South African National Parks – a business overview
PARK PRICING WORKSHOP
VICTORIA FALLS 27 to 30 APRIL 2011
Contents

- Overview of conservation in South Africa
- National Parks in South Africa
- Business Performance
- Pricing Policy & Principles
- Challenges
Conservation South Africa

Surface area 122m hectares (3rd highest globally)
- 81m ha (66%) agriculture
- 7,5m ha (6,1%) state protected areas (target 10% - IUCN)
  - 4,5m ha (3,7%) 21 national parks
  - 3,0m ha (2,4%) 400 prov. Reserves
- 17m ha (13,9%) registered private reserves
- 17m ha (13,9%) unregistered private reserves
South African National Parks

Legend
- Major
- Secondary town
- Other town
- Primary roads
- Secondary roads
- Other roads
- National Parks
- Transfrontier Conservation Areas

The Kids in Parks programme is run by South African National Parks to provide kids in South Africa the opportunity to visit and experience one or more of the National Parks.

It is supported by:
- Department of Environmental Affairs
- Department of Education

The programme seeks to give them the opportunity to experience and interact with the wonders of our natural and cultural heritage and to explore the importance of its conservation.

South African National Parks

environment & tourism
education
Pick n Pay

* * *

Richterweld 1
Hammars 2
West Coast 3
Table Mountain 4
Kalabari 5
Augrabies Falls 6
Tankwa Karoo 7
Bontshak 8
Agulhas 9
Karoo 10
Wilderness 11
Tsitsikamma 12
Hokets 13
Camdeboo 14
Mountain Zebra 15
Addo Elephant 16
Marakele 17
Great Limpopo Transfrontier Park 18
Golden Gate Highlands 19
Mapungubwe 20
Kruger 21
Vision and Mission

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 as espoused by the sector BEE scorecard
Our Business Architecture

Value creation & delivery to Government, Customers and Stakeholders

Park Operations

Conservation

Tourism

Constituency building

Corporate Support Functions

Strategy / Value Proposition

Differentiating Activities

Corporate Values

Guiding Principles

Mission

Why we Exist

Vision

Word Picture of the Future
Tourism: A Conservation Strategy

Nature Based Responsible Tourism

Sustainability
• economically
• socially
• environmentally
• 21 National Parks
• 72 Tourism Camps
• 12 Concession Lodges
• 6,789 Tourist beds (SANParks managed)
• 8,130 Camp persons
• 14,919 Person nights (SANParks managed)
• 532 Concession Beds
• 15,451 Total person nights
• 1,780 Activities (person) available per day
Tourism in SANParks

- **Visitation 2010/11** *(previous year in brackets)*
  - 78,1% *(77,6%)* South African residents
    - 24,6% *(24,7%)* are Black visitors)
  - 21,9% *(22,4%)* Foreign visitors
    - Germany 29,1% *(28,4%)*
    - United Kingdom 12,4% *(13,5%)*
    - Holland 8,6% *(10,5%)*
    - France 7,8% *(9,1%)*
    - USA 6,5% *(5,4%)*

- **Total visitors 4,536 million** *(4,512 million)*

- **Statistics**
  - Average Room Occupancy 69,2% *(73,3%)*
  - Average Bed Occupancy 55,2% *(58,0%)*
  - Average Rate (Acc) R627-38 *(R560-48)*
  - Average Rate (Camping) R158-11 *(R144-08)*
  - RevPAR (Acc) R427-81 *(R395-74)*
  - RevPAR (Camping) R72-06 *(R66-50)*
<table>
<thead>
<tr>
<th>Category</th>
<th>2010/11</th>
<th>Previous Year</th>
<th>Change</th>
</tr>
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<tbody>
<tr>
<td>Accommodation</td>
<td>R357,512</td>
<td>(R324,664)</td>
<td>+10.1%</td>
</tr>
<tr>
<td>Activities</td>
<td>R54,529</td>
<td>(R48,829)</td>
<td>+11.7%</td>
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<td>Conservation Fees</td>
<td>R194,398</td>
<td>(R168,883)</td>
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<td>Concession Lodges</td>
<td>R42,037</td>
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<td>Facilities Rental</td>
<td>R25,294</td>
<td>(R25,677)</td>
<td>-1.5%</td>
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<tr>
<td>Retail (SANParks)</td>
<td>R15,932</td>
<td>(R9,440)</td>
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<td>Sundry Tourism</td>
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**TOTAL TOURISM REVENUE**  
R704,064  
(R624,626)  
+12.7%  
US$105million
Funding model

- 86% budget funded from own business
- Rest from Government grants, Conservation, Roads, Forestry.
- Infrastructure grants
- Decline in grants in real terms
- Surplus by 5 parks
- SANParks expenses vs cpi
Tourism Revenue in SANParks

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US$105million

Pricing Policy

- 2003 revision
- McKinsey Business Consultants
- Conservation Fee (vs Entry Fee)
  - Market related (Africa & world standards)
  - Per diem
  - Differential
  - Benefits to neighbours (SADC)
  - Loyalty mechanism
  - Ratio of 4:2:1 (Standard:SADC:SA) eg R180:R90:R45
- Rates depend on status of park (consolidation, size, tourist infrastructure, etc)
Pricing Principles

• Market related (market analysis)
• Rack rate in accordance to top season
• Unit rate (base number + additional persons)
• Yielding - marketing, promotions and discounts
So, what is our business model?

- Accessibility mandate
- Versus low volume high value
- Unique SA situation (constituency support)
Where to from here?

Economic sustainability

- Current market
- Future markets
- Diversify
  - Conferencing
  - Full service market
  - Activities
  - Cultural heritage
- Online 16%
Skukuza Conference Centre
(500 persons + 2 x 64)
Place greater emphasis on cultural heritage assets
There is a demand for quality interpretation and activities

Kruger Park Morning walk
challenges

- Ageing tourism infrastructure
- Burgeoning elephant numbers
- Crime on tourists
- Effects of climate change on ecosystems
- Implications of land claims in PA’s
challenges continued

- Future land expansion restricted by land prices & competition from other land uses
- Business efficiency lacking
- Gate processes too slow & cumbersome
- Low morale amongst staff (especially operational)
- Skills base inadequate (especially technical)
- Financial dependence on tourism
- Increased poaching
Government focus on stimulating economic activity in rural areas and addressing job creation challenges.
Thank You!

joeps@sanparks.org
www.sanparks.org