

Summary Report and Learning Points  
from the Cableway Investment Conference (20 & 21 June 2016.)

General and Introduction

The conference was attended by a team comprising: Jan Phelan, Steve Cooke, Murray Sanders, Jonathan Newman and Ilan Lax.

Prior to the conference, the MCSA KZN Sub Group had put together an Information Pack on some important issues / challenges that needed to be considered if a cableway was being planned for the Drakensberg. This document was placed on the MCSA website (LINK) and the Vertical Endeavour website (LINK) the evening before the conference.<sup>1</sup> At the end of the conference a copy of this document was left with the organisers and in the week following the conference the document was emailed out to all conference delegates. Copies were distributed to various interested parties, or the links emailed to them, in the weeks following the conference.

Total seats set out: 75; Estimated attendance on day 1: 50; Estimated attendance on day 2: 40. Both days started about an hour late.

1. HOD Desmond Golding - Economic Development, Environment and Tourism

The HOD took the view that the conference would not discuss opinions whether or not the cable car should be built or alternatives. It was about finding investment and deciding who will do construction. They will be breaking ground in the next few weeks. Additional points made below are not repeated.

2. Councillor Sibeko

Repeated much of the sentiment that the cable way was a foregone conclusion and the people wanted it to be built as it would create jobs and assist all people in the area.

3. MEC Sihle Zikalala (main points captured as one)

The MEC emphasised that the pre-feasibility study had proven the project feasible. He said that this had included wide consultation (“all” sectors) and that there had been a resounding positive reception to it. (There are some views that do not support this.) He glibly stated that conservation and development could live side by side without going into any of the challenges or mitigatory measures that would be required.

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<sup>1</sup> See a summary version that can be expanded at <http://kzn.mcsa.org.za/Resources/Drakensberg-cableway-challenges.htm>  
Note that this link triggers a download request (it does not run online on the MCSA site). Once downloaded to your computer the document can be opened in your browser and uses interactive script (provided script is enabled in your browser) to expand or collapse the detail of each essay beyond the summaries. The other version has had the interactive script removed so that the full essays of each contributor are displayed and this version opens online at almost the same URL (the same except .htm removed):  
<http://kzn.mcsa.org.za/Resources/Drakensberg-cableway-challenges>

He stated that the international speakers/delegates would demonstrate that cableways are all good globally and do contribute to economic development and an “explosion” of tourism. However he made no mention of what would need to be in place to foster this. He said that Government needed to “stimulate the economy from the supply side with a fixed capital investment” and that the cable car would stimulate economic growth and be aligned with “Drakensberg Heritage”. He argued that “cable cars are environment-friendly because people using them did not make tracks”.

He added that the cableway would benefit the whole region and the province. Businesses would be developed in the area where the cable car was situated. The budget is R4b. Expenditure was to be kept in check. There are 49 000 unemployed people in the Uthukela District. The cable car development would “turn [the region’s] economic fortune around, eradicate poverty and unemployment and enable women to enter the labour market and enhance and protect natural beauty”. There was an emphasis on public and private partnerships to open business opportunities. It was stressed at the province was “Open for investment”.

The cable car project was very high on the KZN Tourism Master Plan and was a kingpin and catalyst project to unlock tourism potential. KZN would be positioned as the preferred destination. There had been 743 000 foreign tourists in 2015. KZN was the most popular domestic destination but there was a need for it to become popular globally, by offering sustainable “Niche Tourism Experiences”, mainly in rural areas. The MEC said that it was time to stop having pipe dreams and to embark on implementation and succeed.

#### 4. iNkosi Miya and others

The new iNkosi leading the Amazizi was present on the stage and is obviously right behind the cable car development. He spoke for a very short while in English, and then said a few words in Zulu. His focus was on looking forward to growth, development and job opportunities for people in his area.

The Amangwane were represented at the conference by their Inkosi Hlongwane. Inkosi Shabalala representing those from MaSwazini was also present. A number of councillors from Ukhahlamba Municipality were present.

#### 5. Vahe Baghdasaryan – Director and Community Development Manager - Wings of Tatev (Tatev Gateway Project), Armenia.

The design was by the Doppelmayr Garaventa Group an Austrian-Swiss company.

Tatev is a world heritage site comprising a beautiful ancient monastery.

This project included not only the tramway, but all the services provided across it. This was a 5.75km cableway, currently the longest reversible cableway in the world and was constructed over a period of 10 months. There are two cabins which hold 25 people. The altitude reached was 320m, it takes 11-15 minutes and reached a speed of 10m/sec. One can drive to the top by car in 40 minutes or walk up in two hours. The cable car was 220km from the nearest airport. Half the users of the cable car were

from Armenia. It cost \$30m to construct plus \$50m for fringe developments. The total investment had been stated to the order of \$480m.

Prior to the construction of the cable car not more than 7 000 people visited Tatev per annum. Visitor numbers for the last 3 years: 2013: 73 800 (55% foreign); 2014: 97 400 (57% foreign); 2015: 97 650 (50% foreign). 700 000 visited in the first 6 years after construction – this is not necessarily cable car riders. It was aimed to reach 500 000 users within 10 years. Other key factors are:

1. This had been a public – private partnership.
  2. There was global scope and co-operation – 146 donors from 18 countries.
  3. The multiplier effect was big – 15 new hotels in Goris City, 25 km from Tatev, 25 new B&B's, 200 jobs. (mostly small vendors or small scale farmers)
  4. The local population had been engaged - 60 new jobs, growing food for services offered, sale of crafts and souvenirs, farmers market.
  5. Sustainability – The construction and development started in 2008 and was constructed in 10 months. The cost was covered by donations and the project was not required to be cost effective. It was operationally sustainable by 2015. Breakeven is expected to take 10-20 years if at all.
  6. \$50 000 spent on maintenance annually, note that this is much more than the Berg budget for maintenance.
  7. \$80-100 000 is spent on advertising to get people there, this has been a big issue.
  8. It complied with international standards.
  9. Ticket costs equate to roughly \$11 pp (non-locals) - locals used to ride free but now pay \$1 pp (due to abuses).
6. Zeev Margalit – Masada Cableway in Israel - Director of the Department of Conservation and Development to Israel's Nature and Parks Authority

Cable Car Design: Von Roll. This is the lowest aerial tramway in the world and is 900m long. The bottom station is 257m below sea level and the top is 33m above sea level (290m elevation). It has two cabins which can each carry 80 persons.

Masada is an ancient fortress overlooking the desert panorama and the Dead Sea. UNESCO declared it a World Heritage Site in 2001. It has been declared the best tourist site of its type in the world. "People come to visit Masada not the cableway."

The present cableway was built in 2001. The old cableway had one support pillar but in 1998 was replaced by a new version without a support pillar. The number of people visiting Masada has increased from 3 000 to 250 000. The Masada Cableway was 16km or 17 minutes from the nearest airport.

On the eastern side there is the visitor centre and the cable car. The Masada Mountain is in the centre and on the west is the Masada West Entrance. The cable car can transport 1200 people per hour (up and down). The trip takes 3 minutes and the upper station is below the sky line so there is no

intrusion. From the upper station there is a bridge to the top which is bolted to the dolomite rock because it is a seismic area.

Zeev said the maintenance cost was huge. Local teams had been trained in the maintenance which was on-going. There were 6 companies involved in the manufacturing of the different components of the cableway. The maintenance planning covered monthly, 6 monthly and annual maintenance schedules. Safety is a big factor.

Other key factors are:

1. The planning phase had covered all facets of the tourism development and not only the cableway.
1. The reduction in interference with the natural landscape had meant it had certain advantages over other means of transport.
2. Long term maintenance was a key factor and these people had to be trained by professionals. They had sufficient skills for maintenance. It could be done during summer which was the "off season". There was concern as to how it would work when there was no longer an "off-season".
3. Only 20% of visitors to Masada are local.
4. Costs \$8 to get into the site and \$10 to use the cable car. Many people walked up on the Snake Path.

#### Current challenges

- a) Weather conditions – there had been floods which had eroded walls which had stood since Herod's time – 2000 years.
- b) The cost of maintenance – this stood at \$50 000 per annum excluding the salaries of the team.
- c) Most funds were from the Government and there were some from the private sector e.g. \$6000 from the person who ran the shops and restaurant. It was stressed that from mid-way through the project the team who would do the maintenance should be brought in so that they could become totally familiar with all facets of the cableway.
- d) The strengthening of the platforms to cope with higher number of users was costing \$200 000. Changing the cables was going to cost \$55 000.
- e) They spent \$80 - \$100 000 on marketing annually.

There were various items of interest along the route from the airport to Masada. A tourism information centre was being constructed to direct visitors to activities such as biking and hiking. Tourists going to the Dead Sea linked up with visiting Masada. Tourists would go from Jerusalem to Masada and then on to the Dead Sea or stay at hotels in the desert. During winter it was planned to reduce the prices and have festivals to attract visitors during this time. There was the problem that the roads were hazardous during winter. The government had been requested to give attention to roads. 40 – 45% of visitors were local and 60 – 55% were foreigners.

A question was raised with regard to the high expectation of jobs from the cable car and how this had been addressed. The integrated approach to the whole tourist development had taken care of this.

It was envisaged that the Masada cableway would be sustainable 10 years after construction – the goal was 1 250 000 visitors per annum. Climate was fairly critical because there was a 30% difference between day and night temperatures.

7. Adrian Bold, Exec. Director, Mount Wellington Cableway Co., Hobart, Tasmania, Australia.

Design of Cable Car: Doppelmayr Garaventa.

They have spent 6 years doing public participation. It has involved the consideration of political, cultural, economic and environmental issues. The target opening is April 2020. The cableway is in two sections and has two support pylons. The base station is in the old industrial Cascade brewery in Hobart. The first section is to Golden Gulley Park (1 km) in the foothills, which will be linked to a number of adventure activities. The second part (3.6km) will take those with a full pass up to the summit. (Total length 4.6km) Various infrastructure, developments and commercial facilities will be integrated at the summit. The altitude of the upper station is at 1271m. The vertical height is 1130m. The cable car is in competition with the Pinnacle road which goes to the top. The project is still in the planning phase but this will reach completion at the end of 2015. Currently 420 000 people p.a. visit the top. They expect 320 000 users in year 1. The top is a star viewing site and the southern lights can be seen up there. They expect a 60% reduction in road traffic with the cable car. This would have the benefit of reducing “road kills” of many small creatures that are active at dawn or dusk when the traffic on the road was high. The cable car operation has all the necessary government support. They have set up a “Sinking Fund” for maintenance and will put 3% of revenue aside for this each month.

The visual impact could have killed the project two years ago. The buildings are below sky line level. For 2% of the year the winds are too strong for the cableway to operate. 81% of the time there is clear visibility. They plan to cater for 3.3 million passengers per annum. The cost will be approximately \$89m. He stressed the importance of detailed planning and the need to do proper research and collect proper data. No state funding. Waste management is a major priority.

8. Gillian Saunders– specialist in Tourism.

Deputy CEO, Grant Thornton. Most tourists to South Africa are from Africa, followed by Europe, Asia and the Pacific. She said long term growth needed to be sustainable. At present only 2% of visitors chose to go to the Berg – this was 2% of the 746 853 annual visitors to South Africa. 7.8% of domestic tourists visited the Berg – this being 7.8% of 4 900 000. Berg tourism is in decline. Most users will be local and pricing is an issue. Spoke of hiring San to relate rock art stories.

No detailed information of road conditions, upgrades, accommodation facilities etc.

It is assumed that a percentage of vehicles on national road to Durban are potential users of the cableway. (Speculative.)

9. Dominic Bosio – Export Sales Director, LEITNER Ropeways.

High voltage lines, roads and bridges were challenges to the technical vehicle. There was optimism that most challenges could be overcome. Strong winds of up to 100kph would impact on cableways.

Construction takes 12-18 months. Energy requirements are low. Cable cars are usually very difficult to hide, very costly to build, operational cost was low – but cheap to maintain. This was counter to what the three speakers on cableways had to say. European cableways usually last about 38 years. He claimed that it is a myth that birds fly into cableways, and that they cause no environmental harm. He said that people won't want to walk around on top, so they won't do any environmental damage. This also contradicts what other speakers had to say about cableway users.

Steve Cooke had a discussion with the Mr Bosio about safety and rescue. He said that the latest trend is to over-engineer the cable way in order to reduce the probability of failure as close to zero as possible. Therefore regardless of the event the cable way would still run and be able to clear the gondolas of their passengers without intervention. To effect this strategy many items need to be specified in the tender.

For example:

- 1 All shafts to be equipped with double bearings to prevent mechanical failure.
2. Dual redundancy systems for control to be installed on a hot standby (This refers to both the mechanical and electrical control systems.)
- 3 Full standby diesel electric power plant on site in case of power failure.
- 4 Critical spares to be held on site.

The accepted practice in Europe for new installations is to do this. He said that due to the technical nature of rescue from cableways and the very low frequency of failures, maintaining currency in a specialist rescue team is not an option. He also said if he got trapped on a cableway he would refuse evacuation by helicopter because the risk of that style of rescue is so great it is unjustified and has resulted in accidents killing the rescue team.

There is obviously still the problem that the cable car is transporting people who have no mountain experience into an alpine environment and one thing is certain that some people will do stupid things. The cableway company will thus need to have a small team on standby 7 days a week to go and sort this out.

10. Graham Muller - Drakensberg Cable Car Proposed Operating Approach

He said that the current proposal has possible linkages with Lesotho and the Free State but made no mention of who was doing these studies. He stated that activities at the top were critical. Because the environment was sensitive development at the top would need to include paths, walkways and viewing points. There was reference to the attraction of the Tugela Falls but it was pointed out that these were 6km away so a 12km round trip which not many cable car passengers were likely to do. He said that they had looked at 16 different sites and that this had been reduced to four, these being Ifidi, Ntonjelane, Mount Amery and Mweni.

Mr Muller said that they had looked only at the cable way and not at all the ancillary activities. (cf. the talk by Zeev on Masada: “The planning phase had covered all facets of the tourism development and not only the cableway.” and the talk by Arian Bold on the Hobart cable way: “The integrated approach to the whole tourist development” and he stressed “the importance of detailed planning and the need to do proper research and collect proper data.”)

There was reference to “Psychographic” characteristics of international tourists and the need to attract new visitors.

There was a need to work closely with EKZNW and UNESCO. He mentioned the importance of equity split and women in the community coming into business opportunities or there would be no gain for the community. It was stated that the community needed a fair playing field, but made no mention of consultation with the communities to see if they had any tourism development plans of their own. The site is located outside the WHS to make things easier.

He expects 180 000 visitors to be from N3 traffic, 1.5% of N3 traffic. When challenged on bus load sizes (GM said 80, a delegate said 65 was the legal limit) another delegate said that the person who raised this problem knows nothing about busses and thinks that running a business in Durban means they know everything about the Berg.

Regarding ticket prices, the French salesman piped up that R300 is nothing for a foreign tourist (note study says 240 000 local, 60 000 foreign), and this is quite a cheap cable car. When Jonathan questioned return on assets being less than a fixed deposit, GM said that this is ex inflation, so the return is healthy (even though it is still only about half of the JSE average).

#### 11. Oscar Mthimkhulu EKZNW spoke on Environmental Sustainability and Heritage Conservation

Oscar gave an excellent address and described the six main purposes of the all-important buffer for the world heritage site, in which the cable way would be constructed. The demarcation and management of the Buffer is in the process of being finalised. He then described the objectives of the World Heritage Site. The site is 80m from the WHS, and the boundary is immediately behind the site. This creates obvious issues.

He went on to mention some of the potential impacts of a cable way on biodiversity, but adhered closely to the mandate of EKZNW in being appointed as the custodian Management Authority of this significant site. He explained that the management authority was appointed under the World Heritage Convention Act, No. 49 of 1999 (SA) by the DEA Minister for a five year renewable term and is accountable through the Ministry to UNESCO. The WHCA provides for any existing body, or a newly appointed body to be appointed as the management authority of a World Heritage Site.

There were clear mandates from UNESCO with regard to the proposed cable way. One of these was that when the EIA was conducted, that a detailed Cultural Heritage study be included. The impact on the two adjacent sections of the World Heritage Site would also need to be considered. There were

World Heritage Sites which had cable ways into them, but each site was considered on merit and judged as to whether it was an appropriate development, and what the alternatives might be in the kind of tourism developments that could take place to provide employment and revenue earning capacity for the people in the area, but were in keeping with world heritage values, the designation, wilderness and wilderness buffer. These were the decisions which would need to be made with regard to the proposed cable car development.

## 12. Siza Sibanda - Uthukela Development Projects Overview

He stressed that road infrastructure and other developments were important. He mentioned:

- the development of 10 hotels including a new 3 star one in RNNP;
- 150 lodges and B&Bs in the villages;
- the Inyambiti Conservancy 100km away;
- a regional Mall in Ladysmith;
- a local Winery and wine route;
- a Woodstock Water Theme Park with conferencing facilities;
- many recreational and residential opportunities and facilities for indoor sports;
- the Nondela Drakensberg Golf Estate;
- agriculture, but it was not specified what agriculture;
- a Drakensberg Cultural Village; and
- Ladysmith airport will be expanded to allow tourists to come into the area.

## 13. The Gala Dinner

Neither the MEC Sihle Zikalala nor the national Minister of the Environment, Edna Molewa attended or gave their talks as was indicated on the programme and the dinner started late.

### Main Learning Points from the Conference

1. As stated on more than one occasion during the conference “the train has left the station”. One had to be there to experience the build-up and expectations towards this perceived and much promoted “great new development” that was going to “abolish poverty and create many jobs”.
2. It was the first indication of transparency (voiced in a statement once by a facilitator at the dinner and then on the concluding day) that the cable car itself would not be sustainable, nor create all the jobs expected, but that these would come from all the tourism initiatives and developments that would follow on as a result of the cable car. However as indicated in Graham Muller’s address, the Pre-Feasibility study had only focused on the Cable Car and not on any ancillary developments, in SA or Lesotho, so it was not a holistic approach. What are the terms of reference for the new Full Feasibility Study recently put out to tender? Can pressure be brought to bear to ensure these include the tourism initiatives and potential expansion into Lesotho?

3. A key consideration is the as yet un-quantified development cost, operations (and marketing) cost and maintenance costs. All the cable way speakers emphasised the maintenance cost. It is clear that the people pushing the project have no idea of what they are getting us all into. Experience and the lack of it are important factors.
4. The detailed Cultural Study required by UNESCO will be important. UNESCO has a role to play regarding potential impact on the status of the World Heritage site.
5. Politics have changed with the new Inkosi of the Amazizi now being in favour of the development. There is still much political intrigue between the Amazizi and the Amangwane communities and the viewpoint of the leadership of these two communities on the proposed alternative tourism development plan has yet to be confirmed.
6. Detailed credible / realistic figures on potential cable way users need to be obtained, as well as data on weather conditions which limit the viability of using the cable way and infrastructure development. The lack of other attractions is a further important aspect.
7. MCSA needs to remain vigilant and involved as things progress, as an environmental group to ensure that negative impacts on the environment, on biodiversity, wilderness and water are avoided and that cultural values are always kept as the highest priorities possible.
8. It is admitted that after five years the cable way will not be sustainable – it is viewed as the draw card for as yet unquantified / unsubstantiated tourism development. A proper cost benefit analysis needs to be done once the rest of the planned developments are known. Breakeven point will be a critical indicator.
9. This raises the question: Is the expense of public funds justified or should alternative forms of tourism development be explored?
10. We need to make sure we are registered with the service providers doing the next steps as I&APs. Our main work now will be making sure we build credible alternative livelihood strategies with the communities involved. That is what ultimately won the battle for St Lucia (now iSimangaliso WHS).