



South African
NATIONAL PARKS



South African
NATIONAL PARKS

**2013/14 Annual Performance Report
and
Financial Statement**

Dr Nomvuselelo Songelwa : Acting CEO SANParks

Presentation Content



South African
NATIONAL PARKS

- 1. Vision and Mission**
- 2. National Park System**
- 3. 2013/14 Strategy Map**
- 4. Performance Reporting Framework**
- 5. 2013/14 Performance Reporting**
- 6. 2013/2014 Financial Performance**
- 7. 2013/2014 Audit Issues**

Vision and Mission



South African
NATIONAL PARKS

Vision

South African National Parks Connecting to Society.

Mandate

Delivery of Conservation Mandate by Excelling in the Management of a National Park System.

Mission

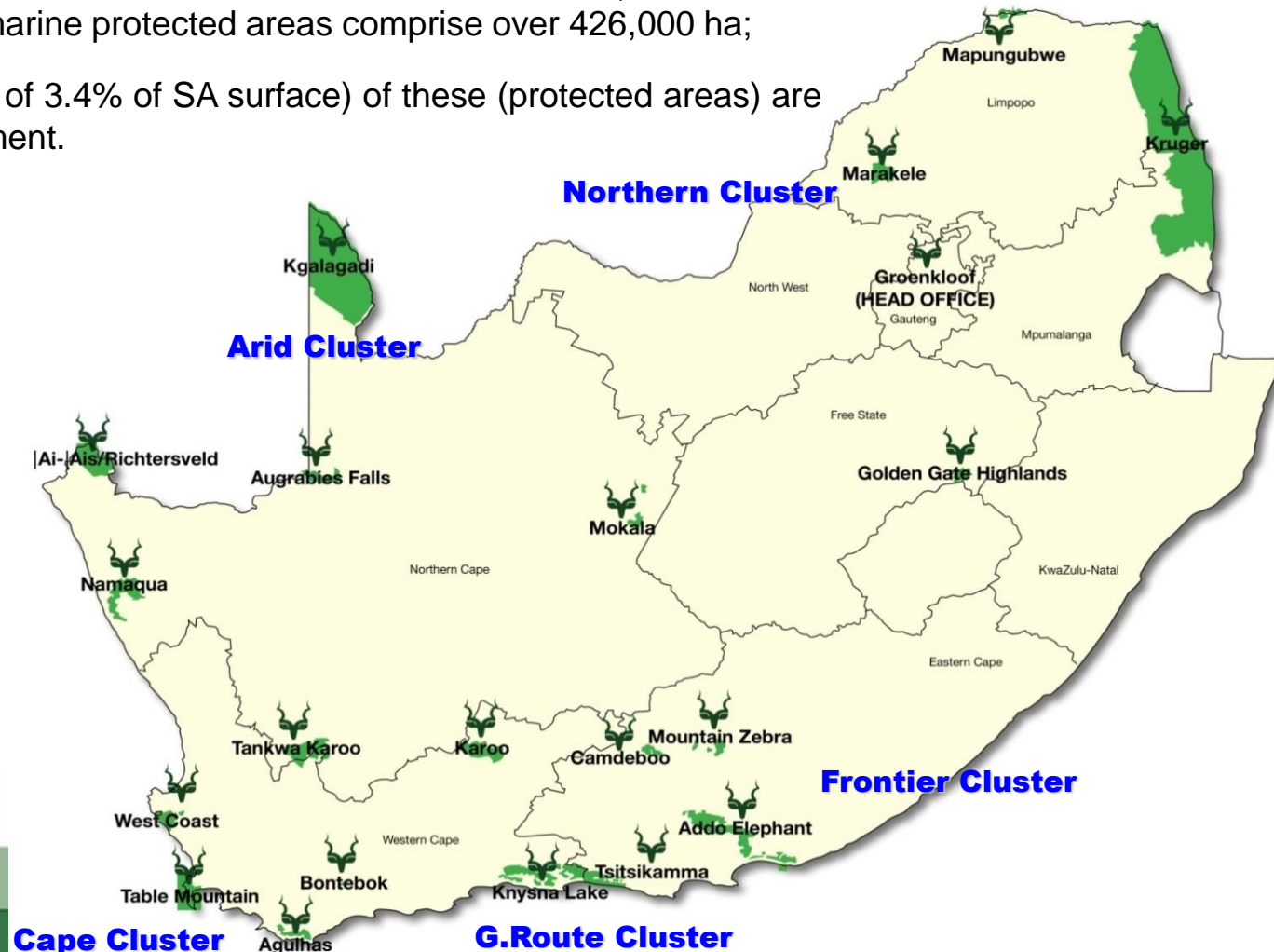
To develop, manage and promote a system of national parks that represents biodiversity and heritage assets by applying best practice, environmental justice, benefit- sharing and sustainable use.

National Parks System



South African
NATIONAL PARKS

- South Africa has approx. 550 and 48 terrestrial and costal protected areas respectively, and 232 conservation areas;
- Collectively, terrestrial protected areas exceed 7,9 million ha (7.5% of the country), while the costal/marine protected areas comprise over 426,000 ha;
- Nearly 4 million ha (50.6% of 3.4% of SA surface) of these (protected areas) are under SANParks management.



National Park System



Sizes (in Hectares) of parks

Province	Park	Date Proclaimed	Current size (ha)
Eastern Cape	Addo Elephant	1931	164 233
	Camdeboo	2005	19 405
	Mountain Zebra	1937	28 412
	Tsitsikamma	1964	63 942
Western Cape	Bontebok	1931	2 786
	Agulhas	1999	5 690
	Table Mountain	1998	24 310
	Tankwa Karoo	1986	121 565
	West Coast	1985	36 273
	Wilderness	1985	10 600
	Karoo	1979	83133
	Knysna Lakes	1985	15 000
Northern Cape	Augrabies Falls	1966	41 676
	Kgalagadi	1931	959 103
	Namaqua	1998	135 000
	Mokala	2007	19611
	Richtersveld	1991	162 445
Free State	Golden Gate Highlands	1963	11 633
Northern	Mapungubwe	1989	5 356
	Marakele	1993	50 726
Limpopo and Mpumalanga	Kruger	1926 (1898)	1 962 362



2013/14 Strategy Map



Mandate

Delivery of Conservation Mandate by Excelling in the Management of a National Parks System

Long-term Financial Sustainability

Financial

Promoting Effective Budget Management

Growing Revenue

Proactively Engage and Inform all Stakeholders

**Stakeholders/
Customers**

Enhancing Organisational Reputation

Growing Community Support and Providing Access and Benefit Sharing

Promoting Customer Focused Responsible Tourism

Efficient Resource Management

Internal Process

Improving Corporate Governance

Improving the State of the Conservation Estate

Facilitating Socio-Economic Development

Promoting Research and Development

Operational Excellence

Conservation Asset Management

People Centered

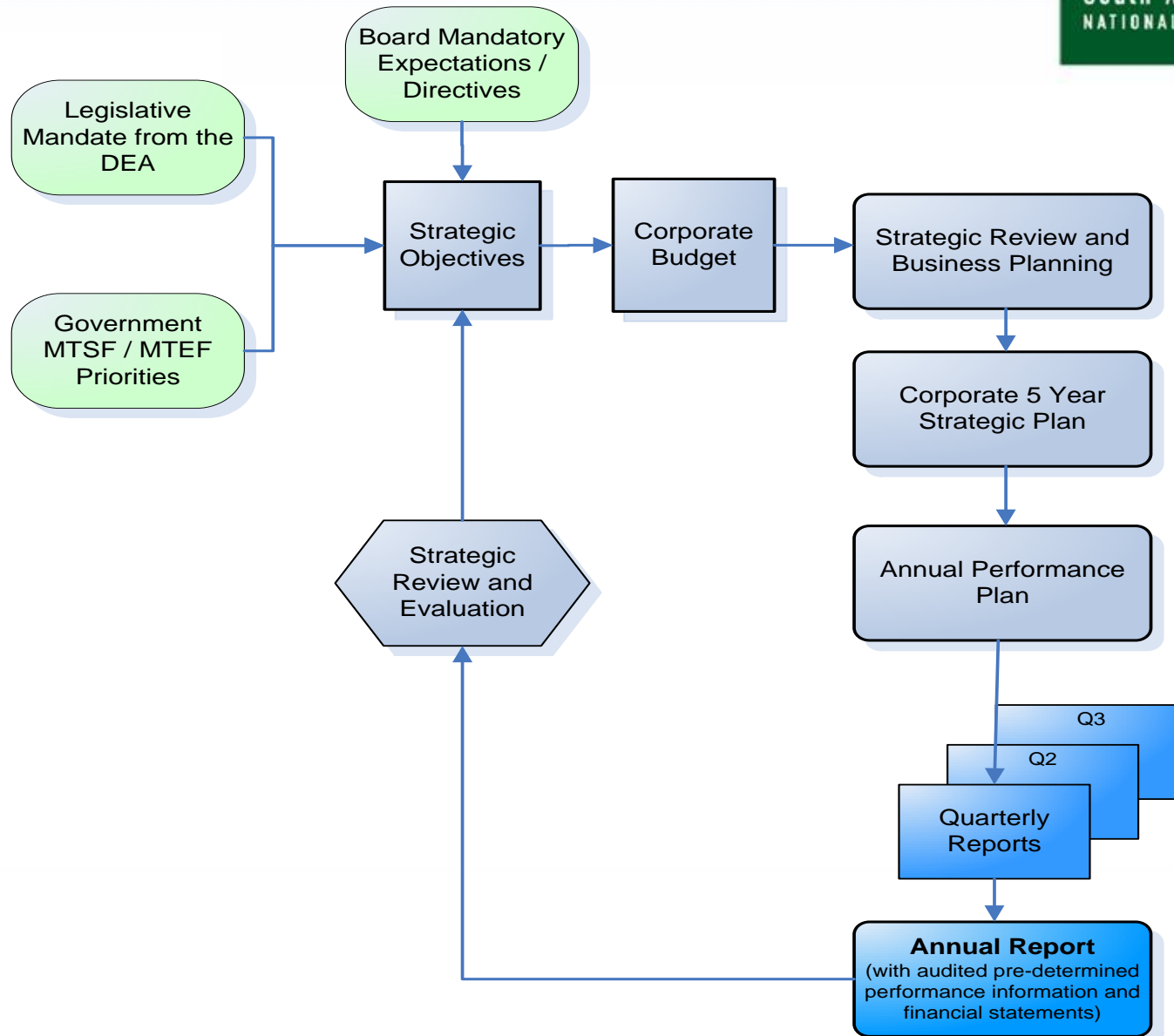
Innovation

Build a Learning Organisation Underpinned by SANParks Values

Learning & Growth



Promoting Effective Management of Human Capital

Performance Reporting Framework




Promoting Effective Budget Management



Performance Indicator	2013/14 Annual Target	Actual Performance	Comments
Income Budget Variance	Break Even	<p>22.7% </p> <p>above budget R316,458m</p>	<ul style="list-style-type: none"> • Tourism, retail and concession realised more than budget • Sales of fauna and flower exceeds budget • Disclosure in terms of GRAP 23 • Interest earned better than anticipated <p>Income = R540 million against budget of 528 million</p> <ul style="list-style-type: none"> • 2.3% improvement against budget, and 19.0% better than last year same period.
Expenditure Budget Variance	Break Even	<p>22.9% </p> <p>over budget R310,472m</p>	<ul style="list-style-type: none"> • High increase in the post retirement medical health liability • Additional rangers and insourcing of security services • Increased cost of sales due to increased retail income <p>Expenditure = R598 million against budget of R585 million</p> <ul style="list-style-type: none"> • 2.3% more than budget, and 19.9% more than last year same period.


Promoting Effective Budget Management



Performance Indicator	2013/14 Annual Target	Actual Performance	Comments
Operating Tourism Revenue (Year on Year)	7.0%	<p style="text-align: center;">13.4% </p> <ul style="list-style-type: none"> • Improved by 13.4% (R141.9 million) compared to last year. • This is 7.4% better than annual budget of R1.12 billion 	<p>Improvement in accommodation occupancies and visitor numbers.</p> <p>15.2% (YOY) to R425 million against budget of R409 million</p> <ul style="list-style-type: none"> • 3.9% improvement against budget.



Enhancing Organisational Reputation



Performance Indicator	2013/14 Annual Target	Actual Performance	Comments
Media Reputation Rating	71.3%	<p style="text-align: center;">None </p> <ul style="list-style-type: none"> • Media reputation rating could not be quantified. • The following areas were key focus for reporting: <ul style="list-style-type: none"> ✓ Rhino poaching incidents, particularly in the KNP. ✓ Public donation to support anti-poaching initiatives. ✓ New restaurants and other strategic retail operators in national parks. ✓ Reputational events such as the Kudu Awards and the SA National Parks Week. 	<ul style="list-style-type: none"> • Suitable media evaluation tool could not be attained. • Consultation with the GCIS is in progress to align media and reputational reporting.

Growing Societal Support and Providing Access and Benefit Sharing



Performance Indicator	2013/14 Annual Target	Actual Performance	Comments
Total Number of Participants in Environmental Education Programme	175,580	<p style="text-align: center;">215,232 </p> <ul style="list-style-type: none"> • Total number of learners participating in SANParks Environmental Education Programme improved by 22.6% (39,652) compared to the planned annual target. • This is a 0.9% (1,905) improvement compared to previous year. • The following projects implemented: <ul style="list-style-type: none"> ✓ Kudu Green School Initiative. ✓ Kids in Parks (including 'Take Kruger to Kasie Project') ✓ Park Based Environmental Education Programme ✓ Imbewu Youth Project 	<ul style="list-style-type: none"> • Improved relationship with Department Education <p style="color: green;">86,950 against 2nd quarterly target of 70,540</p>
Total Number of Free Access Entrants	18,000	<p style="text-align: center;">42,330 </p> <ul style="list-style-type: none"> • This is 135.2% (24,330) more visitors than the planned target and; • 37.3% (11,496) more visitors than the previous financial year; • Since 2006 more than 136,000 people have been granted free access to the national parks. 	<ul style="list-style-type: none"> • Improved data recording for free entrants than the year before. • Increased public programs. <p style="color: green;">49,414 against 2nd quarterly target of 18,100</p>

Growing Societal Support and Providing Access and Benefit Sharing






South African
NATIONAL PARKS



Promoting Customer Focused Responsible Tourism



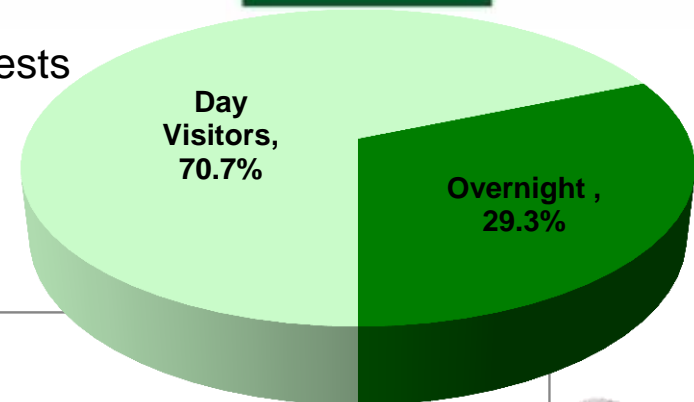
Performance Indicator	2013/14 Annual Target	Actual Performance	Comments
Accommodation Occupancy	68.5%	<p style="text-align: center;">70.9% </p> <ul style="list-style-type: none"> • SANParks accommodation occupancy has improved by 0.9% (from 70.0% to 70.9%) compared to last year. • SANParks' occupancy rate is relatively higher than the general South African tourism industry occupancy rating for the year under review. • Tourism revenue improved by 13.4% compared to last year, to R970,8 million. • Concessions occupancy improved by 10% year-on-year to 59.7% 	<ul style="list-style-type: none"> • Reduced availability due to floods in Kruger • Better occupancies in other parks <p style="color: green;">Accommodation Occupancy = 74.7% against quarterly target of 71.5%</p> <p style="color: green;">0.5% improvement YOY</p>
Total Number of Visitors	<p style="text-align: center;">Total Visitors = 4,700,000</p> <p style="text-align: center;">Domestic Black Visitors = 423,300</p>	<p style="text-align: center;">Total Visitors = 5,235,095 </p> <ul style="list-style-type: none"> • Visitor numbers have improved by 5.9% (293,398) compared to last year. <p style="text-align: center;">Domestic Black Visitors = 467,018 </p> <ul style="list-style-type: none"> • Black visitors have improved by 13.6% (56,018) compared to last year. • Overnight black visitors have declined by 12.1% (5,861) year-on-year. 	<ul style="list-style-type: none"> • Focused and new marketing initiatives e.g. conferencing • Weakness in rand contributed to better concession occupancies • Decline in government conferencing impacted negatively on black overnight visitation (Golden Gate) <p style="color: green;">Total Visitors = 1,993,441 This excludes Table Mountain NP</p> <p style="color: green;">15% improvement (YOY)</p>

Tourism-Guest Profile 2013/14

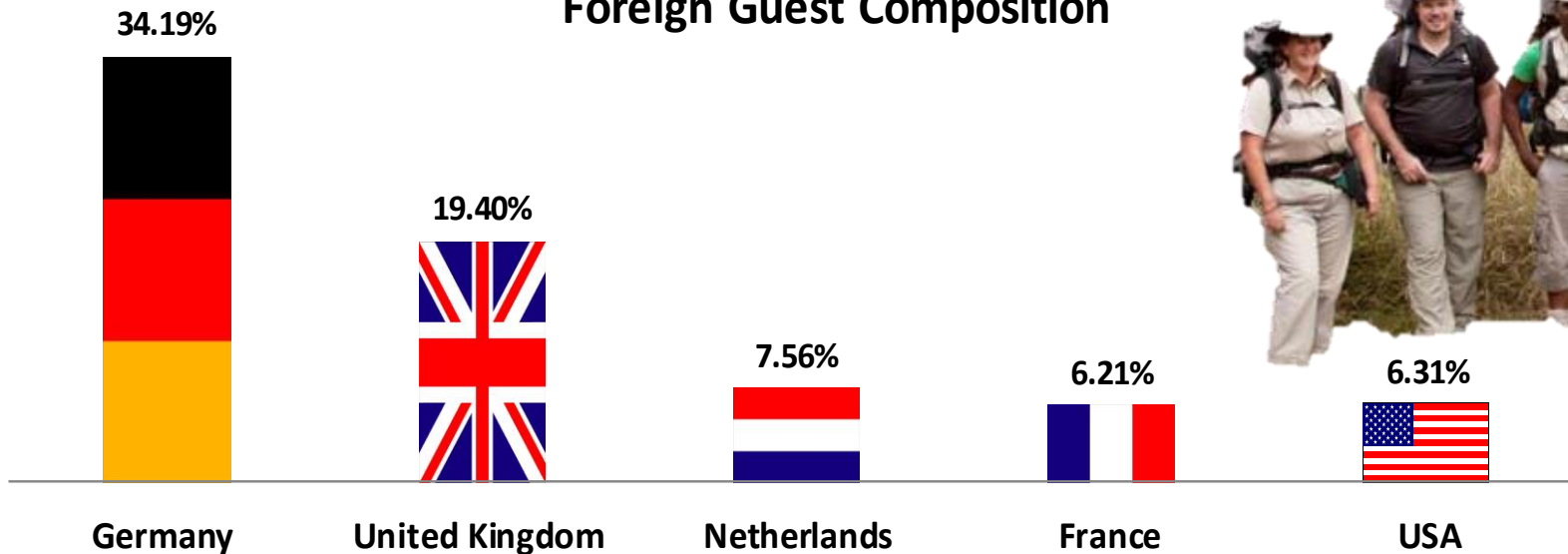


South African
NATIONAL PARKS

- SA Citizens were **73.8%**, while SADC and International guests stood at **1.4%** and **24.8%** respectively




Foreign Guest Composition



Promoting Customer Focused Responsible Tourism



Performance Indicator	2013/14 Annual Target	Actual Performance	Comments
Customer Satisfaction Index	77.3%	<p style="text-align: center;">79.1% </p> <ul style="list-style-type: none"> • Guests' responses improved by 30% year-on-year. 	<ul style="list-style-type: none"> • Electronic guest feedback system • New restaurant franchise model <p style="color: green;">Customer Satisfaction Index = 79.8%</p>

Product Development Restaurant upgrades



South African
NATIONAL PARKS



Product Development Restaurant upgrades



South African
NATIONAL PARKS



Product Development Skukuza Airport



South African
NATIONAL PARKS



Product Development Adventure Activities




South African
NATIONAL PARKS




Improving Corporate Governance



Performance Indicator	2013/14 Annual Target	Actual Performance	Comments
Auditor General Audit Report	Unqualified, with no other matters	Unqualified, with other matters 	Issues raised by Auditor General being addressed in action plans. Corrective active action plan is currently being rolled out with our internal auditors (SizweNtsaluba Gobodo), focusing on: <ul style="list-style-type: none"> • GRAP Financial Controls; • Performance against Pre-determined objectives.



Improving Conservation Estate



Performance Indicator	2013/14 Annual Target	Actual Performance	Comments
<p>% progress against Biodiversity Monitoring Plan</p>	<p>100%</p>	<p>98% achievement </p> <ul style="list-style-type: none"> • The implementation of the 10 biodiversity monitoring programmes continued (viz; species of special concern, resource use, habitat representation, habitat degradation, biodiversity mechanisms, climate change, disease, freshwater, alien and invasive and organisational reporting). The following key activities were completed: <ul style="list-style-type: none"> ✓ Water quality surveys; ✓ Resource use reporting; ✓ Monitoring of drivers of Climate change ✓ Conducting bi-annual water-bird counts; ✓ Conducting springbok surveys in various national parks; ✓ Rhino demography profiling survey in the Kruger National Park ✓ Management of alien and invasive species; and ✓ Development of the biodiversity reporting framework 	<ul style="list-style-type: none"> • The shortfall in performance relates to Programme 10: Organisational Reporting Management - the development of reporting indicator was completed in the Q1 of 2014/2015 • Autumn sampling of the water chemistry in Garden Route. • long-term offshore reef fish in Tsitsikamma. • Bi-annual waterbird counts in Wilderness and Swartvlei systems, • gallery forest tree monitoring in Mapungubwe, and • Wetlands monitoring.




Improving Conservation Estate



Performance Indicator	2013/14 Annual Target	Actual Performance	Comments
Number of revised Park Management Plans	2	<p style="text-align: center;">0 </p> <ul style="list-style-type: none"> • Marakele National Park - 95% completed; • Tankwa Karoo National Park - 95% completed. 	<ul style="list-style-type: none"> • DEA Technical review and Ministerial approval concluded in Q1 of 2014/2015. <p style="color: green;">Addo and Table Mountain Park Plans are currently being reviewed.</p>
% progress against implementation of Cultural Heritage Improvement Programme	100%	<p style="text-align: center;">85% achievement </p> <ul style="list-style-type: none"> • Approval of Mapungubwe buffer zone modification; • Completion of the Skukuza Museum; • Completed oral history collection in Kruger • Preparatory work completed for Thulamela nomination as the National Heritage site; • The Management Effectiveness Tracking Tool (METT) for World Heritage Sites was completed for Mapungubwe • Conducting Arid Regional Cultural Heritage Events. 	<ul style="list-style-type: none"> • No common agreement could be reached between SANParks, SAHRA and University of Pretoria regarding the custodianship of the Mapungubwe collection (national collections). UP still wants to maintain sole custodians. <p style="color: green;">Progress report on Integrated Management (IMP) Plan has been submitted to UNESCO.</p>

Improving Conservation Estate



Performance Indicator	2013/14 Annual Target	Actual Performance	Comments
Total Area Added to National Parks	8,726 ha	<p>3,267.5 ha </p> <ul style="list-style-type: none"> • Of which 52.2% was (1,703 ha) was contract land • The following land was added to national parks system: <ul style="list-style-type: none"> ✓ Addo Elephant National Park – 306.46 ha ✓ Namaqua National Park – 2,219.61 ha ✓ West Coast National Park – 741.38 ha 	<ul style="list-style-type: none"> • Unaffordable market-related land prices <p>2,195 ha against annual target of 3,715 ha</p>
Total Area Rehabilitated of Alien/Invasive Species	<p>New Area = 34,400 ha</p> <p>Follow-Up = 269,000 ha</p>	<p>New = 44,190 ha </p> <p>Follow-ups = 261,330 ha </p> <p>New area is 28.5% (9,790 ha) better than the planned target, while follow-up areas were slightly below planned target by 2.9% (7,670 ha).</p>	<p>New Area = 6,826 ha</p> <p>Follow-Up = 91,302 ha</p>




Alien clearing in Augrabies



Chainsaw training

Improving Conservation Estate

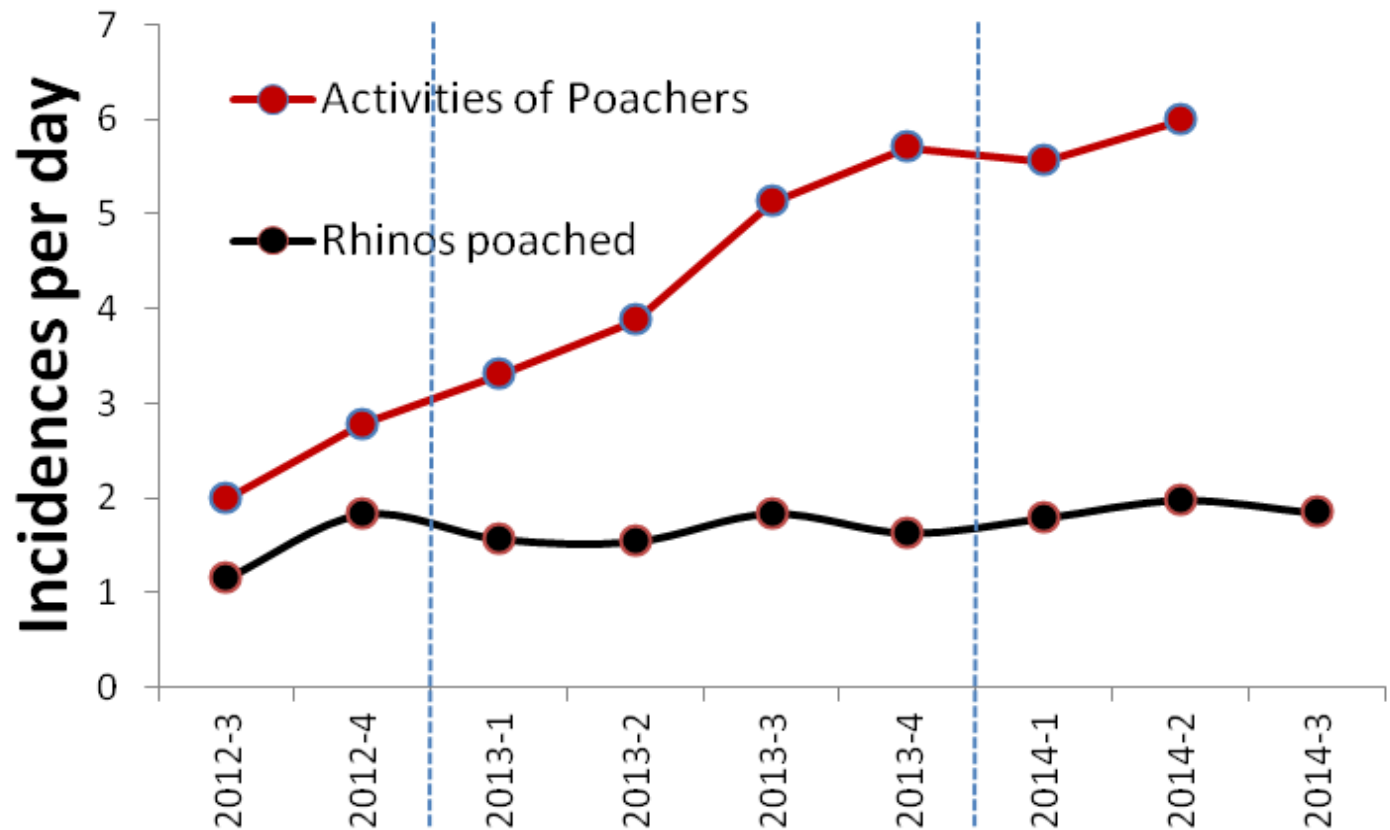


Performance Indicator	2013/14 Annual Target	Actual Performance	Comments
Poaching Incident Rate (YoY)	Rhino = 0.0%	<p style="text-align: center;">27.6% </p> <ul style="list-style-type: none"> • SANParks lost 615 rhino due to poaching; ✓ 27.6% (133) increase compared to last year; ✓ 323 suspects were arrested nationally, of which 36.5% (118) were arrested in the KNP. 	<ul style="list-style-type: none"> • The aim is to ensure that mortality does not exceed birth rate due to poaching. <p style="text-align: center;">Rhino = 21.4% (YOY)</p> <p>375 Rhino Poached (66 more YOY)</p> <p>60 Arrests</p> <ul style="list-style-type: none"> • Implementation of recently approved Rhino Management Plan • Implementation of the KNP Intensive Protection Zone Initiative.



South African
NATIONAL PARKS

Are we making a difference?



Facilitating Socio-Economic Development



South African
NATIONAL PARKS

Performance Indicator	2013/14 Annual Target	Actual Performance	Comments
Total Number of Person-days on Temporary Jobs Created through EPWP	1,016,820	1,094,961	<ul style="list-style-type: none"> • More people working for less time due to late start of programmes • National implementer for environmental monitors • Implement on behalf of provinces (create capacity)
Total Number of Temporary Jobs Created through EPWP	5,334	13,141 <ul style="list-style-type: none"> • 4,676 full-time equivalent; 	<ul style="list-style-type: none"> • Additional funding awarded in Q4 of 2013/2014 • Biggest single implementer of Working for Water Programme in the country
Total Number of SMMEs Supported through EPWP	444 (R102.0 million)	624 (R144.0 million) <ul style="list-style-type: none"> • 146.4% improvement than planned, at the cost of R144,0 million. 	<ul style="list-style-type: none"> • Temporary jobs created : 6,855 • No of Person days = 621,477 • No of SMME's supported = 495 • Amount paid to SMME's = R71.3 million

Success stories



South African
NATIONAL PARKS

Best Project Award for the Agulhas Wetland Project on Working for Wetlands Programme



Success stories



South African
NATIONAL PARKS

Eco-Factory Projects is Runner-Up in Mail & Guardian Green Awards



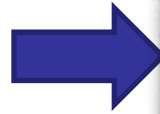
SMME Development



South African
NATIONAL PARKS



**SMME creation and support: 624 in
2013/14**



**Small independent contractors with
skills**


Environmental Monitors Programme



South African
NATIONAL PARKS

Environmental Monitors – 1,100 employed in national parks, provincial reserves and private nature reserves



Performance Indicator	2013/14 Annual Target	Actual Performance	Comments
Number of Community-based Socio-Economic initiatives implemented	10	<p style="text-align: center;">9 </p> <ul style="list-style-type: none"> • These initiatives were implemented at a cost of R6.2 million generated from 1% of SANParks tourism revenue; • Development of Science Laboratories in Free State; Northern Cape; Limpopo; Eastern Cape and Mpumalanga. • Post-matric bursary bursaries offered to 27 learners (R700,000) 	<ul style="list-style-type: none"> • Corporate Social Investment Projects funded through SANParks 1% tourism revenue.

Corporate Social Investment Initiatives

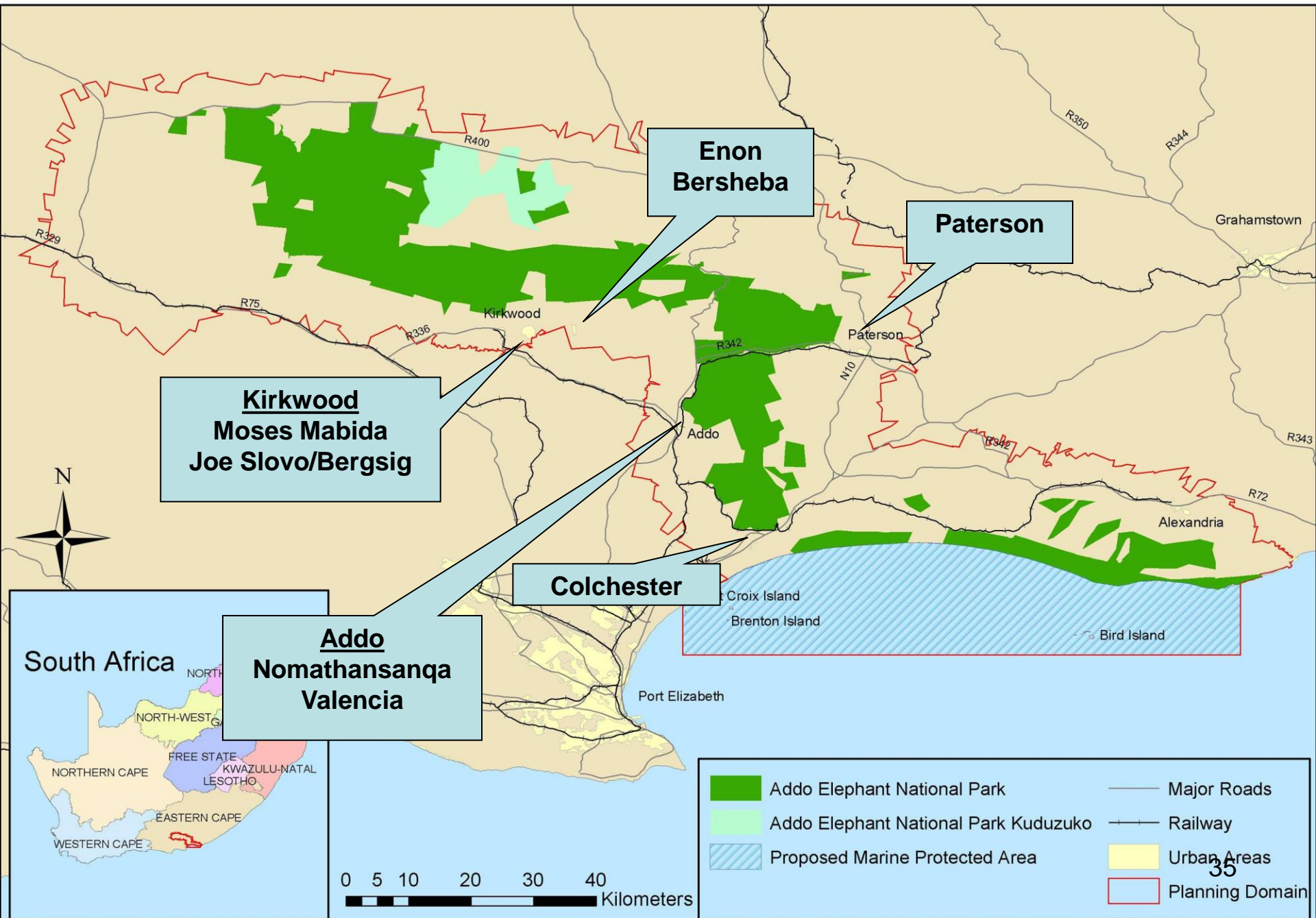


Masiza Computer Lab

Emang Mmogo Science lab



Greater Addo Elephant National Park



Mayibuye Ndlovu Development Trust


- **Set up as a Forum in 1993 incorporating all communities around the Addo Elephant National Park**
- **Formally registered as a Trust in 2005**
- **To Improve quality of life of all beneficiaries, through effective sustainable management**
- **To address poverty, unemployment, socio – economic needs and historical disadvantages**
- **Provides a model for a structured relationship towards socio-economic beneficiation of communities surrounding the Park**

Mayibuye Ndlovu Development Trust Projects

- **Revenue Share Agreement - Matyholweni**
 - 6 to 12 % income per annum- based on occupancy
 - Funding used to implement programmes and projects
- **Other MNDT Projects**
 - Compost production serving citrus industry (Investment R6,7m)
 - Bursaries for community members
 - Capacity building & SMME support
 - Hop On Guides






Promoting Research and Development



Performance Indicator	2013/14 Annual Target	Actual Performance	Comments
<p>% of new research projects relevant to SANParks key issues</p>	<p>70% "Essential" and "Important" categories</p>	<p>74.4% </p> <p>"Essential" and "Important" categories</p> <ul style="list-style-type: none"> • 621 new research project have been evaluated of which 462 complied with the set criteria of essential and important to SANParks business. 	<ul style="list-style-type: none"> • All information published in peer reviewed journals (national and international), resulting in a presence and credibility in the academic domain. <p>674 research projects registered.</p>

Promoting Effective Management of Human Capital



Performance Indicator	2013/14 Annual Target	Actual Performance	Comments
Total Number New Employment (Jobs Created)	Permanent: 30 Temporary: 10	Permanent: 241  Temporary: 114 	<ul style="list-style-type: none"> • Insourcing of security services in Kruger • Additional rangers • Temporary tourism staff <p>New permanent staff = 75 Temporary Staff = 254</p>
% of Employees from Designated EE Groups	Women % of Management = 30.0% People with Disabilities = 0.7%	Women % of Management = 32.0%  People with Disabilities = 0.4% 	<ul style="list-style-type: none"> • Employment Equity Plans in place <p>Women % of Management = 34.0% People with Disabilities = 0.6%</p>
Disabling Injury Frequency Rate (DIFR)	< 0.82	0.06 	<ul style="list-style-type: none"> • Performance attributed to improved OHS awareness and training at shop floor levels. <p>0.45 up from 0.88 of the previous financial year</p>

2013/14 Financial Performance



South African
NATIONAL PARKS

	31 March 2014 R'000	31 March 2013 R'000
Revenue		
Tourism, retail, concession and other	1 200 012	1058117
Operational grants received	392 738	196 158
Income from special project grants	516 864	425 115
Other operating income	20 169	20 196
Land acquisition grant	34 039	19 124
Sale of fauna and flora	33 529	3 752
Donations	5 391	2 737
	2 202 742	1 725 199
Expenses	(2 181 774)	(1 814 032)
Operating expenses	(715 942)	(689 540)
Administration expenses	(63 438)	(58 982)
Compensation of employees	(885 530)	(640 394)
Expenses relating to special project grants	(516 864)	(425 115)
Surplus/(Deficit) from operations	20 968	(88 833)
Net investment income	20 122	12 573
Investment income	21 275	15 605
Finance costs	(1 153)	(3 032)
Income from ordinary activities	41 090	(76 260)
Extraordinary Items	(339)	(23)
Surplus for the year	40 751	(76 283)

2013/14 Audit Issues



Finding	Actions to be completed	Target dates	Progress
Material misstatements to the annual financial statements			
<p>1 Material adjustments to published financial statements compared to those submitted for audit process on 31 May 2014. Adjustments materially related to aspects of non-current assets, liabilities, revenue recognition and cash flow items.</p>	<ul style="list-style-type: none"> • This matter is being addressed at multiple levels most pertinently at transaction processing level as well as staffing structure level. • All processes and transactions relating to the issues are being reviewed and adjusted according to the required financial reporting standards. • Personnel restructuring is being reviewed to ensure better financial reporting and operational efficiencies. • The acquisition of a suitable financial accounting application (software) is being considered to enhance financial reporting. 	<p>All to be completed by 31 March 2015</p>	<p>All processes sufficiently on target to ensure achieving planned target dates.</p>

2013/14 Audit Issues



	Finding	Actions to be completed	Target dates	Progress
Predetermined objectives				
2	<p>Audit of performance against predetermined objectives revealed certain shortcomings in systems of internal control:</p> <ul style="list-style-type: none"> Selected systems are insufficient to provide adequate data to support actual performance; Instances were highlighted where insufficient evidence to support actual performance achieved was available for audit purposes. 	<ul style="list-style-type: none"> Specific weaknesses and shortcomings have already been identified and addressed to prevent any recurrence of stated findings. A further review to amend and improve affected systems as well as level of supporting evidence collated is also underway. 	<p>All to be completed by 30 November March 2014</p>	<p>While certain elements have already been completed all processes are on target to ensure completion by due date.</p>



South African
NATIONAL PARKS

Thank You

