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Jozini Tiger Lodge "PPP Story"

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

Presented by:

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(Municipal Manager)

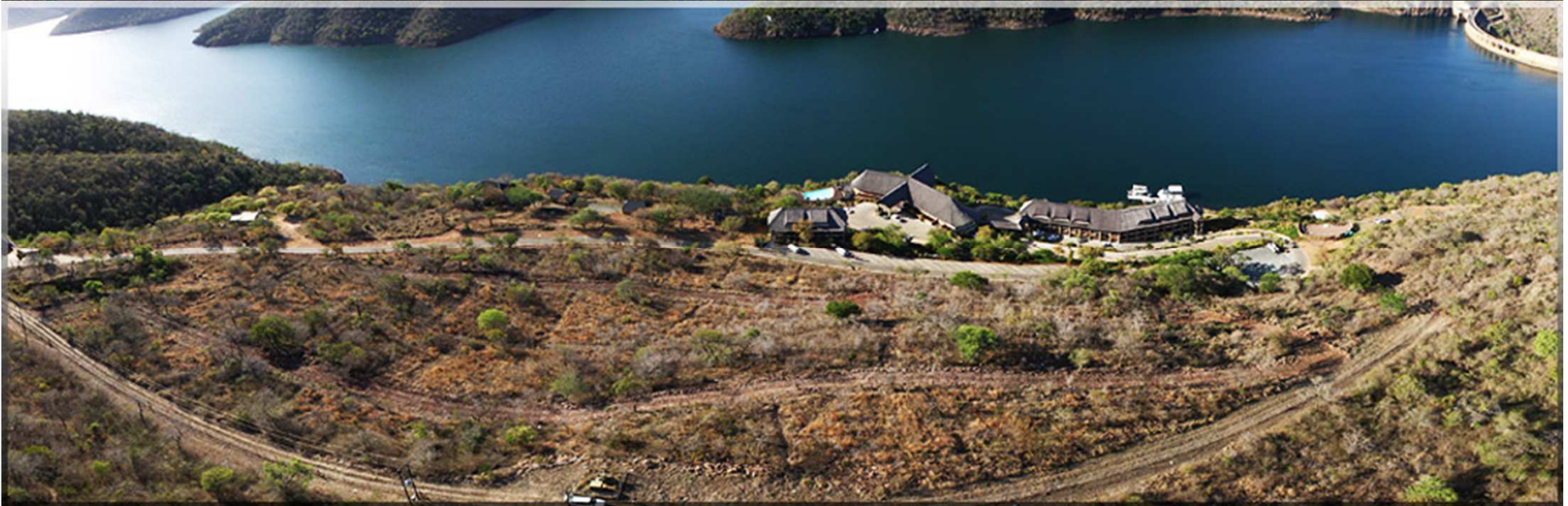
Mr. Nathi Thusi
(Chief Executive Officer)

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)
- 38849 house holds.
- 72% of population under 29 years of age.

Major Economic Sectors

- Agriculture
- Tourism
- Government services

Potential Economic Sectors

- Light industry
- Hospitality
- Retail



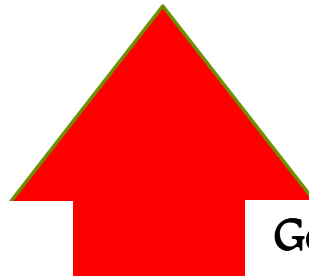
Municipality's role in LED promotion

- 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

Private Investors



Trade
leadership



Government



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
 - 3rd year Mar 2012 – Feb 2013 – 27,658 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

Occupational Category	Black	White	Total
Top management			
Senior management	2	4	6
Mid management	6		6
Trade professionals	5		5
Semi skilled	21		21
Work force	37		37
Total	71	4	75

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...**