PERSPECTIVES ON PARK PRICING

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ZIMBABWE PARKS AND WILDLIFE MANAGEMENT AUTHORITY
The Zimbabwe Parks and Wildlife Management Authority (ZimParks) is Zimbabwe’s wildlife conservation agency.


Vision = “To be the world leader in sustainable conservation”

Parks Estate consist of the following:
- National Parks
- Safari Areas
- Recreational Parks
- Botanical Gardens
- Botanical Reserves
- Wildlife Sanctuaries
Zimbabwe’s Parks are categorised into different categories according to the importance, location and attractiveness of the Park; Different categories attract different tariffs.

**Category 1** – Premium Parks include Zambezi National Park, Hwange National Park and Mana pools National Park

**Category 2**

**Category 3**

**Category 4** – mostly the small recreational parks
Background Cont’d

- The Parks Estate consists of both revenue centres and cost centres;
- In effect, the revenue centres must take care of the cost centres;
- All conservation work, which is the *raison d'être* of the Authority belongs to the cost centre category;
- This means there are some Parks which do not generate any revenue, but are clearly important conservation focal points.
Income into the Authority consists solely of the revenue generated from commercial activity, 100% of budget is funded by Parks;
No government subsidies since commercialisation;
Withdrawal of financial, technical and other support from reduces the size of the crutch that The Authority can lean on;
Therefore, The Authority sustains itself solely from the revenue generated;
The Authority is also a public organisation, which imposes a limit on how much they can charge for services
Some parks were established to protect scenery, others to protect ecosystems or wildlife.

Tourism has also been a fundamental component of the national parks concept from the beginning and predates ecological justifications for national park establishment though it has been closely related to landscape conservation rationales at the outset.

National parks have evolved in terms of how they have been fashioned and used, and the integral role of tourism within national parks is fundamental.

There is a long standing connection between tourism and national parks;

National parks now contribute not only to international and comparative environmental history, conservation studies but also to outdoor recreation management and economic development.
Key Stakeholders

- Government of Zimbabwe and various relevant ministries and govt departments;
- Tourism Operators
  - Hunting
  - Photographic
- Wildlife Producers
- Non Governmental Organisations;
- Public
Evolution of The Authority Business Model

- Commercialised in 2004.
- Transformed from a ‘direct service government model’ to an ‘enterprise model’
- The organisation must now sustain itself financially;
- Cessation of financial support from government;
- Required a refocus of Park pricing and marketing strategies throughout the country, in terms of objectives and operational plans;
Parks Revenue Sources

- Park entry – 21%
- Leases and rentals – 19%
- Hunting – 16%
- Accommodation – 9%
- Annual Registration Fees – 9%
- Fishing Permits – 6.5%
- River Usage Fees – 5%
- Licences – 4.6%
- Game product sales – 2%
- Law Enforcement – 1%
- Special Permits – 0.9%
Parks Cost Centers

- Ecological Research;
- Law Enforcement;
- Resource Protection;
- Extension and Interpretation;
Objectives of Arriving at a Price

- To sustain, increase or grow the conservation effort throughout the country and effectively champion the organisation’s mandate;
- To ensure viability of existing revenue streams;
- To ensure adequate protection of resources e.g. through demand management or through resource protection/preservation pricing;
- Cost recovery
Challenges to Pricing Decisions

- Commercialisation means the Parks must be involved in viable economic activity to sustain conservation operations.
- Primarily, it means establishing the actual value of the resources.
- And taking over all capital expenditure which was being done by govt.
- The price must be right....
Pricing policy

- Based on cost recovery
- Based on regional comparatives;
- Based on the demand function;
- Based also on the ecological character of the park and sensitivity of the environment.
- Tariffs provide for seasonality (a demand management function)
- Also provide for price discrimination between different groups of visitors.
Introducing price discrimination between different groups of visitors. This allows for a more efficient adjustment to the distortions imposed by, for example, a cost recovery restriction.

Another innovative element is that, given that the agency charges different prices to different subsets of visitors, the model also includes a distributional dimension that is particularly relevant for a local park agency receiving visitors from different origins or of different nationalities.

Finally, there are several other issues related to optimal entrance fees, including ecological impacts of increased visitation, the spillover effects of changes in entrance fees on local communities and the treatment of fixed investment costs.

Based on this, an estimation of the optimal entrance fees and associated revenues for the National Park System needs to be developed.
Park Pricing and Ecology

- Ecological impacts of increased visitation
- The key to sustainability/conservation is based on limiting access and establishment and maintenance of ecological carrying capacities in terms of both wildlife resources and human activities.
2 kinds of fees are applicable to lease holders with the Authority.

- Annual lease fees
- Right to lease fees (payable every 5 years), usually about 2/3 of the annual lease fees.

Leases limit the number or size of developments in a Park to a maximum of 24 bed facilities.
Way Forward

- It is obvious that all the different Parks have unique resources which makes it difficult to fit into a particular pricing formula;
- The differences also exist among country parks in terms of legislation governing the parks, level of government support and other support institutions and this makes it literally impossible to fit into a particular formula.
- It is therefore desirable to at least develop some basic mechanism for pricing which may then be subjected to the different variables affecting the different parks.
THE END