



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

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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

African Context



Vision and Mission

VISION

National parks will be the pride and joy of all South Africans and of the world

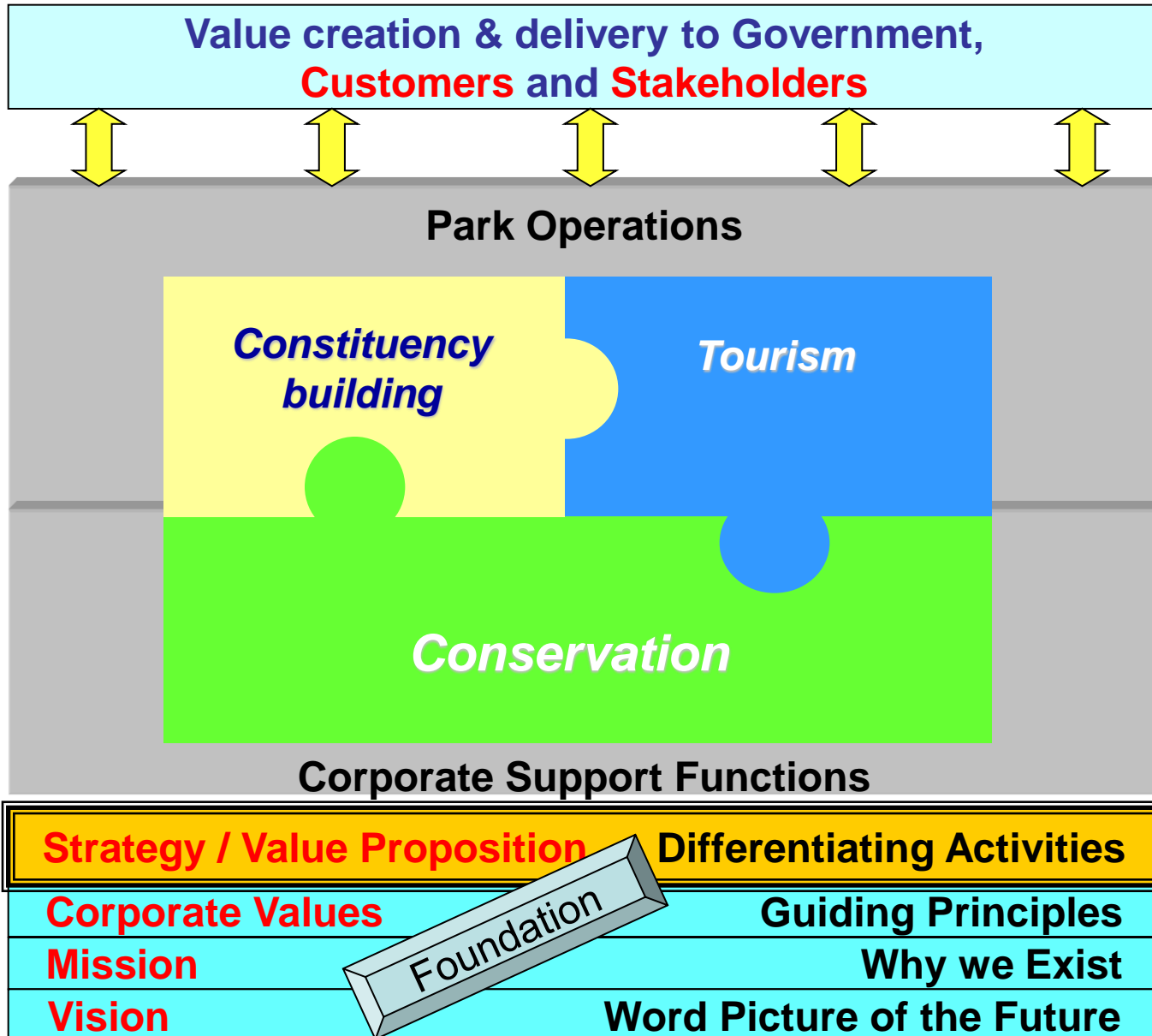
MISSION

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



A wooden viewing platform with a railing is built on the edge of a rocky cliff. Several people are standing on the platform, looking out over a vast savanna landscape. The landscape features a mix of green trees and dry, brownish-yellow ground, with a winding river or path visible in the distance. The sky is a pale, hazy blue.

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 4,536million (4,512 million)

❖ Statistics

❖ Average Room Occupancy 69,2% (73,3%)

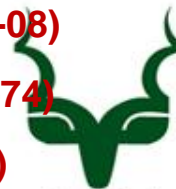
❖ Average Bed Occupancy 55,2% (58,0%)

❖ 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)



South African
NATIONAL PARKS



❖ Tourism Income (2010/11) x R1million

(Previous year in brackets)

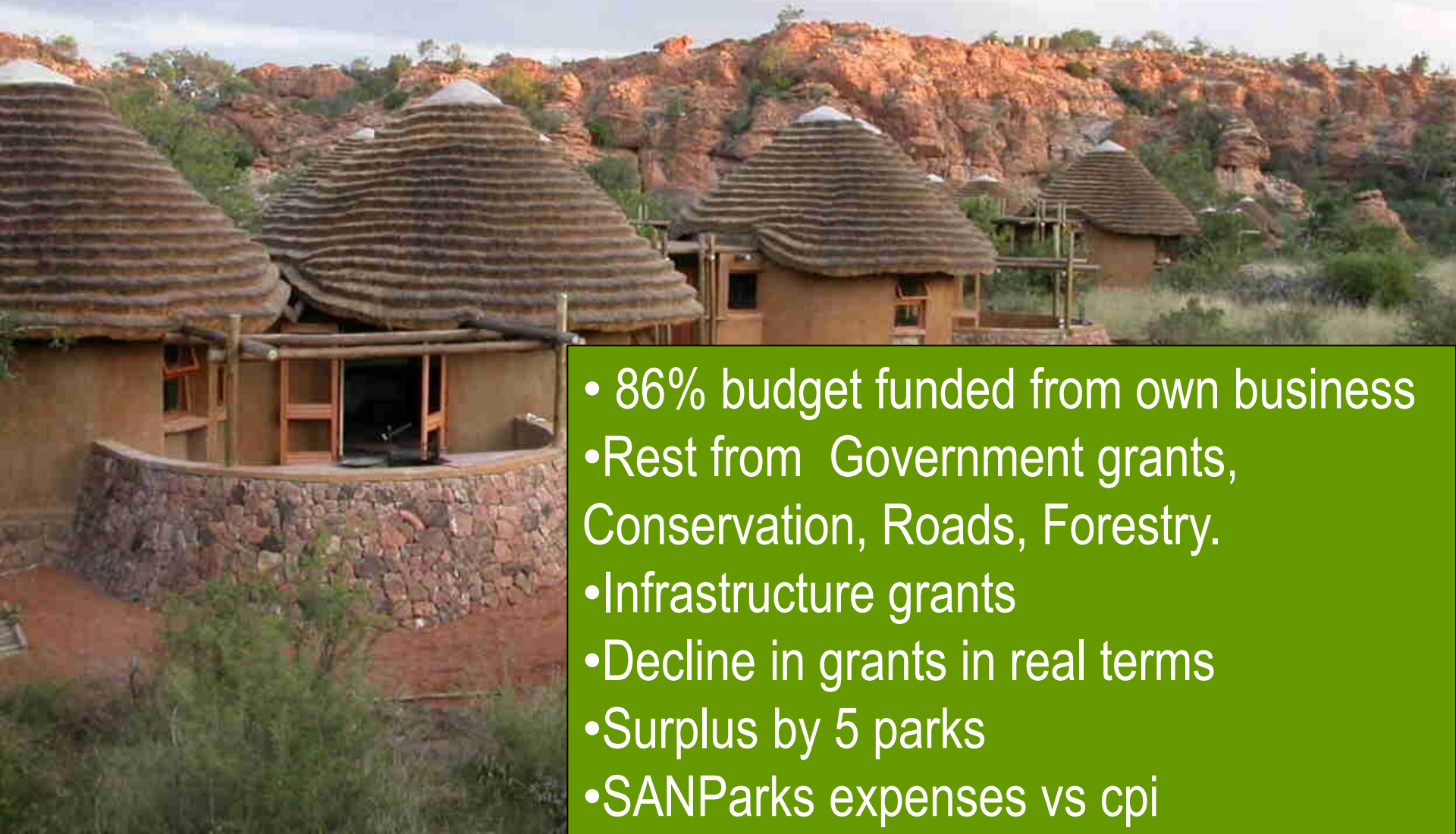
❖ Accommodation	R357,512	(R324,664)+10,1%
❖ Activities	R54,529	(R48,829)+11,7%
❖ Conservation Fees	R194,398	(R168,883)+15,1%
❖ Concession Lodges	R42,037	(R35,665)+17,9%
❖ Facilities Rental	R25,294	(R25,677) -1,5%
❖ Retail (SANParks)	R15,932	(R9,440)+63,1%
❖ Sundry Tourism	R14,362	(R11,468)+25,2%

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

A photograph of a stone archway made of stacked, flat stones. The archway frames a view of a dry, open landscape with sparse, low-lying vegetation. In the distance, a prominent flat-topped mountain (mesa) is visible under a clear blue sky. The foreground is in shadow, while the landscape beyond the arch is brightly lit.

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!



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