

PROPOSED ESTABLISHMENT OF THE RADISSON BLU SAFARI RESORT
Final Minutes
FOCUS GROUP MEETING WITH CONCESSIONS SOUTHERN REGION OF THE KRUGER
NATIONAL PARK

Date: 11/03/2011
Time: 14h30
Venue: Skukuza Financial Boardroom



In Attendance:

Project Team	Organisation
Environmental Consultants:	
Karen Botes	Interdesign Landscape Architects (ILA) - Managing Director
Claudia Coetzee	ILA – Environmental Assessment Practitioner
Alicia de Swardt	ILA – Administrative Assistant
Applicant:	
Peter Wright	Malalane Safari Resort Pty Ltd
Andrew McLachlan	The Rezidor Hotel Group
Environmental Control Officer:	
Jaco Buys	Malalane Safari Resort Pty Ltd
SANPARKS:	
Audrey Kekana	SANPARKS – Concessions Project Manager
Giju Varghese	SANPARKS – Head Business Development
Sibusiso Nyemba	SANPARKS – Legal Representation
Abe Sibiya	SANPARKS- Managing Executive Kruger National Park
Concession Representatives	Concession
Louis Strauss	Jock Safari Lodge
Etienne Soiné	Shishangeni
Nick Leuenberger	Tinga
Gerrit Meyer	Rhino Walking Safaris
Craig Gebhardt	Lukimbi Safari Lodge
Other	Organisation
Willem Pelser	Rapport Newspaper

Welcome and Introduction

Mrs. Karen Botes (KB) from Interdesign Landscape Architects (ILA) Pty Ltd, the Environmental Assessment Practitioners, introduced herself and welcomed everyone present. KB introduced the Applicant, Landowner, Facilitators and Environmental Assessment Practitioners and the project team. KB informed all attendees that focus group meetings will be arranged with other affected stakeholders which are more effective than a Public Open Day.

The purpose of the meeting was:

- To present and discuss the findings of the draft Scoping Report;
- To provide affected parties with information regarding the proposed project and the preliminary findings of the Environmental Impact Assessment (EIA) process;
- To provide an opportunity for comments and issues; and
- To outline the way forward

KB proceeded to explain each slide of the presentation (*Refer to slideshow presentation sent per e-mail on 14 March 2011*).

Claudia Coetzee (CC) explained the EIA process. The next phase will be the Draft EIA Report & Environmental Management Programme (EMP) which will be made available for comment by registered Interested & Affected Parties (I&AP's). Furthermore she explained that the public participation was run during the December period as approved by The Department of Environmental Affairs (DEA) as this was a peak period for visitors to the Park.

Note that certain comments were of a similar nature; therefore comments included here highlight the main issues which arose and duplications have not been included.

Commentators	Comments
Gerrit Meyer (GM)	Boreholes will be used is capacity sufficient? Are you aware of the Pel's Fishing Owl site located near the development site..
Claudia Coetzee (CC)	No boreholes can be drilled until the Record of decision (RoD) has been given. Preliminary investigation indicated that four (4) boreholes will be required for the demand of 105,00l0/day. Further details would be included in the EIA Report. The project ecologist is aware of the Pel's Fishing Owl's location and is in contact with Mr Scott Ronaldson of the EWT regarding this. Mitigation measures will be determined to

	ensure that they are not disturbed by the development
Craig Gebhardt (CG)	Wanted to know what visual impact the hotel will have on surrounding environment and whether they are planning a multi storey hotel.
Peter Wright (PW)	Explained that the terminology of hotel created the wrong impression to the public and that the design will definitely compliment the environment. It would be no more than 2 storey.
Andrew McLachlan (AM)	Explained that the Redizor Hotel Group is a Scandinavian based company with many different interests around the world e.g. ski resorts etc. During their developments they are very aware of the environment and the community. He indicated that the development will be a ground floor complex with different buildings keeping in mind that it is in Africa in the Kruger National Park (KNP). It will deviate from the traditional style and will have a modern style.
CC	The Visual Impact Assessment (VIA) will also guide the development. The development interior as well as exterior is in the beginning stages. CC indicated that a VIA being conducted which will provide mitigation for anticipated visual impacts. This will be included in the EIA report.
Giju Varghese (GV)	SANPARKS also has design guidelines for development in the KNP to which the developer will be subject.
Craig Gebhardt (GG)	Concerned about traffic volume on the road and whether upgrades will be tarred?
PW	The type of road surface will be capable of handling the amount of traffic and type of vehicles. Engineers still to provide specifications. Will not be tarred.
Louis Strauss (LS)	The road is a definite problem In January road was closed for three (3) weeks due to the heavy rain therefore the road surface must be sufficient to carry the vehicles
Etienne Soiné (ES)	More information on the conference centre specifications is needed.
AM	It will be one large venue with conferencing linked to accommodation. A resort with a clubhouse which will be used for educational purposes as well as children's entertainment. 240 people is the maximum number of people which can stay over at the resort.
ES	This implies that at any given time 20 vehicles (if vehicles are 10 seater) will either arrive or leave the hotel and access to the hotel will be 24hours per day. This is if the hotel is at full occupancy.
GV	Yes, access from the Park & Ride. No tour operators will be allowed.
CG	Expressed his concern that SANPARKS has departed radically from its very strict 'After Hours Driving Policy' which is enforced on the concessions for environmental reasons. Disagrees strongly with WSP statement of insignificant impact of 1 vehicle every 1,76 minutes. Particularly at night when there are currently no vehicles operating because of the strict after hours driving policy. This is significant as the hotel is located 10km from the gate
Jaco Buys (JB)	Concern regarding night driving will be addressed through training as all staff will be trained

	and will undergo an induction course. Guidelines will be compiled by SANPARKS.
LS	Will guidelines for the resort be similar as per the Concession Operational Manual for other concessions? Will hotel staff have to comply with SANP Code of conduct?
AK	Yes staff will have to comply with Code of conduct
GM	What criteria determined hotel/lodge inside KNP and not outside? Was there not a requirement during the bidding process for Safari/Lodge experience? Concerned that Radisson does not have this as it is critical in this type of environment.
GV	Decided to approach a hotel company because the existing Malelane hotel burnt down and feasibility market for hotel exists as people were used to a hotel close to KNP. SANPARKS are dependant on certain expertise and needed them to have equity. The decision to build inside the KNP periphery has the advantage of better environmental control. On terms of the PFMA, looked for a SPV with correct expertise. Radisson own 20% only. Technical partners such as PW who have Safari/Lodge experience present in SPV.
PW	The tender was awarded to the Secprop Leisure Consortium, which currently consists of Secprop 118 Investments (Pty.) Ltd. and Siyazi Management Consultancy CC, the other partners having voluntarily withdrawn. In terms of the PPP Agreement, the rights under the award were ceded to a Special Purpose Vehicle (SPV) on December 22, 2010, Malelane Safari Resort Investments (Pty.) Ltd., of which Rezidor Hotels Limited was required to be a 20% shareholder. Rezidor, through its Radisson Blu brand, were appointed as the Hotel Operator in terms of a Management Contract dated October 27, 2010. The business strategy is to introduce a new concept to wildlife tourism by appointing an internationally renowned hospitality group with extensive marketing reach, who will attract foreign and domestic tourists to the Kruger Park who are familiar with the Radisson Blu brand and who will be able to relate to the standards of service applicable to that brand. The wildlife guest experience will be conducted by a separate company, to be managed by Jaco Buys and will employ game rangers and guides with extensive experience and training in wildlife tourism.
Nick Leuenberger (NL)	What is proposed regarding social responsibility of the development as Concessionaires have a large responsibility placed on them by SANPARKS. How does this apply to the hotel.

PW	<p>Social responsibilities will be divided into different compartments.</p> <p>Ownership: Community will own 20% equity Business people – 10% equity (Nelspruit) Directorship will be 50% black people from the community in managerial positions</p> <p>During the construction phase 230 jobs will be created for people from the community of which 20 jobs will be outside the KNP for example workshops.</p> <p>During the operational phase the community will be involved in procurement such as fresh produce, laundry, security etc.</p> <p>Social commitment in the form of community trust for funding of schools, clinics etc is in process.</p>
AM	Provided detail on the hotel group's commitment to social responsibilities.
LS	<p>The Development of this Hotel is repeatedly being punted as a replacement for the burnt down Malelane Sun Hotel but no guarantee or indication that a hotel to replace the burnt Malelane Hotel will not be rebuilt outside the Park.</p> <p>There is also the approved Mjejane Hotel site (150+ beds) on the Crocodile River (with direct access into the park via low water bridge). In essence there could be 3 new hotel facilities being developed that all put pressure on the Malelane section of the Park. Specifically Lukimbi and Jock are very concerned about the impact that this will have. If there is demand then this can be warranted, BUT current occupancies of the concessions and hotels certainly do not indicate that there is a demand.</p>
NL	What type of market is the hotel going the target?
AM	The hotel will aim for 4star status because there is a gap in the market for a 4 star facility. Domestic and traditional markets being targeted, but the facilities will be different from the concession's facilities.
	<p>A discussion about the different rates followed which revealed that the hotel rates would be very similar to that of the concessions. Approximately R1500 p/p excluding activities.</p> <p>All concessionaires felt that the hotel would therefore be focusing on the same market segment as they were despite the very slight difference in products and services.</p>
AM	Rezidor would help to grow the market through their wider reach in marketing and they believe they can attain high occupancies
GV	We are all selling beds and the same discussion was raised in 2000. Existing concessions have exclusive driving rights and not all occupancies are the same. The hotel/lodge will be different as it is aimed at conferences and secondary only is to visit the KNP. Accommodation is linked to conference. At the end the main reason to all is to come and enjoy the KNP and nature.
GM	What criteria made Rezidor the successful bidder and was there no requirement during the bidding process for Safari/Lodge experience? We are concerned that Radisson does not

	have this as it is critical in this type of environment. What time period was given is it also 20 years like concessions?
GV	<p>The bidder with the highest social score was successful. Evaluated as a PPP. Technical ability given 70% weighting. Once past this, the social score was evaluated.</p> <p>30 year time frame. Guided by PFMA and the level of investment.</p>
CG	<p>Big concern is the ecological impact. There will be more beds in the same broad market segment. This is going to impact concession occupancies. SANPARKS must consider the impact that this will have in the medium to long term.</p> <p>What is going to happen after 20 years when the concessions' contracts expire? If at the end of their 20 years concession period the concessions are not attractive to investors due to low occupancies. SANPARKS will have effectively promoted more ecological impact due to more facilities operating at lower occupancies. This is inefficient and against the principle of low impact/high value commercialization. The sustainability of either the concessions or the hotel (or both) is uncertain as a result of this strategic decision by SANPARKS</p> <p>Does the KNP have a long term plan? There must be a level of balance. And lastly I did not find any answers about the feasibility in the scoping report. Basing the feasibility of this development on KNP 2/3 star camp occupancies is not valid. A feasibility study should be done for the correct market segment.</p>
PW	Raddison Blu wants to raise the profile of the southern part of the KNP. He requested support to raise this profile and suggested future meetings between Raddison Blu and the Concessions.
LS	Where will waste be disposed of, as the TSB dumping site is full and is also not a registered site?
CC	WSP Group is in the process of compiling a report which will include the waste management plan and details on the disposal of waste..
CG	Will the hotel/lodge operations deviate a lot from the Concessions Operational Manual?
GV	<p>This is a separate contract. The legal contract will form the basis of an operational manual.</p> <p>An Operational Manual will be implemented.</p>
LS	Louis wanted to know if the Hotel staff would have to comply with SANPARK Code of Conduct?
Audrey Kekana (AK)	Explained that Raddison Blu will be handled in similar manner than the other concessions and that concerns will be addressed. They will also have to comply with the SANPARKS Code of Conduct.
LS	Requested that all concessions be treated equally. SANPARKS should keep the playing fields level for their commercial concession partners. This should apply to contract periods and operational conditions.
GV	Assured the concessions that the development of the resort was investigated and that the

	resort is offering a different product.
ES	What will the length of the concession period be; also 20 years like the concessions?
GV	30 year time frame. Guided by PFMA and the level of investment
PW	Thirty (30) years
GM	Nobody likes change and especially if the objective is to develop in the KNP where conservation is a major concern. The new venture will definitely have an impact on the concessions but we will approach it in a positive way as long as conservation stays priority. The Traffic impact is still of great concern as it impacts negatively on the experience that the KNP offers. Too much traffic and development will kill the goose that lays the golden egg.
PW	A new plan is necessary for SANPARKS to address the traffic volumes in the KNP. Therefore the Park & Ride facility will be implemented at the Malelane Gate not only for the hotel guests but also for day visitors. Park and Ride's will also be implemented at the Nubeni and Crocodile Bridge Gates .The aim is to grow the demand for educational game drives.
Abe Sibiya (AS)	SANPARKS' mission is to reduce the number of vehicles through the KNP by implementing Park & Rides for example.
GM	How do you think the proposed 250 bed Conference Hotel in Skukuza will affect you?
AM/PW	Don't perceive it as a threat
LS	Why did they select the site overlooking the sugarcane factory because this does not provide a 'bush' experience?
PW	Five (5) options for sites to bid on. Three of the sites were close to the gate and unsuitable; another across from Leopard Creek due to the visibility it was not selected. Yes, it does overlook the TSB Factory but the complex will be orientated away from it. Further more it had to be on the periphery of the Park and in a high density tourism zone.
AM/JB	This facility does differentiate itself from concessions by not focusing on a 'bush' type experience.
GM	When is the planned operational date?
PW	May 2013

Way Forward and Closure

KB discussed the way forward as per the slide show presentation.

KB further explained that the Draft Environmental Impact Assessment report will be available for public review in April 2011.

KB thanked everyone for attending the meeting.