Biodiversity, Heritage and Economy
iSimangaliso Wetland Park
2009/2010 Annual Report and
Financial Statements

Presentation to Portfolio Committee
10 November 2010
Biological diversity
Unique ecological and biological processes
Superlative natural phenomena
“Interdependence of the world’s natural and cultural diversity. It represents the universal values for which the Convention stands. While the central square symbolizes the results of human skill and inspiration, the circle celebrates the gifts of nature. The emblem is round, like the world, a symbol of global protection for the heritage of all humankind.”
“Poverty amidst Plenty”

• Socio-economic neglect

• Low-road growth path
  – Stagnation/decline
  – Embedded in regional fundamentals
  – Human & ecological disaster

• Key challenge:
  *Shifting the development trajectory*
**VISION**

"TO END THE PARADOX OF POVERTY AMONG PLENTY"

- 3 countries in 1 day
- Protocol
- Trilateral Ministers' Committee
- MEC Oversight Committee

**PROGRESS**

- Malaria programme
- Improvements to borders
- Establishment of Lubombo route
- Transfrontier areas
Vision and Mission of the Authority

“To protect, conserve and present the Wetland Park and its World Heritage Values for current and future generations in line with the standards laid down by UNESCO and the World Heritage Act, and to deliver benefits to communities living in and adjacent to the Park by facilitating optimal tourism and related development.”
An integrated conservation management and development strategy produces economic benefits in an area of market failure and limited alternatives.
## iSIMANGALISO Progress

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major tourism routes</td>
<td>N2 and R22</td>
</tr>
<tr>
<td>Community feeder roads</td>
<td>Sibaya, uMkhuze</td>
</tr>
<tr>
<td>Internal park roads</td>
<td>ES, uMkhuze</td>
</tr>
<tr>
<td>Land consolidation and rehabilitation</td>
<td>16 parcels, WS, uMkhuze</td>
</tr>
<tr>
<td>• Land consolidation</td>
<td>15000ha</td>
</tr>
<tr>
<td>• Commercial forestry areas</td>
<td>R5mpa</td>
</tr>
<tr>
<td>• Alien plant removal</td>
<td>3000 head</td>
</tr>
<tr>
<td>• Game reintroductions</td>
<td>6 prosecutions/4 demolished</td>
</tr>
<tr>
<td>Internal park roads</td>
<td></td>
</tr>
<tr>
<td>Fencing of entire park</td>
<td>230 km / R120m</td>
</tr>
<tr>
<td>Infrastructure development</td>
<td></td>
</tr>
<tr>
<td>Job creation</td>
<td>5303 temp 30 perm, 30 smmes</td>
</tr>
<tr>
<td>Training *</td>
<td>1058 people 09/10</td>
</tr>
<tr>
<td>SMME development</td>
<td>48</td>
</tr>
<tr>
<td>Consolidation</td>
<td>Tourism routes + must see attractions</td>
</tr>
</tbody>
</table>

Training incl – arts, crafts, alien plant id & herbicide application, construction, tour guiding, enviro education, admin & computer literacy, first aid, dangerous game, new venture creation & project management.
Infrastructure Roll-out

- Planning completed & Tenders prepared – 2009/10
- Awarded FY2010/11
Indicators of Economic growth

- **Businesses**: 2000 to 2010: <89% tourism businesses & <46% beds
- **Occupancy**: from below national ave. to above
- **Gate numbers**: 09/10 6.4%; revenue up 27%
Co-management & Revenue sharing

7 Co-management Agreements with a beneficiation basket
Annual payments, via co-management agreements (R500k in 09/10)
Small businesses

- Support programme: 98 small business and entrepreneurs, including tourism businesses
- 28 entrepreneurs awarded grants
- Concessions
Land care contracts

- 3 423 contracts
- 35 464 people employed
- R 70 112 249.64 to land care (rehabilitation and alien clearing)
Infrastructure Jobs and SMMEs

- 164 000 jobs in 7 years
- R 42 Million spent on 43 SMMEs
- R 36 Million for SMMEs for next 3 years
Tourism skills development

- hospitality trainees
- people trained as assistant chefs
- NQF 2 (site) & 15 NQF 4 (regional) tour guides

80% employment
Infrastructure and land care training

711 community workers trained to do the work
Vocational and life skills training
Art development programme

• Local artists: technical and business skills training

• Linkages with markets: Moses Mabhida stadium, KZNSA exhibition
Cultural heritage

- Performing arts, music, dance groups trained
- Performance events
Important safety net for neighbours: Harvesting of natural resources

- Ongoing sustainable resource use: (grazing, rushes, reeds, ilala, isikhonkho)
- incema each year.
Food security

- 39 gardens provided for 900 people
- 400 women trained
Education outreach builds biodiversity champions
iSimangaliso Higher Education Access Programme

Creating tomorrow’s CEOs, Park managers and tourism entrepreneurs
Equitable Access

Free access
FINANCIAL ANALYSIS
iSIMANGALISO WETLAND PARK AUTHORITY
Summary of Performance

- 2 independent national assessments including WWF and DEA
- Unqualified external audits since inception 8 years
- 2 Performance audits
# Summary of Financial Performance

<table>
<thead>
<tr>
<th></th>
<th>FY2003–2010</th>
<th>FY2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>R 432.0 m</td>
<td>R 61.7 m</td>
</tr>
<tr>
<td>(- of which MTEF)</td>
<td>R 84.7 m</td>
<td>R 15.7 m</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td>R 229.0 m</td>
<td>R 67.4 m</td>
</tr>
<tr>
<td><strong>Surplus before depreciation</strong></td>
<td>R 139.8 m</td>
<td>R 9.9 m</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>R 63.8 m</td>
<td>R 15.7 m</td>
</tr>
<tr>
<td><strong>Surplus/(deficit) after depreciation</strong></td>
<td>R 76.0 m</td>
<td>R (5.7) m</td>
</tr>
</tbody>
</table>
# Summary of Financial Performance

<table>
<thead>
<tr>
<th></th>
<th>FY2003–2010</th>
<th>FY2010</th>
<th>% expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash received</td>
<td>R 459.9 m</td>
<td>R 82 m</td>
<td></td>
</tr>
<tr>
<td>Cash paid to employees</td>
<td>R 63.8 m</td>
<td>R 12.0 m</td>
<td>16%</td>
</tr>
<tr>
<td>Cash paid to suppliers</td>
<td>R 213.9 m</td>
<td>R 37.6 m</td>
<td>53%</td>
</tr>
<tr>
<td>Cash from operating activities</td>
<td>R 182.2 m</td>
<td>R 32.4 m</td>
<td></td>
</tr>
<tr>
<td>Cash expended on capital</td>
<td>R 123.0 m</td>
<td>R 21.0 m</td>
<td>31%</td>
</tr>
<tr>
<td>Cash at end Mar 2010</td>
<td>R 72.8 m</td>
<td>R 72.8 m</td>
<td></td>
</tr>
</tbody>
</table>
Trends:
Park revenue increased 27% in last financial year
Grants decreased from last financial year but will increase in 2011 as new grant comes on stream
**EXPENDITURE TRENDS**

**Trends**
Costs related to Park management increasing as product being developed e.g. fence & road maintenance
BEE spend 85% of expenditure
The challenge of using biodiversity to generate economic opportunity

• Rural area - poverty
• High expectations of delivery in a recessionary economy
• Investment generation
• Intergovernmental delivery to create large scale regional economic opportunity adjacent to the Park – Duku/CFR
• Optimising Revenue vs Maximising revenue
Thank you