



## **INFORMATION MEMORANDUM**

**INFORMATION MEMORANDUM ISSUED BY SOUTH AFRICAN  
NATIONAL PARKS IN RESPECT OF THE PROPOSED PUBLIC  
PRIVATE PARTNERSHIP PROJECT FOR THE RATELRIVIER  
FARMSTEAD IN THE AGULHAS NATIONAL PARK**



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## 1. INTRODUCTION

- 1.1 This Information Memorandum is issued by South African National Parks (“**SANParks**”) in accordance with the guidelines for Public Private Partnerships (“**PPPs**”) contained in National Treasury’s Tourism PPP Toolkit, and in compliance with Treasury Regulation 16 issued in terms of the Public Finance Management Act 1999.
- 1.2 SANParks is currently investigating the feasibility of a PPP opportunity in which it gives a selected private party the right to the commercial use of the Ratelrivier Farmstead in the Agulhas National Park.
- 1.3 SANParks makes no guarantees about and takes no responsibility for the accuracy and completeness of this Information Memorandum and disclaims any liability for any interested party’s use of the information.
- 1.4 This Information Memorandum is not intended to serve as the basis for an investment decision. Each recipient is expected to make an independent investigation and to obtain the necessary independent advice regarding the PPP opportunity.
- 1.5 SANParks may change or replace any information contained in this Information Memorandum at any time, without giving any prior notice or providing any reason.
- 1.6 In a typical PPP agreement in this sector, the private party is granted rights to finance, refurbish, design, build, maintain and operate a tourism facility on state conservation land for a period likely to provide a fair return on investment. In return, the private party will meet agreed environmental, development, operating and broad-based BEE obligations, and pay a PPP fee to SANParks. At the end of the agreement term, the facility reverts to SANParks.
- 1.7 SANParks is following the PPP feasibility and procurement processes set out in *National Treasury’s PPP Toolkit for Tourism*. The toolkit can be downloaded from [www.ppp.gov.za](http://www.ppp.gov.za).

## 2. SANPARKS’ VISION, MISSION AND KEY STRATEGIC OBJECTIVES

### 2.1 SANParks’ Vision and Mission

South African National Parks was established as a parastatal through an Act of Parliament in 1927. As per the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), SANParks is a Schedule 3(a) “public entity” that

functions under the ambit of the National Environmental Management Act (“**NEMA**”): Protected Areas Act, 2003 (Act 57 of 2003) read concurrently with the Biodiversity Act of 2004 and the Protected Areas Act. The core mandate of SANParks is the conservation and management of biodiversity and associated cultural heritage through a system of National Parks. SANParks is also involved in the promotion and management of nature-based tourism, and delivers both conservation management and tourism services through an authentic people centred approach on all its programmes.

The organisation’s operations are totally guided by its vision statement (the word picture of the future) and mission statement (depicting the purpose of its existence). As a public entity, the organisation is committed to act in pursuance of transformation of South Africa’s society in support of entrenching South Africa’s democracy. In this regard the organisation has adopted a transformation mission to guide its efforts accordingly.

**VISION** - National parks will be the pride and joy of all South Africans and of the world.

**MISSION** - To develop and manage a system of national parks that represents the biodiversity, landscapes, and associated heritage assets of South Africa for the sustainable use and benefit of all.

**TRANSFORMATION MISSION** - To ensure effective transformation both within SANParks and the broader society and economy, through the implementation of broad-based Black Economic Empowerment in support of the Constitution of South Africa.

## 2.2 **SANParks’ Key Strategic Objectives**

SANParks’ business operations are founded on three important core pillars:

### 2.2.1 Conservation

The primary mandate of the organisation is the conservation of South Africa’s biodiversity, landscapes and associated heritage assets through a system of National Parks.

### 2.2.2 Nature-based tourism

The organisation has a significant role in the promotion of South Africa's nature-based tourism, or ecotourism business targeted at both international and domestic tourism markets. The eco-tourism pillar of the business architecture provides for the organisation's self-generated revenues from commercial operations that is necessary to supplement government funding of conservation management.

A significant element of the ecotourism pillar is the Strategic Plan for Commercialisation which (through the implementation of Public Private Partnerships) has as its objective reducing the cost of delivery, improving service levels by focusing on core business and leveraging private capital and expertise as well as the objective of expansion of tourism products and the generation of additional revenue for the funding of conservation and constituency building.

### 2.2.3 Constituency building towards a people-centred conservation and tourism mandate

SANParks is required to build constituencies at international, national and local levels, in support of the conservation of the natural and cultural heritage of South Africa. It has to ensure that a broad base of South Africans participate and get involved in biodiversity initiatives, and further that all its operations have a synergistic existence with neighbouring or surrounding communities for their socio-economic benefit.

The core mandate of the organisation derives from its biodiversity conservation role, thus the conservation pillar is regarded as the basis upon which the other two sub-core pillars' programmes and activities are directed.

In addition to the core and sub-core business pillars that provide SANParks with a level of uniqueness, the organisation has generic support functions of Finance, Human Resources, Corporate Communications, Corporate Support Services (including Information and Communications Technology), and Legal Services. The operational component of SANParks is delivered through the current twenty two (22) national parks – these being organised under two divisions namely, Kruger National Park and the Parks Division (which entails the remaining twenty one (21) national parks).

### **3. ARTICULATION OF SANPARKS' COMMERCIALISATION POLICY, OBJECTIVES AND STRATEGY**

#### **3.1 The Motivation for Commercialisation**

“Global conventions and programmes alone are not enough to ensure the continued existence of, and sufficient funding for, protected areas. In times of fiscal austerity and tightening government budgets – especially in developing countries which are home to much of the world’s biodiversity – traditional funding sources are increasingly under threat. Innovative alternatives to these traditional sources are needed in order to secure the long term viability of protected areas.” (IUCN, 1998)

In order to encourage greater efficiency in the delivery of public services, the Cabinet in April 1997 approved the establishment of an interdepartmental task team chaired by the Department of Finance, to explore how public private partnerships could improve infrastructure and service delivery efficiency, and make more efficient use of under-utilised state assets. The key objectives of this programme were to develop a package of cross-sectoral and inter-Institutional policies and legislative and regulatory reform.

In September 1998, the Department of Environmental Affairs and Tourism articulated the need for SANParks to prepare for a lesser dependence on state funding, which would increasingly be aimed at funding the essential conservation requirements. This formed the basis of the Commercialisation Strategy adopted by SANParks in 2000 with its foundation in the economic theory which defines the State’s responsibility as one of performing a regulatory function and intervening in the market-place only where there is market failure. The objective was to reduce the dependence on state funding and improve existing operational efficiencies. This does not imply that SANParks has to be independent of the State but rather that the collective funding sources (i.e. state funding, private donations, NGO and international donations, SANParks’ tourism activities and commercialisation) must be able to “sustain” the total business of SANParks. Sustainable tourism development depends on a partnership and balance between the social, technological, economical, the environment and political values and benefits. Hence, should one source of funding be threatened, SANParks must be able to absorb such withdrawal without compromising its sustainability.

The implementation of the Commercialisation Strategy 2000, resulted in the awarding of 11 (eleven) concession sites to private operators, seven of which are in Kruger National Park, two in Addo Elephant National Park, and one in Cape Peninsula National Park.

In addition to the concessions, the Commercialisation Strategy 2000 also resulted in the awarding of 21 shops and 17 restaurants across all national parks to private operators. Facilities were upgraded by the operators and SANParks receives a PPP Fee from these operators.

### 3.2 **The Strategic Plan for Commercialisation 2006**

Following the implementation of the Commercialisation Strategy 2000, there have been significant developments in SANParks' approach to PPP initiatives. SANParks accordingly developed the Strategic Plan for Commercialisation 2006 to accommodate and benefit from:

- (i) The experience and specialist skills acquired;
- (ii) The lessons learnt from implementation and management of PPPs;
- (iii) Legislative requirements; and
- (iv) The extended scope of projects identified to enable SANParks to improve its infrastructure towards 2010 and beyond, generate revenues, promote BEE and create employment.

The objective of the strategy is to ensure that SANParks has the fundamentals including capacity in place for managing existing, and for entering into new PPPs successfully. In addition, SANParks has a responsibility towards creating tourism infrastructure on a longer term as compared to a tourism organisation run by a private company. Such infrastructure will enable South Africa to compete with global tourism destinations like Brazil, Thailand etc. Commercialisation through Public Private Partnerships provides SANParks the opportunity to achieve this goal.

High-level commercialisation objectives for SANParks include any or all of the following:

- Revenue Generation;
- Loss minimisation or savings on existing operations;

- Optimal use of under-performing assets;
- Job creation;
- Broad based Black Economic Empowerment;
- Infrastructure upgrades;
- Upgrade/development of historical and/or cultural sites;
- Tourism promotion; and
- Further biodiversity protection and conservation.

For more background on SANParks please visit [www.sanparks.org](http://www.sanparks.org).

#### **4. A DESCRIPTION OF THE PPP OPPORTUNITY AT THE RATELRIVIER FARMSTEAD IN THE AGULHAS NATIONAL PARK**

##### **4.1 Introduction**

With the establishment of the Agulhas National Park (“ANP”), various private farms and properties were acquired which formed the core of the Park. As part of these acquisitions, several historical assets in the form of cultural historic farm houses and sites were acquired. These cultural historical assets are governed by the SA Heritage Resources Act (refer [www.sahra.org.za](http://www.sahra.org.za)) and accordingly have to be protected and conserved. It is therefore SANParks’ approach to refurbish these assets and to conserve them in accordance with SANParks’ conservation mandate. In accordance with the SANParks Strategic Plan for Commercialisation, the Ratelrivier Farmstead will be offered on tender to a Private Party to be refurbished, maintained, upgraded and operated as a tourism product.

##### **4.2 The Project Site**

4.2.1 The Ratelrivier Farmstead comprises of a collection of the 18th, 19th and 20th Century farm buildings that reflect the Dutch pioneering period and British occupancy of the Cape Colony. The core of the homestead dates to the early 18th century. The building has expanded over time with additions in the 19th and 20th centuries. The original “bywonershuisies” were re-used as servant accommodation and were later converted to cottages. Around 1903 a stone stable was constructed by which encloses the farmyard. A cemetery is located about 500 metres from the homestead. The buildings were constructed with exposed limestone, and later white washed, all with thatch roofs.

4.2.2 SANParks has a clear mandate to commercialise business opportunities

through the involvement of the private sector. SANParks purchased the Ratelrivier farm in August 2003 and the farm was proclaimed National Park on 30 July 2004. Refer to Annexure 2 and Annexure 3 for additional information on the Ratelrivier Farmstead.

4.2.3 The Ratelrivier Farmstead features prominently in the recently published novel, “Driftwood” that was written by the well known, late Afrikaans author Dalene Matthee. The name of the Afrikaans version is “Die Uitgespoeldes”.

#### 4.3 **Role of the Private Party**

The Ratelrivier Public Private Partnership requires that the Private Party is responsible for:

4.3.1 the securing of funding to refurbish the Ratelrivier Farmstead to a 4-star or 5-star accommodation establishment

4.3.2 the refurbishment and development of the farmstead;

4.3.3 the provision of the furniture, fittings and equipment required for the farmstead;

4.3.4 the landscaping required at the farmstead;

4.3.5 the operation and management of a fully catered 4-star or 5-star tourism product (inclusive of accommodation and activities) at the farmstead; and

4.3.6 the transfer of the farmstead back to SANParks at the end of the Project Term.

#### 4.4 **Access and Exclusivity**

4.4.1 SANParks retains the right to award tenders of similar scope, i.e. an accommodation product at one or more of the other historical buildings elsewhere in the Park.

4.4.2 Any activities offered from the Ratelrivier Farmstead, i.e. hiking, drives or access to the beach, will be conditional to SANParks’ requirement that no portion of the Park would be reserved for exclusive use by guests to Ratelrivier.

4.4.3 The west to east Park road is critical in the success and future of the Park and therefore SANParks will retain the right to provide public access to the Park alongside the Ratelrivier property.

4.4.4 SANParks will also ensure that the public has the right to visit this important cultural historical entity on a managed and agreed on basis with the Private Party.

#### 4.5 **Private Party Investment Requirements**

4.5.1 SANParks has secured funding through the Infrastructure Development Programme (“**IDP**”) administered by the Department of Environmental Affairs and Tourism (“**DEAT**”). An amount of R3,636,418 (exclusive of VAT) has been secured for:

4.5.1.1 water provisioning by upgrading the 2.7 kilometre water pipeline;

4.5.1.2 implementing damp proofing measures at the Main House; and

4.5.1.3 the refurbishment of selected areas of the existing roofing.

4.5.2 The IDP funding outlined in paragraph 4.5.1 above is subject to the programme requirement that the funds are utilised before the end of March 2009.

4.5.3 The Private Party will be responsible for the remainder of all capital expenditure required for this PPP Project.

#### 4.6 **TGCSA Accreditation**

4.6.1 The Private Party will be responsible for the operation, maintenance and management of a fully catered 4-star or 5-star tourism product (inclusive of accommodation and activities) at the Ratelrivier Farmstead.

4.6.2 SANParks shall require the Private Party to obtain a 4-star or 5-star grading accreditation for the accommodation product from the Tourism Grading Council of South Africa (“**TGCSA**”).

4.6.3 Such accreditation is compulsory and should be obtained within 12 months from Operation Commencement Date and renewed thereafter on an annual

basis.

4.6.4 Failure to obtain the applicable grading will be grounds for termination of the PPP Agreement.

4.6.5 Information on the TGCSA accreditation, categories, process etc. can be obtained from the website: [tourismgrading.co.za](http://tourismgrading.co.za).

#### 4.7 **Branding**

4.7.1 The Private Party will not be obliged to use the “Ratelrivier” trademark in the naming and branding of the 4-star or 5-star accommodation establishment at the Ratelrivier Farmstead.

4.7.2 In the event that the Private Party elects to use the “Ratelrivier” trademark, the conditions of paragraph 4.8 below will be applicable.

4.7.3 The naming, branding and signage of the Project Site shall be done in consultation with SANParks and subject to SANParks’ approval.

#### 4.8 **Intellectual Property**

4.8.1 The use of any branding, logo, trademark, trade name, get up, signage, outdoor advertising, promotion, promotional or marketing material or other proprietary intellectual property in connection with the Project Site shall require the prior written approval of SANParks.

4.8.2 It is specifically recorded that all intellectual property rights whatsoever, whether capable of registration or not, regarding SANParks’ trademarks, names, logo, image and all other intellectual property matters relating to SANParks, its name, logo and/or image shall remain the sole property of SANParks.

4.8.3 Subject to existing rights and obligations, SANParks shall, on application by the Private Party, grant a non-exclusive right and licence to the Private Party to use SANParks’ trademarks which relate to the Park. Should any of SANParks’ trademarks, names, logos, images and all other intellectual property matters be required for use outside of the PPP Agreement, they will be subject to terms and conditions negotiated with SANParks. This includes the granting of licences to trade merchandise with SANParks’ trademarks,

names, logos, images and all other intellectual property matters outside of SANParks' retail facilities.

- 4.8.4 In order to establish and maintain high standards of style, quality and proprietary associated with the Park, in the event the Private Party desires to use SANParks' trademarks or logos which relate to the Park in any way, the Private Party shall first submit the concept or a sample of the proposed use to SANParks for approval. Under no circumstances shall any use of SANParks' trademarks or logos, which relate to the Park, or the image or likeness of any trademark, logo or image, which SANParks in good faith believes reflects unfavourably upon or disparages the Park, be approved. If SANParks approves the concept or sample, the Private Party shall not depart therefrom in any material respect without SANParks' further written approval.
- 4.8.5 If at any time SANParks withdraws its approval for the specified use of any trademark or logo, the Private Party shall forthwith discontinue all use of SANParks' trademark or logo and shall remove from public sale or distribution, any previously approved product in respect of which SANParks has rescinded approval.
- 4.8.6 The Private Party acknowledges that the name of the Park (the "**Protected Name**") is associated with and peculiar to the Park and is the intellectual property of SANParks. Consequently, the Private Party agrees that the sole and exclusive ownership of the Protected Name shall vest in SANParks and should the Private Party utilise the Protected Name, it does so only in terms of the PPP Agreement and with the prior written approval of SANParks.
- 4.8.7 In circumstances where the Private Party utilises any of the Protected Names, either singularly or in combination or association with any other name, it does so only in terms of the PPP Agreement and on termination of the PPP Agreement, the Private Party shall not be entitled to operate or conduct any business using the Protected Name in combination or association with any other name.
- 4.8.8 In circumstances where the name chosen by the Private Party and approved by SANParks is not part of SANParks' intellectual property, then the rights of SANParks contemplated in this paragraph 4.8 will not be applicable and the intellectual property will be the sole property of the Private Party.

## 4.9 Future Planning within the Agulhas National Park

4.9.1 The Agulhas National Park is still in a development phase and, as opposed to the majority of other National Parks, is currently unfenced. Hence, the existing game viewing activities are limited and whilst significant development is being planned for the medium to long term, SANParks cannot provide any guarantees with regard to additional game introduction or infrastructural development in the Park. However, the Park's offerings, specifically the southern-most point of Africa at Cape Agulhas Lighthouse with the confluence of the Atlantic and Indian oceans, are unique to this Park.

4.9.2 The Tourism Development Framework for Cape Agulhas indicated the importance of the Park, in particular the southern-most tip of Africa, as a major tourism role player in the area. Accordingly, the following Infrastructure Development Plan for 2010 is anticipated:

4.9.2.1 A new 50 to 60-bed rest camp. The rest camp will be situated in the east of the Park, about 30 kilometres from Ratelrivier. The product will be similar to the other traditional SANParks rest camps that forms the base of SANParks' tourism offering of self-catering accommodation. It is anticipated that the rest camp will be a 3-star self-catering product. With the accommodation offering at Ratelrivier being a fully catered 4-star or 5-star product, it is improbable that the two products would compete for the same market segment.

4.9.2.2 Restoration of the historical homesteads Renosterkop, Rietfontein and Ratelrivier.

4.9.2.3 A network of tourist roads in the Park which are accessible to sedan vehicles connecting the southern-most area with the remainder of the Park and the Ratelrivier area;

4.9.2.4 A camping site at "Die Damme" and entrance gates at the East, West and Northern side of the Park;

4.9.2.5 Development of the southern-most point of Africa at Cape Agulhas Lighthouse as a tangible tourism attraction; and

4.9.2.6 Development of the Cape Agulhas Lighthouse precinct. (Please refer to Annexure 5 – Southern Tip Precinct Plan which is not been finalised,

but for information purposes only, for details on this planned development.

#### 4.10 **Current Condition of the Raterivier Farmstead**

The Raterivier Farmstead has been largely unutilised for the past 4 years and hence, without any significant maintenance done, a number of the buildings are deteriorating at a rapid pace. Major refurbishments will be required and as the farmstead is a historical building, the Private Party will be required to comply with all conditions as stipulated by the South African Heritage Resource Agency (“**SAHRA**”) and Heritage Western Cape.

#### 4.11 **Statutory Approvals**

4.11.1 All development, refurbishment and landscaping plans are to be submitted to SANParks for approval, prior to submission to any of the relevant Authorities.

4.11.2 All development and refurbishment performed by the Private Party are to be in line with the Agulhas National Parks Conservation Development Framework (“**CDF**”) and Park Management Plan. Park Policy and legislative requirements are to be consulted for the environmental guidelines applicable (Refer to Annexure V of the PPP Agreement for the Environmental Specifications).

4.11.3 Heritage Western Cape may insist on an archaeological investigation of the Project Site.

4.11.4 The development and refurbishment of the Project Site will be subject to:

4.11.4.1 Approval by Heritage Western Cape and South African Heritage Resource Authority (“**SAHRA**”) in terms of the National Heritage Resources Act; and

4.11.4.2 An Environmental Impact Assessment (“**EIA**”) and/or Scoping Report approved by the National Department of Environmental Affairs and Tourism (“**DEAT**”) with any alterations to the buildings or the site to commence subsequent to a Record of Decision (“**RoD**”) issued by DEAT.

4.11.5 Preliminary heritage guidelines have been drafted (attached as Annexure 1)

which provides guidelines for the development.

#### 4.12 Current Infrastructure

The table below outlines the approximate surface areas of all covered buildings that exist on the Ratelrivier Farmstead. Please refer to Annexure 6 – Ratelrivier Floor Plans for detailed floor plans of all related structures.

Structure	Surface Area
Main House	552 m <sup>2</sup>
Stable	515 m <sup>2</sup>
Cottage 1	24 m <sup>2</sup>
Cottage 2	61 m <sup>2</sup>
Cottage 3	70 m <sup>2</sup>
Cottage 4	114 m <sup>2</sup>
Workshops	545 m <sup>2</sup>
“Bywoners” Cottage	100 m <sup>2</sup>
“Bywoners” House 1	115 m <sup>2</sup>
“Bywoners” House 2	138 m <sup>2</sup>
2 Paddocks	Not covered
Swimming pool	Not covered

**Table 1: Ratelrivier Farmstead Structures**

#### 4.13 Description and Quality of Supporting Infrastructure

4.13.1 The Ratelrivier Farmstead is situated just eastwards of the R317, a public gravel road, which is in very good condition. Approximately 300 metres from the farm entrance, the gravel road intersects with the R43, a tarred road which links Die Damme with Gansbaai via Pearly Beach, Uilenskraal Mond and Franskraal. Gansbaai is situated 65 kilometres east of Hermanus, the whale watching capital of the Cape.

4.13.2 SANParks recognises that the type of tourism product likely to be offered at the Project Site may necessitate additional roads and tracks to be constructed and maintained by the Private Party. All new roads and tracks will be subject to a detailed assessment as part of the EIA process.

4.13.3 The existing access to the Ratelrivier Farmstead is via a gate on the south-

western side of the farmstead. However, with the farmstead facing north, the entrance should be moved accordingly to maximise the aesthetic value of the Project Site. The Private Party is required to reposition the access subsequent to approval by SANParks.

4.13.4 ESCOM electricity is available on site but due to excessive rusting of the existing metal electrical conduits, it is envisaged that the entire electrical circulation has to be replaced. With dampness occurring on the skirting level due to the absence of isolation, engineering expertise may be required to lower the water table with drainage ditches.

4.13.5 The area is supplied with running water. However, the current water pressure is weak presumably due to blockage and/or a leak in the 2.7 kilometre supply pipeline. Upgrading of the pipeline is planned with funding from the Infrastructural Development Programme. Water conservation practices should be adhered to.

4.13.6 Both Telkom communications and cellular coverage are available at the Project Site with the cell phone relay tower on the Buffelsjag Mountain a mere 2 kilometres away. Telkom lines are available on site in standard overhead Telkom format. However, the Private Party would be expected to replace the overhead lines with underground cables.

4.13.7 A sewerage system is existent at the Project Site; however, with the expected increase in carrying capacity, the Private Party must ensure that the wastewater management system is capable of ensuring that liquid wastes are treated to a level that meets the South African water quality regulations and SANParks specifications. Local bylaws require all new sewage to be channelled to an acceptable collection point for removal.

#### 4.14 **Market Review**

##### 4.14.1 Current Tourism Trends

Current tourism trends reflect an incline in the number of international visitor arrivals to South Africa. The Western Cape is also a traditional holiday destination for the local tourism market.

South Africa was ranked number six in the top 10 world travel destinations in 2005 as determined by an annual survey by iExplore, a US-based online seller of adventure and experiential travel. South Africa moved up seven spots from number 13 in 2004, beating countries like France, Italy and New Zealand.

South Africa is seen as one of the most diverse and enchanting countries in the world. As a holiday destination it has an exotic combination of landscapes, people, history, wildlife and culture, making it increasingly popular.

There are several factors that have enabled South Africa to do this well:

- South Africa is seen as a relatively safe destination, distanced from the war on terrorism;
- Despite the continuing strength of the Rand, South Africa still represents good value for money. American Express ranked SA as the world's second most affordable destination in 2005; and
- South Africa has impressive tourism assets, including world-class beaches that enjoy year-round sunshine. Its vibrant and culturally diverse cities provide excellent shopping and dining.

It is also envisaged that tourism to the Agulhas area will escalate due to the following:

- There is a distinct drive to develop and market the Agulhas area (through the Tourism Development Framework for Cape Agulhas , The Overberg District Municipality, the ABI project and the Provincial government);
- The emerging local wine producing initiative with excellent "Most southern" types of especially white wines and also excellent red wines;
- Emerging Cape Fynbos wild flower harvesting & utilisation;
- Emerging cultural tourism in nearby Elim village;
- Rich cultural and bio diversity of the Agulhas Plain area
- Interesting wetlands & associated wildlife, especial birds;
- Exciting white shark viewing and cage diving sites at nearby Dyer island; and

- The upgrading / tarring of the road between Gansbaai and Bredasdorp.

Prospective Bidders are responsible for their own due diligence of the opportunities and the related market trends.

#### 4.14.2 Competitor Analysis

Ratelrivier is reasonably close to Hermanus which has a diverse range of accommodation offerings. Retreats similar to Ratelrivier are found in the winelands area and closer to Cape Town e.g. Groote Constantia and Zevenwacht but it appears not to be the case in the Overberg and Agulhas areas where similar historical farmstead retreats are limited.

#### 4.14.3 Unique Selling Features

Ratelrivier's age, history and peaceful location makes this farmstead unique in numerous ways. The stables that form part of the farmstead are unique and portray an era of wealth and stature. With its grand old buildings and open lawns the farmstead is well designed as a wedding and other formal events venue.

The Ratelrivier Farmstead is located within the proclaimed Agulhas National Park whose local lowland vegetation is vital for the conservation of the fynbos biome in South Africa. More than 1750 plant species and a massive 112 Red Data Book species have been recorded on the Agulhas Plains.

The Agulhas region is unique in terms of the wide variety of wetlands that occur within a relatively small area, including freshwater springs, rivers, estuaries, lakes, vlei's and endorheic pans

The Agulhas plains are considered to be an exceptionally rich archaeological and cultural region. Research has shown that people occupied the area for well over thousands of years. Numerous old and historical shipwrecks lay scattered along the local coast line. Numerous shipwreck survivors have been absorbed into the local community, adding to the rich cultural diversity of its people.

## **5. AREAS FOR CONSIDERATION BY THE PRIVATE PARTY**

### **5.1 Environmental Pre-scoping to Screen for Fatal Flaws**

It is improbable that there will be any fatal flaws relating to environmental matters at the Ratelrivier Farmstead. The Conservation Development Framework (“**CDF**”) for the Agulhas National Park has been prepared to comply with the requirements of the Protected Areas Act (“**PAA**”) (Act 57 of 2003). A CDF is a strategic spatial plan for a National Park and its surrounds which serves as a management tool.

The spatial plan indicates visitor use zones, areas requiring special management intervention, nodes where facilities are to be provided, entry points and movement routes through the Park, and management of land use along the Park’s borders. Accompanying the spatial plan is a set of management guidelines. The Agulhas National Park CDF is underpinned by a scientific assessment of the value and sensitivity of the Park’s environmental resources.

The Agulhas National Park has drafted a Park Management Plan along with the CDF as per the NEMA: PAAA requirements, which are awaiting approval from DEAT. The Private Parties should examine the Park Management Plan to obtain insight into the Park in general and the future planning and management of the Park.

### **5.2 Personnel and Human Resources**

There is an expectation from the local communities (including Elim and Buffeljags Baai), who have an extensive and close relation with the Ratelrivier farm, to benefit from its continuous operation. Members of such communities have over the Ratelrivier Farmstead’s distinguished history, played an important role in its development and management and are eager to continue to do so. The Private Party will hence, be required to source its operational staff from the nearby villages of Elim, Buffelsjagsbaai and other.

The local farming community, land owners and the local (Gansbaai) business community also have an expectation to be involved with Ratelrivier i.e. the provision of local produce, local experience and business opportunities on goods and services that an operational Ratelrivier would offer.

### 5.3 **BEE and Social Development**

Local communities such as the Elim community, the adjacent Buffelsjags Baai community as well as the emerging and growing population of the greater Gansbaai area pose ideal BEE development opportunities. It is envisaged that the Ratelrivier PPP will be able to play a major role and provide much needed training and development opportunities associated with an upmarket accommodation establishment envisaged for the Project Site.

The Private Party will be obliged to partner with a Local Community Trust being a registered Trust comprising of members of any/all of the communities that reside within a 50 km radius of the Project Site or Park.

Economic empowerment opportunities evolve around tourism service delivery, tour guiding and creating a market for local goods and services. The economic empowerment is not necessarily limited to the tourism industry but also in the training, technical and development fields of the bigger Agulhas Plains area.

### 5.4 **Risk Allocation and PPP Fees**

An objective of the Strategic Plan for Commercialisation and all PPP Projects is to transfer the maximum amount of risk to the Private Party. Annexure 6 of the RFP contains a risk matrix that will be submitted by bidders, indicating the risk elements specific to the project, mitigating measures and the allocation of such risk between the Private Party and SANParks.

Under the terms of the PPP Agreement, the PPP fee income to SANParks shall be the higher of the Minimum PPP Fee as stipulated in Annexure 8 of the RFP increased annually by inflation or the Variable PPP Fee (a flat percentage of gross revenue earned by the private party in each project year).

All bidders should do their own calculations and make their own assumptions in order to determine the feasibility of the project.

## 6. RATELRIVIER FARMSTEAD MAP

### 6.1 Ratelrivier Farmstead Location

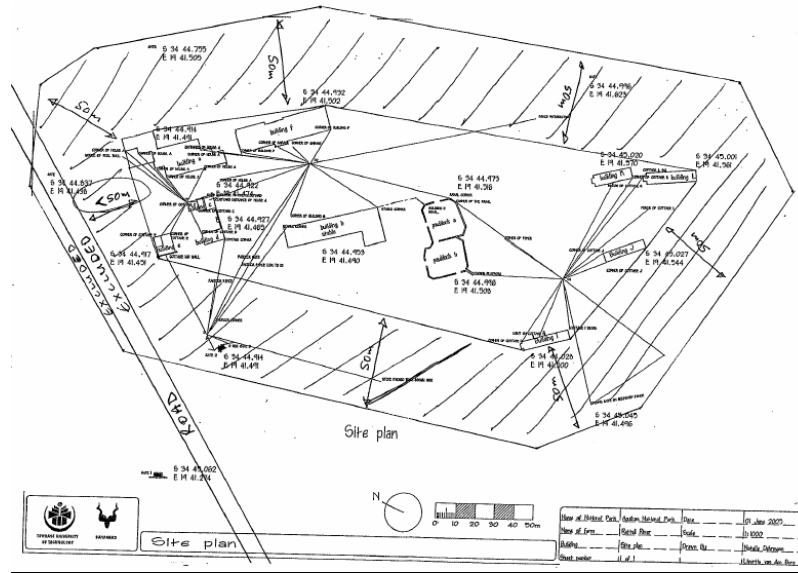
The Ratelrivier Farmstead lies on the Western Border of the Agulhas National Park (as per the parks extent in July 2007) – refer Figure 1: Ratelrivier Farmstead location within the Agulhas National Park.



**Figure 1: Ratelrivier Farmstead location within the Agulhas National Park**

6.2 Ratelrivier Precinct

Figure 2: Ratelrivier Farmstead Precinct forming the base of the tender outlines the precinct that would be for exclusive use by the operator:



**Figure 2: Ratelrivier Farmstead Precinct forming the base of the tender**

6.3 Ratelrivier GPS Coordinates

The following table outlines the GPS readings of the farmstead:

Structure	GPS Coordinates
Main House	S34 44.914 E19 41.491
Stable	S34 44.953 E19 41.490
Cottage 1	S34 44.922 E19 41.474
Cottage 2	S34 44.927 E19 41.465
Cottage 3	S34 44.917 E19 41.451

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Structure	GPS Coordinates
Cottage 4	S34 44.028 E19 41.500
Workshops	S34 44.932 E19 41.502
“Bywoners” Cottage	S34 45.027 E19 41.544
“Bywoners” House 1	S34 45.001 E19 41.561
“Bywoners” House 2	S34 45.020 E19 41.570
2 Paddocks	S34.44.973 E19 41.516

**Table 2: GPS Coordinates of the farmstead**

**7. ANNEXURE 1 – PRELIMINARY HERITAGE GUIDELINES**

**8. ANNEXURE 2 – HISTORICAL INFORMATION ON THE FARMSTEAD**

**9. ANNEXURE 3 – HERITAGE WESTERN CAPE ACCREDITED MEMBERS LIST**

**10. ANNEXURE 4 – TOURISM DEVELOPMENT FRAMEWORK FOR CAPE AGULHAS**

**11. ANNEXURE 5 – SOUTHERN TIP PRECINCT PLAN (NOT FINALISED – FOR INFORMATION PURPOSES ONLY)**

## **12. ANNEXURE 6 – RATEL RIVER FLOOR PLANS**