure:**
  - Myeni community owns 31%, of JTL through a community trust
  - Private Investors own 69%; of JTL
  - Majority shareholding however is owned by Black Africans

- **Empowerment Report**

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<th>Occupational Category</th>
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<td><strong>71</strong></td>
<td><strong>4</strong></td>
<td><strong>75</strong></td>
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</table>
Growth Opportunities

- **Jozini presents the following opportunities:**
  - Vast under developed tracks of land
  - Access to land is cheaper if compared to the more urbanised areas.
  - Very positive business growth trends year on year, - resulting in better than average ROI
  - Stable weather / climate conducive to outdoor activities.
  - A Big & clean lake, with huge stocks of Tiger fish.

- **Immediate Growth opportunities**
  - Development of water sports; hiking trails; quad biking; bird & game viewing
  - Development of both Residential & Commercial properties
  - Provision of private Health care; Schooling; & Vocational Facilities
  - Shopping Mall with clothing & furniture shops, restaurants, etc.
Lessons Learnt

- Municipality remains the catalyst in PPP
- Mobilisation of community and partnership is key to rural tourism success
- Land ownership and security of tenure arouse investor appetite
- Real say and management responsibility by role-players also key
- Integration of tourism products with historical and heritage important
- Government support key in investor and community confidence
- Profit and greed motives enemies of such PPP model sustainability
The epitome of PPP in tourism
That’s our story end

Thank you for listening

Jozini Tiger Lodge “PPP Story”

We will eagerly await your call for reservation even if its for one night…