




South African  
NATIONAL PARKS

ANNUAL REPORT  
2017/2018



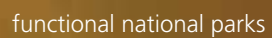
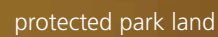
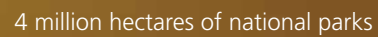
A person is seen from the side, looking out at a sunset over a body of water. The sun is low on the horizon, creating a warm, golden glow. The person's hand is visible near their face. The background shows a calm sea and a distant shoreline under the setting sun.

**SANParks is working towards being a major connector between societies. This has seen the vision of “Custos Naturae” slowly but surely progressing to the vision of today as “A Sustainable National Parks System, Connecting Society.”**

As a leading conservation authority, SANParks is a public entity under the jurisdiction of the Department of Environmental Affairs, where inclusive conservation as opposed to previous policies of exclusion, are central to advancing the policies in line with the National Development Framework for Sustainable Development and the national Development Plan. SANParks manages a system of 19 functional national parks in seven of the nine provinces of South Africa with a total area of just over 4 million hectares comprising 67% of the protected areas under state management. The SANParks of today is recognised as a world leader in conservation and protected area management. In the last two decades, seven new national parks have been established, totalling over 700 000 hectares, with much of this being in the under-conserved biomes such as the Succulent Karoo and Fynbos.

The National Environmental Management Protected Areas Act mandates SANParks to create destinations for nature-based tourism in a manner that is not harmful to the environment. As SANParks is primarily a self-funding entity generating approximately 80% of its operating budget from its ecotourism business; fulfilment of its conservation mandate is heavily reliant on thriving and sustainable tourism operations.

# A Sustainable National Parks System, Connecting Society.





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## Legal and Constitutional Mandate

SANParks was initially established in terms of the now repealed National Parks Act, 57 of 1976 and continues to exist in terms of the National Environmental Management: Protected Areas Act, 57 of 2003; with the mandate to conserve, protect, control and manage national parks and other defined protected areas and their biological diversity (biodiversity). As a public entity, SANParks is also governed by the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999) and is listed as a Schedule 3 Part A: 25, public entity.

## Mandate

Delivery of the conservation mandate by excelling in the management of a national park system.

## Vision

A sustainable National Park System connecting society.

## Mission

To develop, expand, manage and promote a system of sustainable national parks that represents biodiversity and heritage assets through innovation and best practise for the just and equitable benefit of current and future generations.



# List of Abbreviations and Acronyms

<b>AGSA</b>	Auditor-General of South Africa	<b>SAHRA</b>	South African Heritage Resources Agency
<b>AVE</b>	Advertising Value Equivalent	<b>SANBI</b>	South African National Biodiversity Institute
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment	<b>SANParks</b>	South African National Parks
<b>CAPS</b>	Curriculum and Assessment Policy Statement	<b>SANPW</b>	South African National Parks Week
<b>CCMA</b>	Commission for Conciliation, Mediation and Arbitration	<b>SAPS</b>	South African Police Service
<b>CEO</b>	Chief Executive Officer	<b>SHR</b>	SANParks Honorary Rangers
<b>CITES</b>	Convention on International Trade in Endangered Species	<b>SMME</b>	Small, Medium and Micro Enterprise
<b>CSI</b>	Corporate Social Investment	<b>SOE</b>	State Owned Entity
<b>DEA</b>	Department of Environmental Affairs	<b>SPfC</b>	Strategic Plan for Commercialisation
<b>EE</b>	Employment Equity	<b>TMNP</b>	Table Mountain National Park
<b>ENSO</b>	El Niño Southern Oscillation	<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation
<b>EPWP</b>	Expanded Public Works Programme	<b>ARC</b>	Agricultural Research Council
<b>ExCo</b>	Executive Committee	<b>CBD</b>	Convention on Biological Diversity
<b>FMPPi</b>	Framework for Managing Programme Performance Information	<b>EWP</b>	Employee Wellness Programme
<b>FTE</b>	Full Time Equivalent	<b>ECI</b>	Environmental Crime Investigations
<b>GRAP</b>	Generally Recognised Accounting Practise	<b>GEF</b>	Global Environmental Facility
<b>GRNP</b>	Garden Route National Park	<b>GEFPA</b>	Global Environmental Facility Protected Area
<b>ICT</b>	Information and Communications Technology	<b>GLTFCA</b>	Great Limpopo Transfrontier Conservation Area
<b>IDP</b>	Infrastructure Development Programme	<b>GLTP</b>	Great Limpopo Transfrontier Park
<b>IPZ</b>	Intensive Protection Zone	<b>IUCN</b>	International Union for Conservation of Nature
<b>KiP</b>	Kids in Parks	<b>K2C</b>	Kruger 2 Canyons
<b>KNP</b>	Kruger National Park	<b>NGO</b>	Non-governmental organisation
<b>LEDET</b>	Limpopo Economic Development, Environment and Tourism	<b>OD</b>	Organisational Design
<b>METT</b>	Management Effectiveness Tracking Tool	<b>SABC</b>	South African Broadcasting Corporation
<b>MTPA</b>	Mpumalanga Tourism and Parks Agency	<b>SANDF</b>	South African National Defence Force
<b>NDP</b>	National Development Plan	<b>SAPPI</b>	South African Pulp and Paper Industries
<b>NDT</b>	National Department of Tourism	<b>SoIAM</b>	State of Area Integrity Assessment
<b>OSV</b>	Open Safari Vehicle	<b>TB</b>	Tuberculosis
<b>PFMA</b>	Public Finance Management Act	<b>UA</b>	Universal Access
<b>PPP</b>	Public Private Partnership	<b>UNDP</b>	United Nations Development Programme
<b>RPL</b>	Recognition of Prior Learning	<b>USAID</b>	United States Agency for International Development
<b>SADC</b>	Southern African Development Community	<b>y-o-y</b>	Year-on-year



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The background of the slide is a photograph of a desert landscape. The sky is a gradient of soft pink and purple, suggesting a sunset or sunrise. The ground is dry, brownish soil with sparse, low-lying green and grey shrubs. In the distance, a low, rounded mountain range is visible under the colorful sky. A large, white, hand-painted brushstroke graphic starts from the bottom right and sweeps upwards and to the left, partially obscuring the landscape and the text.

# PART A

GENERAL  
INFORMATION

# About South African National Parks (SANParks)

South African National Parks (SANParks) is the custodian of nineteen national parks located in diverse vegetation types: Desert, Grassland, Forest, Succulent Karoo, Nama Karoo, Fynbos, Savanna, Albany Thicket, Indian Ocean Coastal Bled and Azonal. Established in 1926, the park system spans seven of South Africa's provinces, consists of over 4 million hectares (40,000 km<sup>2</sup>) and makes up approximately 67% of the land under formal conservation in the country.

The reasons for the existence of national parks have evolved from protecting wildlands and wildlife to protecting biological life forms and promoting socio economic development, eco-tourism and connecting citizens. Achieving these objectives means resolving a range of conservation management challenges; addressing complex social, economic and political dynamics; and adapting policies and management styles. This requires the organisation to be innovative and to use our parks to influence and support sustainable development across the wider society.

Historically, the national parks excluded the majority of South Africa's people. To overcome this and to ensure an inclusive national parks system, SANParks formulated a comprehensive Socio-Economic Development strategy to assist with the development of communities neighbouring the parks. Located in rural areas, the parks can and must be catalysts and drivers of local economic development. SANParks' socio-economic development programme now include Biodiversity Economy; Social Legacy; Enterprise Development; Environmental Education; and Awareness and Land Claims Beneficiation programme.

During the reporting period, through its social-legacy programme SANParks invested in science laboratories and in play-grounds near the Kruger, Agulhas and Karoo National Parks and the Kgalagadi Transfrontier Park. In support of the Green Economy Programme,

a government initiative to increase local communities' participation in the wildlife industry value chain, SANParks donated five disease-free buffaloes to the Matsila Community Development Trust in Limpopo during the reporting period. The Khomani San Communal Property Association received 101 head of plains game including 47 ostrich, 20 gemsbok, 9 Hartman zebra in two family groups and 18 red hartebeest.

Three bio-prospecting projects, at different stages of implementation, under way are:

- Lefika Herbarium and Nursery Project, a medicinal plant enterprise in the Phuthaditjaba area near Golden Gate Highlands National Park.
- Covie Honey Bush Tea Project within the Garden Route National Park
- Harkerville Medicinal Plant Nursery, located near the Garden Route National Park.

An exciting aspect of SANParks' socio-economic development work is the environmental education awareness programme that brings together school-going children and their educators and the national parks system. In this reporting period, over 139,668 young people and their teachers participated in initiatives supported by this programme

SANParks has long understood that it needs to structure its management systems around scientific research into conservation of species and ecosystems. This includes identifying opportunities to increase the amount of land within the national parks system and in this way helping to achieve the objective of 13% of the country's land within the protected area estate, as articulated in the National Biodiversity Strategy and Action Plan, and 17% according to the Convention on Biological Diversity targets.

This plan is the result of a partnership between the National Research Foundation and SANParks to manage this land as a national park for its biodiversity conservation in alignment with the purpose for which the SKA was established.

Kruger National Park, one of the world's best known national parks and the oldest in the country, was proclaimed in 1898 although it was not opened to the public until 1927. At nearly 2 million hectares (20,000 km<sup>2</sup>), it is South Africa's largest national park and celebrates 120 years of successful conservation of the country's natural and cultural heritage this year. One of the most recognisable national symbols, it is visited by over one million people every year.

Kruger National Park has been the subject of land claims from various communities dispossessed through forced removals under the 1913 Land Act, with many of these claims being successful. In 2008, Cabinet decided on equitable redress rather than land restitution in these cases. This gave rise to the Kruger National Park Land Claimants' Beneficiation Scheme which aims to create investment, shareholding and employment opportunities within and outside the park.

SANParks is an implementing agent of the Expanded Public Works Programme (EPWP) established to create jobs, including for people living in areas adjacent to national parks. In 2017/18, under the EPWP SANParks projects created over 7,000 full time equivalent (FTE) jobs through employing 16,900 beneficiaries on projects that include land rehabilitation and restoration. More than 730 SMMEs were supported through the programme, with R 231 million paid to these small contractors. Almost 70% of the participants were young people aged between 16 and 35, 55% were women and 2% were people with disabilities.



SANParks marked the 25<sup>th</sup> anniversary of the coming into force of the Convention on Biological Diversity during the reporting period, and is its main implementing agent on behalf of the Department of Environmental Affairs (DEA). The convention is a multi-lateral treaty that provides an overarching framework on biodiversity conservation management, with at least 196 countries committed to it. Over the past two decades, a number of milestones forming part of the convention's twenty Aichi targets, as they are known, have been achieved. As part of its People Awareness About Biodiversity project, SANParks hosted over 2 million participants through various environmental education programme in the national parks. These include Kids in Parks, the Kudu Green Schools Initiative, Junior Rangers and Imbewu. Seven new parks covering over 700,000 ha were developed and included in the national parks system: Marakele (1994), Mapungubwe (1995), Table Mountain (1998), Agulhas (1999), Namaqua (1999), Camdeboo (2005) and Mokala (2007).

Two of the SANParks parks have been inscribed as world heritage sites by UNESCO: the Mapungubwe Cultural landscape (inscribed in 2003), which is part of Mapungubwe National Park; and the Khomani Cultural Landscape (inscribed in 2017), part of the Kgalagadi Transfrontier Park. The 2017/18 infrastructure investment budget was R270 million, of which R 230 million or 85% was spent. The main items of expenditure were the Skukuza Safari Lodge and civil engineering services at Kruger National Park. EPWP projects are funded mainly by the DEA and some by the Social

Responsibility Programme of the National Department of Tourism (NDT), which has increasingly supported tourism infrastructure in national parks and in recent years has approved funds for eight projects to the value of R300 million.

SANParks has a significant role to play in South Africa's nature-based tourism, or ecotourism, targeted at the international and domestic tourism markets, and the strength of its eco-tourism business enables it to self-generate revenues from commercial operations. These supplement government funding for conservation management. An important element of SANParks' ecotourism is the commercialisation strategy which, through public-private partnerships (PPPs), has enabled the organisation to expand its range of tourism products and to generate additional revenue to fund conservation and socio-economic development. There are currently 50 active PPPs involving the management of five-star accommodation in parks, retail outlets and restaurants. In 2017/18, these agreements generated income of R133 million, an increase of 14% from the previous year.

Transforming the South African guest profile to reflect the broader society is a priority for SANParks. The number of BlackSouth African guests increased by 4.6% in 2017/18 from 608,537 to 636,371. Blackguests made up 36.6% of South African day visitors compared with 35.7% in 2016/17, and 11.5% of South African overnight guests, an increase of 10.6% on the previous year. BlackSouth African guests (day visitor and overnight) made up to 30.5% of the total, compared with 29.6% in 2016/17.

For the past decade, assessments of the State of Area Integrity (SoAIM) have been undertaken at park or section level. Their purpose is to evaluate management's operational interventions and to establish the ability of parks to function effectively and efficiently. In 2017/18, over 45 assessments across the 18 parks in SANParks' Parks Division were carried out.

The organisation's achievements during the reporting period reflect the hard work, passion and effort of a dedicated and determined workforce. The year's results are a testament to the application of world class conservation methodologies that enable SANParks to contribute to the national agenda of job creation and poverty alleviation, transformation and uplifting of marginalised citizens. SANParks continues to harness responsible tourism principles that balance current visitor demand with developing new markets.

# Minister's Foreword

I am pleased to present the 2017/18 Annual Report of the South African National Parks (SANParks).

SANParks is a public entity of the Department of Environmental Affairs (DEA) and manages an extensive network of national parks in seven of South Africa's nine provinces. The 19 national parks cover more than 4 million hectares – an area that continues to expand. At present national parks comprise 67% of the land under the state's protective management.

In the period under review SANParks as the country's leading conservation authority has continued to play a leading role in upholding our global reputation for species conservation as well as our position as the third most mega biodiverse country in the world.

SANParks continues to play a leading role in supporting South Africa's transition to an environmentally sustainable, climate change resilient, low-carbon economy and just society by 2030 as encapsulated in the National Development Plan (NDP).

During 2017/18 the organization continued to be a major source of job creation and skills development in the environmental sector, in support of government's Nine Point Plan to reignite growth and create jobs.

The primary vehicle through which this has been realized is the Expanded Public Works Programme (EPWP) environmental projects; namely the Environmental Monitor Programme, Working for Water and its associated Eco-Furniture Programme. This was achieved through the employment of 16,900 beneficiaries.

In the period under review the Environmental Monitor Programme and Eco-Furniture Programme created 7,109 full-time equivalent jobs, which was 5% above the target.

The largest programme remains Working for Water, which employed 6,800 people. It included the rehabilitation and restoration of more than 230,000 hectares and of land through initial and follow-up work. In addition 69 wetlands were rehabilitated through the Biodiversity Special Projects.

Over 730 small, medium or micro enterprises (SMMEs) were supported during the year, with a total spend of R231,064 million going to SMMEs. Three social legacy projects have been implemented and 139,668 participants (learners and adults) went through the SANParks' Environmental Education Programme.

In addition, two Biodiversity Economy projects were implemented. This included the donation of five disease-free buffalos to the Matsila Community Trust and 65 different types of plains game to the Khomani San Community Property Association – both an integral part of developing the wildlife economy in South Africa.

The development of the Biodiversity Economy will ensure that historically disadvantaged communities and individuals will benefit from the wildlife and plants found inside and outside national parks.





Through the Wildlife Economy, in which SANParks plays an important part, access to and ownership of game is facilitated by providing communities and emerging game farmers with opportunities to participate in game and wildlife farming. This is done with a focus on stocking, breeding, trading and related eco-tourism ventures.

Despite difficult economic times, the organization's own revenue generated as a percentage of total revenue is 82% of the just over R2.1 billion total revenue in 2017/18.

This is well over the strategic objective target of 70% and is expected to increase in 2018/19.

Tourism income for the year ending 31 March 2018 amounted to R1,602,028 million -12.5% more than for the previous financial year due to increases in tourism tariffs as well as a 5.1% year-on-year increase in the number of visitors to the national parks.

With conservative marketing efforts conducted to drive the growth of the numbers of previously disadvantaged people to the national parks, trends continue to show positive growth in this area; with black visitors to parks growing by 4.6%.

In terms of the SANParks' 5-year Revenue Generation Framework which spans to 2021/2022, new infrastructure plans have been concluded. They include new public-private partnerships to manage the Skukuza Lodge and Safari Lodge in Marakele National Park.

The combined revenue projection is approximately R67 million over the next 4 years. This increased revenue generation is essential in addressing the infrastructure backlog of around R447m in 2017/18 across the parks. During the past year 14 new revenue generating products were implemented.

In terms of the Land Inclusion Plan, more than 3,800ha was added to the Tankwa Karoo National Park, a property that comprises succulent Karoo and fynbos vegetation types.

SANParks also continued to participate in the Operation Phakisa Technical Team in order to strengthen science-based evidence for defending the proposed Marine Protected Area (MPA) network. This work has included a review of the

proposed MPA network and agreement on any changes or adjustments made since the gazetting in 2016, based on stakeholder comments and scientific recommendations.

State of Biodiversity (SOB) assessments have been completed for the 19 national parks, while 45 State of Area Integrity Management (SoAIM) assessments were completed for 18 parks and corrective actions identified. Sustainability thresholds had been set for four key species, namely rhino, elephant, cycads and penguins.

Park Management Plans for the Kruger National Park and Richtersveld National Park have been submitted to the Department for technical review.

Issues raised by the public during the development of the plan for the Kruger National Park included job creation, business partnerships, opportunities to participate in the wildlife economy and tourism, crime and its impact, damage-causing animals, increased community access to the park, more environmental education and awareness programmes, and partnerships with Mozambique and Zimbabwe.

Guided by international agreements, the NDP and the province's development strategies, implementation of the draft Plan requires co-operation and collaboration between a range of partners including national, provincial and local government.

A planned indaba on the KNP's role in the Provincial Growth Development Strategy, including its commitment to regional integrated development, will lay a sound foundation for collaboration and collective action towards a regional vision for the park and its neighbours in South Africa and across its borders.

In terms of transboundary management and putting into effect the Great Limpopo Trans-frontier Conservation Area (GLTFCA), the Kruger National Park has greatly advanced the development of the GLTFCA agreement and a draft Cooperative Conservation Agreement has been developed.

Agreement on the joint operational cluster committees should be concluded by August 2018, and implementation plans for different geographical clusters will be developed,


monitored and evaluated. The GLTFCA secretariat and a trust fund are in place to operationalise the partnership and an integrated GLTFCA land-use agreement is being developed to ensure sector alignment and integration.

Whilst poaching remains a major challenge across the country, there has been a 13.3 % reduction in recorded fatalities of rhinos and elephants poached in the past financial year. There has also been a decrease of 1.3 % in poaching activities. This is mainly due to ranger efficiencies, the deployment of technologies, early detection of poachers, good tracking skills and rapid deployment of both K9 and air reaction support. The successes recorded are a confirmation that the Rhino Protection Plan for Parks is being effectively implemented. It is thanks to our SANParks Ranges that our natural heritage is protected.

Among the efforts of continuing to reduce the scourge of rhino poaching have been the annual increase of conservation fees to supplement funding for anti-poaching operations.

It is pleasing to see the progress made in the past year made by SANParks in fulfilment of its mandate.

I confirm that the 2017/18 SANParks Annual Report complies with all statutory reporting requirements of the Public Finance Management Act (PFMA) as well as the essential National Treasury Regulations.



**DR B E E Molewa, MP**  
**MINISTER OF ENVIRONMENTAL AFFAIRS**

# Chairperson's Report

The essence of South Africa's National Parks' work has evolved from protecting nature and wildlife in an exclusionary manner to the sustainable management of national, ecological and cultural assets and the promotion of socio-economic development and eco-tourism. These imperatives come with varying challenges which include the need to balance the conservation of biodiversity in a changing world with complex national socio-economic priorities.

It is against this background that, over the reporting period, the Board has provided strategic direction, leadership and oversight to SANParks in executing the mandate and strategic objectives outlined by the Board in 2015. The achievement of most of the objectives set for the financial year, the sound financial results and the Auditor General's unqualified audit opinion are testimony to the Board's effectiveness. It is accordingly an honour for me to present the SANParks Annual Report for the 2017-18 financial year.

## OVERSIGHT AND FIDUCIARY FUNCTION

I am pleased to report that the Board in its Accounting Authority capacity, has worked to ensure compliance with the Public Finance Management Act and its regulations. The Internal Audit function, reported to the Board through the Audit and Risk Committee on a regular basis and the internal control weaknesses identified and corrected as a result. During the year, SANParks also strengthened its risk management capacity. A revised enterprise risk management framework was approved by the Board and is being implemented.

In terms of oversight of organisational performance, I am proud to report that, in spite of challenges posed by slow economic growth, drought conditions in some areas and the continued onslaught of environmental crime, SANParks achieved most of the objectives and targets set out in the Annual Performance Plan. During the reporting period, the Board identified areas that need strengthening and paid specific attention to strengthening SANParks' work in cultural heritage management, socio-economic development and the sustainability of infrastructure development. Significant progress has been made in these areas, although challenges remain. Of major concern is the 15% infrastructure underspend. The Board will continue to monitor this and, work to ensure that supply chain management processes are strengthened to ensure greater efficiency and improved turnaround times for procurement of goods and services.

## CONSERVATION OF BIODIVERSITY AND CULTURAL HERITAGE

SANParks has a proud history of conservation excellence and, since the start of South Africa's democracy, has steadily increased the national conservation estate by including seven new national parks. These cover over 700,000 ha and substantially increase the biomes protected.

Key to our conservation success is the adaptive approach to biodiversity management informed by science. During 2017-18, our scientific work continued to inform park management as demonstrated by the work on area integrity assessments and the management plans developed for the Kruger and Richtersveld

National Parks. Collaborative research continued in SANParks' various science centres and is evidenced by the authored, co-authored and peer-reviewed publications of the organisation's scientists.

A significant milestone in the cultural heritage work of the organisation was the successful listing of the Kalahari Gemsbok National Park as a World Heritage Site in July 2017.

## SOCIO-ECONOMIC DEVELOPMENT

SANParks' socio-economic development programme are aimed at enhancing the national Blue and Green Economy initiatives of the Department of Environmental Affairs and at facilitating SANParks' role as a responsible citizen. This is realised through programme such as Biodiversity Economy; Social Legacy; Enterprise Development; Environmental Education and Awareness and Land Claims Beneficiation.

A highlight for the Board has been the traction gained in the Wildlife Economy space, specifically through a focused wildlife economy project where we have seen various communities benefit. These include the Matsila Community Trust in Limpopo and the Khomani San Communal Property Association in the Northern Cape which both received game from SANParks.

The continued development of science laboratories and playgrounds at schools in the vicinity of national parks through SANParks' legacy projects is another notable achievement. However, the Board has requested that greater attention be paid to the quality of the product and the sustainability of the donated



infrastructure. An assessment in this regard has commenced. The Board also requested that the Environmental Education programme designed to enhance environmental awareness amongst primary and secondary school learners be reviewed to measure their impact.

The Board is encouraged by the progress made towards an agreed beneficiation scheme for the land claimants of Kruger National Park. The scheme is informed by opportunities within and outside the park for investment, shareholding and employment and has been subjected to a thorough consultation process between the claimants, SANParks, the Department of Environmental Affairs and the Land Claims Commission.

## **TOURISM**

SANParks' responsible tourism programme remains the organisation's largest source of own-generated revenue. In the period under review and in spite of the trying economic circumstances, we witnessed the continued growth of visitor numbers and associated revenue, and targets were again exceeded.

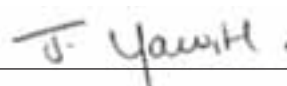
Income generation from public-private partnerships (PPPs) also continued to grow with accrued income to the value of R133 million, an increase of 14% from the previous year.

Tourism is an important instrument for redressing past exclusion of the majority of South Africans from national parks. It is for this reason that SANParks specifically targets an increase in Blackvisitors and the diversification of our tourism product to be attractive to Blackvisitors.

The inaugural Golden Classics event hosted at Golden Gate Highlights National Park and the Mapungubwe: The Beginning lecture series held at the Mapungubwe World Heritage Site are two examples of the innovative products introduced by SANParks to diversify the tourism product. At these events, culture celebrated on nature's stage and a new, inclusive narrative for national parks is being written.

## **CONCLUSION**

I am satisfied with the progress made by the organisation in implementing the SANParks strategy set out by the Board in 2015. In closing, I wish to extend my sincere gratitude to the Minister of Environmental Affairs for the strategic guidance and advice over the last three years. I also wish to convey a special message of appreciation to the outgoing SANParks Board members for their diligent work and support throughout the years. Your efforts are highly appreciated.



**Ms Joanne Yawitch**  
Chairperson of the Board SANParks



# Chief Executive Officer's Foreword

2017/18 was the mid-point of implementing the SANParks 2015/2020 Strategic Plan. As we work towards our vision of a sustainable national parks system that connects with its surrounding society, we pause to take stock of the progress we have made in achieving our legislative mandate, our strategic objectives and our promises to the people of South Africa and the world. We do this because we constantly have to remind ourselves of the massive responsibility we carry in managing a national asset such as this on behalf of the present generations and those who are to come.

SANParks' primary mandate, as defined in the National Environmental Management: Protected Areas Act no. 57 of 2003, is to conserve biodiversity and to manage the country's national parks. SANParks manages a conservation area of more than 4 million hectares, or 67% of the land under the formal conservation estate in South Africa. Our strategic goal is continuously to expand this area by including land and under-represented biomes in the national park system. During the past year, we finalised the Land Inclusion plan which will help us to identify inclusion opportunities within the national park system over the next three years. I am pleased to report that, during the year, SANParks added 3,847 hectares to the Tankwa-Karoo National Park. This property is characterised by succulent karoo and fynbos vegetation types, which are under-represented in our conservation estate. Also part of the park expansion programme, the development of a new national park in the Karoo Central Astronomy Advantage area in the Northern Cape (part of the Square Kilometre Array project) is progressing well. Given that three

of the Nama-Karoo vegetation types in the area have not previously been protected, this will contribute significantly to South Africa's conservation efforts.

Using internationally agreed standards, SANParks regularly evaluates its effectiveness in managing protected areas. The aim is to assess how well these areas are being managed, to track progress against set criteria and to identify corrective measures. Over the past year, Management Effectiveness Tracking Tool assessments were carried out in the nineteen national parks, and an average score of 71% was achieved. Corrective measures have been identified and are being implemented. As part of SANParks' work in managing protected areas, management plans for Richtersveld National Park and Kruger National Park were submitted to the Department of Environmental Affairs. The plan for Kruger National Park was submitted for technical review and wider consultation on the plan, particularly with key stakeholders in local and provincial government, will take place in 2018/19.

Wildlife crime continues to be a major problem for SANParks and for the conservation community worldwide. Along with a range of key stakeholders in the sector, SANParks has identified wildlife crime as a strategic priority. While the scourge of rhino poaching is well known, SANParks is also focusing on other threatened species including penguin, elephant and cycads. We are greatly concerned about the increase in elephant poaching in parts of Kruger National Park and are redoubling our efforts to ensure that we reverse this trend. In 2017/18, approximately 13% fewer rhinos were poached in Kruger

National Park than in the previous financial year. In other parks, no rhinos were poached. However, given the number of poaching incidents in areas close to our six rhino parks, we remain constantly vigilant. I want to personally thank our dedicated team of Rangers for their tireless efforts and resolve in the fight against wild life crime. Your work is highly appreciated.

Within the area of responsible tourism, SANParks' priority is to increase tourism numbers and enhance the diversity of our guests. In the year under review, SANParks welcomed 7,007,152 visitors to our national parks, an increase of just over 5% from the 2016/17 financial year. We also saw a significant growth, by 17%, in foreign visitors while the number of local Blackvisitors increased by 4.7%. Although there is a steady increase in the number of local Blackvisitors, the numbers are still relatively low and we will be intensifying marketing and improving our product offerings to ensure that our natural and cultural heritage is enjoyed by all South Africans. We wish to thank our loyal customers for their confidence in our product, and we will continue to improve our offerings to ensure that every guest who visits our parks leaves with life-long memories.

Tourism revenue in 2017/18 increased by 12.6% from the previous year, mainly driven by an increase in tariffs and growth in visitor numbers. I am pleased to report that the organisation recorded a surplus of R223 million. Own revenue generated as a percentage of total revenue stood at 82% which means that the organisation is financially stable.



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As a state entity, SANParks has to respond to government's socio-economic and developmental priorities. The majority of our national parks are located in rural areas which are largely affected by poverty, unemployment and a lack of economic opportunities. At the core of SANParks' strategy is the obligation to help to improve the standard of living of the communities around our national parks through initiatives such as increasing access to the parks and providing employment and business opportunities. In 2017/18, over 77,000 people accessed our parks at no cost during SANParks Week. Through the Expanded Public Works Programme, the organisation created 7,109 full-time equivalent jobs and spent approximately R231 million on sourcing services from 733 SMMEs. SANParks will continue to implement programme designed to advance transformation in the country and to contribute meaningfully to the socio-economic development of the communities neighbouring our parks. We remain resolutely committed to these important objectives.

In closing, I wish to thank the Minister of Environmental Affairs and the Board of SANParks for their wisdom and strategic guidance as we continue to implement the mandate delegated to us by the state and to pursue our long-term vision of a sustainable national parks system connected to society. I also wish to express my special gratitude to all SANParks employees for their tireless work and dedication to the important work of this organisation. Your efforts are acknowledged.



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**Mr Fundisile Mketeni**  
**CEO SANParks**



# Regions



Map 1: Regions



# Regions

1. Addo Elephant National Park
2. Agulhas National Park
3. Augrabies Falls National Park
4. Bontebok National Park
5. Camdeboo National Park
6. Garden Route National Park
7. Golden Gate Highlands National Park
8. Karoo National Park
9. Kalahari Gemsbok National Park
10. Kruger National Park

11. Mapungubwe National Park
12. Marakele National Park
13. Mokala National Park
14. Mountain Zebra National Park
15. Namaqua National Park
16. Richtersveld National Park
17. Table Mountain National Park
18. Tankwa-Karoo National Park
19. West Coast National Park.

# Board of South African National Parks









# Organisational Structure





# Organisational Environment

SANParks' business operations are founded on three important core pillars:

**Conservation** – the primary mandate of the organisation is the conservation of South Africa's biodiversity, landscapes and associated heritage assets through a system of national parks.

**Responsible Tourism** – the organisation has a significant role in the promotion of South Africa's nature-based tourism, or ecotourism business targeted at both international and domestic tourism markets. The eco-tourism pillar of the business architecture provides for the organisation's self-generated revenues from commercial operations that are necessary to supplement government funding of conservation management. A significant element of the ecotourism pillar is the Commercialisation Strategy, which (through the implementation of Public Private Partnerships) SANParks has adopted to expand tourism products and the generation of additional revenue for funding of conservation and socio-economic development.

**Socio-Economic Development** – SANParks has taken a strategic decision to expand its role in the developmental support provided to neighbouring communities as an entity of the developmental state. In addition, SANParks is required to build constituencies at international, national and local levels, in support of conservation of the natural and cultural heritage of South Africa through its corporate social investment. It has to ensure that a broad base of South Africans participate and get involved in biodiversity initiatives, and that all its operations have a synergistic existence with neighbouring or surrounding communities for their educational and socio-economic benefit, hence enabling the broader society to be connected to national parks.

The mandate of the organisation is derived from its biodiversity conservation role, thus the conservation pillar, is regarded as the basis upon which the other two core pillars' programme and activities are directed. In addition to the core functions (Conservation, Tourism and Socio-Economic Development), which provide SANParks with a level of uniqueness, the organisation has generic support functions of the Chief Operating Officer (which includes Human Capital Management; Risk Management and Strategy & Performance Management) and the Chief Financial Officer (which includes Finance and Supply Chain Management) and Corporate Services (which includes Information Technology, Enterprise Applications, Corporate Communications and Legal Services).



GARDEN ROUTE NATIONAL PARK





# PART B

PERFORMANCE  
INFORMATION

# Corporate Values

SANParks has adopted 11 corporate values, which serve as guiding principles around which all employee behaviour and actions are governed and shaped.

TABLE 1: THESE CORPORATE VALUES ARE LISTED BELOW:

Leadership	We shall demonstrate leadership in all we do
Environmental Ethics	We shall embrace and and be guided by environmental ethics in all we do
Transformation	We shall promote transformation within and outside of the organisation
Scientific and Service Excellence	We shall strive for scientific and service excellence at all times
Professionalism	We shall act with professionalism at all times
Initiative and Innovation	We shall adopt and encourage initiative and innovation by all
Equity and Justice	We shall treat all our stakeholders with equity and justice
Discipline	We shall exercise discipline at all times
Respect	We shall show respect to all
Honesty	We shall act with honesty and integrity
Transparency and Open Communication	We shall strive for transparency and open communication at all times





# Strategic Outcome Oriented Goals

TABLE 2: STRATEGIC OUTCOME ORIENTED GOALS

Strategic Outcome Oriented Goal 1	Sustainable Conservation Asset
Goal Statement	To ensure that environmental assets and natural resources are well protected and continually enhanced through an adaptive and effective National Parks System.
Strategic Outcome Oriented Goal 2	Diverse and Responsible Tourism
Goal Statement	To enhance the tourism plant in order to maximize economic returns, social and environmental benefits, by creating diversified and better tourism products for people to enjoy, visit and appreciate.
Strategic Outcome Oriented Goal 3	Progressive, Equitable and Fair Socio-Economic Transformation
Goal Statement	To foster an efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship that will enable the creation of decent employment through inclusive economic growth, vibrant, equitable and sustainable rural communities.
Strategic Outcome Oriented Goal 4	Effective Resource Utilisation and Good Governance
Goal Statement	To create and maintain a conducive workplace for skilled and capable workforce that will form a responsive, accountable, effective and efficient National Parks System.

TABLE 3: STRATEGIC OBJECTIVES

Strategic Objectives		2017/18 Budget	Percentage	2017/18 Actual	Percentage
SO 1	Improved Conservation Estate	230,534,399	11.0%	208,272,073	10.2%
SO 2	Effectively Managed Ecosystem, Species & Cultural Heritage Management	241,675,314	11.5%	309,459,201	15.2%
SO 3	Enhanced knowledge for decision making	63,313,376	3.0%	66,649,831	3.3%
SO 4	Enhanced Tourism Returns	236,124,149	11.3%	217,511,990	10.7%
SO 5	Diversified and Enhanced Tourism Opportunities and Experiences	236,124,149	11.3%	217,511,990	10.7%
SO 6	Optimised contribution to the green and blue economy	216,501,812	10.3%	186,169,331	9.1%
SO 7	Enhanced Awareness and Skills	210,044,913	10.0%	186,169,331	9.1%
SO 8	Enhanced Stakeholder Engagement	39,128,96	1.9%	54,591,573	2.7%
SO 9	Adequate, Appropriately skilled and transformed and diverse human capital	48,083,329	2.3%	51,557,979	2.5%
SO 10	Conducive working environment	48,083,329	2.3%	47,923,517	2.3%
SO 11	Optimised Business Processes and Knowledge Management Systems	67,252,647	3.2%	80,424,706	3.9%
SO 12	Accountable Corporate Governance	230,823,541	11.0%	210,522,414	10.3%
SO 13	Financial Accountability	226,722,464	10.8%	202,721,160	9.9%
		2,094,411,618		2,039,485,092	

# Performance against Predetermined Objectives for the 2017/18 Financial Year

Table 4: STRATEGIC OBJECTIVE 1: IMPROVED REPRESENTATIVE CONSERVATION ESTATE

STRATEGIC OBJECTIVE 1: IMPROVED REPRESENTATIVE CONSERVATION ESTATE			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
1.1 Total Area Added to National Parks	Terrestrial = 3,715 ha	The 2017/18 Land Inclusion Plan was approved by the SANParks Board in October and has been submitted to DEA	3,847 ha was added to the Tankwa-Karoo NP. This property comprises of succulent karoo and fynbos vegetation types, both being under represented.
	Marine = 0 km <sup>2</sup>	Engaged with and provided input as a member of the Phakisa Technical Task Team focussing on MPAs. The process is facilitated by DEA: Oceans and Coasts	SANParks participated in the relevant Phakisa Task Team activities towards the declaration of MPAs.
Performance Analysis	<b>Terrestrial:</b> The National Parks Trust acquired the 3,847 ha. Meintjiesplaas to be added to the Kruger National Park. This property comprises of the succulent karoo and fynbos. The vegetation types both under-represented. <b>Marine:</b> The aim of the Phakisa Technical Team Meetings is to strengthen the science-based evidence for defending the offshore proposed MPA network, to review the proposed MPA network and agree on any changes and adjustments made since the gazetting, based on stakeholder comments and scientific recommendations.		
Reason For Variance	Terrestrial The size of targeted properties within the land consolidation plan varies and it depends on the outcome of negotiations with the landowners. The result of the negotiations was in favour of Meintjiesplaas which was larger than the targeted 3,715 ha.  <b>Marine:</b> None		
Planned Improvements/Corrective Actions	None required.		



Table 4: STRATEGIC OBJECTIVE 1: IMPROVED REPRESENTATIVE CONSERVATION ESTATE (CONTINUATION)

STRATEGIC OBJECTIVE 1: IMPROVED REPRESENTATIVE CONSERVATION ESTATE			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
1.2 State of Biodiversity Rating	≥ 50%	10 SoB assessments completed.	Assessment of 19 parks completed and the baseline was set at 58.08%.
Performance Analysis	The results for the 2017/18 assessment for all 16 questions produced an average State of Biodiversity score of 58.08%.		
Reason For Variance	The performance is within the desired target range.		
Planned Improvements/Corrective Actions	Workshop the State of Biodiversity Report with each park and identify corrective actions.		
1.3 METT Score	> 67%	100% of the identified Corrective Measures Implemented	A total of 19 national parks were assessed and the SANParks average METT score is 71%.
Performance Analysis	The target of ≥ 67% is determined by DEA as a minimum requirement for effective management of protected areas. SANParks in the past two assessments has achieved above the minimum requirement due to effective management of protected areas. While the SANParks average METT 3 score for 2017/18 is above the 67% required for sound management, it is equivalent to the score achieved during the 2015/16 METT assessment.		
Reason For Variance	The achieved METT score is within the targeted range.		
Planned Improvements/Corrective Actions	All parks, based on the above information, will identify corrective actions to implement over the next 2 years to further improve management effectiveness.		
1.4 State of Area Integrity Assessments (SoAIM)	State of Area Integrity Baseline determined.	Corrective actions identified and achieved a score of 56.9% progress against corrective actions.	• The 2017/18 assessments have determined the baseline at 2.8 for future assessments.
Performance Analysis	A total number of 45 SoAIM assessments were completed for 18 parks – Parks Division in Q1-2. All the completed assessments were moderated and corrective actions identified. Q4 - Each park provided progress against the identified corrective actions.		
Reason For Variance	The baseline for SoAIM was determined at 2.8.		
Planned Improvements/Corrective Actions	None		

**Table 4: STRATEGIC OBJECTIVE 1: IMPROVED REPRESENTATIVE CONSERVATION ESTATE (CONTINUATION)**

STRATEGIC OBJECTIVE 1: IMPROVED REPRESENTATIVE CONSERVATION ESTATE			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>1.5.1% Reduction of fossil fuel generated energy consumption</b>	<b>Readiness Audit of 5 identified parks and prepare for baseline determination for subsequent year</b>	Baseline determination undertaken in Mokala- Golden Gate-, and Mountain Zebra NP's. Audit/review undertaken in the above parks (x3).	<ol style="list-style-type: none"> <li>1. <b>Baseline determination undertaken in Mokala- Golden Gate-, and Mountain Zebra NP's .</b></li> <li>2. <b>Energy Audit Report – ExCo approved</b></li> <li>3. <b>5 parks identified and prepared for baseline determination (Addo Elephant; Augrabies; Marakele; Kgalagadi &amp; Mapungubwe)</b></li> </ol>
<b>Performance Analysis</b>	An energy reduction plan had been compiled. An Audit/review was undertaken in Mokala- Golden Gate-, and Mountain Zebra NP's 5 parks have been identified and prepared for baseline determination (Addo Elephant; Augrabies; Marakele; Kgalagadi & Mapungubwe).		
<b>Reason For Variance</b>	Target reached, therefore no reason for variance.		
<b>Planned Improvements/Corrective Actions</b>	None		
<b>1.5.2% Reduction of fossil fuel generated energy consumption</b>	<b>2% reduction on baseline for Kruger</b>	2.26% increase on baseline for Kruger.	<b>2.22% increase on fossil fuel generated consumption</b>
<b>Performance Analysis</b>	The fossil fuel increase as indicated in the total electrical consumption for the period 1 April 2017 to 31 March 2018, was 2.22%.		
<b>Reason For Variance</b>	<p>The tourism growth for the same period was 6.85% with an adjusted electrical consumption baseline of 2.53%. The fossil fuel saving on the adjusted 2016/17 baseline is therefore 0.30%.</p> <p>The Kruger National Park still utilized 9.65% less electricity than 2010 when the energy saving programme was introduced despite the growth in tourism visitors.</p> <p>The solar farms in Lower Sabie and Skukuza was planned to be commissioned in July 2017. The Lower Sabie solar farm were only commissioned in November 2017 and the Skukuza solar farm will only be commissioned in May 2018. The above therefore resulted in a 2.2 % increase in fuel generated consumption.</p>		
<b>Planned Improvements/Corrective Actions</b>	Energy efficiency awareness programme and the heat-pumps maintenance programme will continue. A pilot study to improve the awareness is planned with the research department to get more buy-in from the tourists that utilizes the water and electrical services.		



**Table 4: STRATEGIC OBJECTIVE 1: IMPROVED REPRESENTATIVE CONSERVATION ESTATE (CONTINUATION)**

STRATEGIC OBJECTIVE 1: IMPROVED REPRESENTATIVE CONSERVATION ESTATE			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>1.6.1% Reduction of water consumption</b>	<b>Readiness audit of 5 identified parks and prepare for baseline determination for subsequent year</b>	Audit / Review determination undertaken in Agulhas-, Bontebok NP's and Wilderness (GRNP). Audit/review undertaken in the above parks ((x3).	1. <b>Audit / Review determination undertaken in Agulhas-, Bontebok NP's and Wilderness (GRNP).</b> 2. <b>Water Consumption Audit Report – ExCo approved.</b> 3. <b>Readiness Audit for 5 identified parks conducted (Addo-, Augrabies-, Tsitsikamma, Mapungubwe and Marakele NPs)</b>
<b>Performance Analysis</b>	A water consumption reduction plan was compiled. An Audit / Review determination was undertaken in Agulhas-, Bontebok NP's and Wilderness (GRNP).. A readiness audit for 5 identified parks were completed ( Addo-, Augrabies-, Tsitsikamma, Mapungubwe and Marakele NPs).		
<b>Reason For Variance</b>	None		
<b>Planned Improvements/Corrective Actions</b>	None		
<b>1.6.2% Reduction of water consumption- Kruger</b>	<b>2% reduction on baseline for Kruger</b>	4.22% reduction on baseline for Kruger	<b>7.34% increase in water consumption</b>
<b>Performance Analysis</b>	The water consumption baseline for 2016/17 was 1,394,860,060 litres. The actual water consumption for 2017/18 was 1,497,301,997 litres. The actual water consumption for the period 1 April 2017 to 31 March 2018 increased to 7.34%.		
<b>Reason For Variance</b>	For the period under review, there was a 7.34 % increase on the baseline for water consumption for Kruger. The tourism growth for the same period was 6.85% which resulted in an increased water consumption.		
<b>Planned Improvements/Corrective Actions</b>	Further awareness programme will be launched. It is proposed that a saving target for the 2018/19 financial year of 1% on the 2017/18 baseline be approved.		

TABLE 5: STRATEGIC OBJECTIVE 2: EFFECTIVELY MANAGED ECOSYSTEM, SPECIES AND CULTURAL HERITAGE ASSETS

STRATEGIC OBJECTIVE 2: Effectively managed ecosystem, species and cultural heritage assets			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>2.1 Total Hectares of Land Rehabilitated/Restored</b>	Initial = <b>31,323 ha</b> (This target had been revised during mid-term and this is an accumulative target)	21,731 ha (84%)	<b>44,519 ha. (142%)</b>
	Follow up = <b>188,120 ha</b> (target revised during mid-term and this is an accumulative target)	Follow-up: 152,814 ha (111%)	<b>199,484 ha (106%)</b>
	Wetlands = <b>6,600 m<sup>3</sup></b> (26 sites) (This is an accumulative target)	4,681 m <sup>3</sup> (15% above target)	<b>6,467 m<sup>3</sup> (98%)</b> <b>69 Sites</b>
<b>Performance Analysis</b>	<p><b>Initial ha:</b> The amendment of the targets for initial rehabilitation for SANParks to a total of 31,323 ha was approved.</p> <p>The annual target as revised to 38,537 ha was exceeded with 42%. The rehabilitation of initial hectares has increased considerably over the last quarter to exceed the planned target with 42%.</p> <p><b>Follow-up ha:</b> The amendment of the targets for follow-up rehabilitation for SANParks to a total of 188,120 ha was approved.</p> <p>The annual target of 188,120 ha was exceeded. The follow-up rehabilitation hectares performed better than target with a 106% achievement.</p> <p><b>Wetlands</b> rehabilitation is on target with 98% achievement, after a late start in July 2017. The total achieved for the year of 6,467 m<sup>3</sup> includes 1,813m<sup>3</sup> wetland rehabilitation to complete the previous year project in May 2017.</p>		
<b>Reason For Variance</b>	<p>The <b>initial</b> alien vegetation clearing was exceeded due to a revised strategy for Parthenium in Kruger National Park, i.e. new areas were identified due to the initial drought followed by good rains as a new strategy. Funds were moved in the WfE programme to Frontier and initial work was done on new areas.</p> <p>The over achievement of the target is related with more <b>follow-up</b> needed in Kruger National Park on Parthenium due to goods rains after the initial dry period. More follow-up work was undertaken due to the fact that teams were moved from initial clearing work in Addo due rhino security areas.</p> <p>There is a small variation of 2%. The 2017/18 <b>Wetlands</b> projects only started in July 2017. The Mapungubwe project must still be completed.</p>		
<b>Planned Improvements/Corrective Actions</b>	None required.		
<b>2.2 Total Number of Park Management Plans Reviewed and Submitted per annum</b>	<b>2 draft/ revised management plans for Kruger and Richtersveld National Parks submitted to DEA for technical review</b>	Draft revised Management Plan for the Richtersveld NP - 100% completed and ready for stakeholder participation Draft revised Management Plan for the Kruger NP - 98% completed	<b>1 submitted</b> <b>1 draft revised Management Plan for Richtersveld NP was submitted to DEA for technical review.</b> <b>The draft revised management plan for Kruger NP is developed and had undergone a final review process.</b> <b>This was submitted to DEA on 4 May 2018 – after the end of the financial year.)</b>



**TABLE 5: STRATEGIC OBJECTIVE 2: EFFECTIVELY MANAGED ECOSYSTEM, SPECIES AND CULTURAL HERITAGE ASSETS (CONTINUATION)**

STRATEGIC OBJECTIVE 2: Effectively managed ecosystem, species and cultural heritage assets			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>Performance Analysis</b>	The Richtersveld Park Management Plan has been completed and submitted to DEA for technical review, while the Kruger Park Management Plan is developed and undergoing final review process and was finally submitted to DEA on 4 May 2018.		
<b>Reason For Variance</b>	The volume (more than 250 questions or comments) and nature of comments received through the public participation process exceeded expectation and prolonged the finalisation of the stakeholder comments and response document and the subsequent changes to the plan as a result of these.		
<b>Planned Improvements/Corrective Actions</b>	None		
<b>2.3% Reduction in recorded fatalities of rhinos and elephants poached as a ratio of recorded number of poaching activities in Kruger National Park</b>	<b>2% reduction from baseline (YoY)</b>	16.7% reduction YoY	<b>12.9% reduction (YoY)</b>
<b>Performance Analysis</b>	<p>In terms of rhino poaching fatalities YoY, there has been a reduction of 18.4% (615 to 502). There has been a 68.2% (44 to 74) increase in elephant poaching YoY. Poacher activities have only decreased by 1.3% (2697 to 2662). The poaching of rhino continues in the IPZ and JPZ and elephant poaching is on-going mainly in the Nxanatseni North region of the park.</p> <p>Rhino: Q1 - Q4 poaching fatalities YoY (April-March)  Q1 - Q4 2017/18 - 502  Q1 - Q4 2016/17 - 615  18.4% reduction</p> <p>Elephant: Q1 - Q4 poaching fatalities YoY (April-March)  Q1 - Q4 2017/18 – 74  Q1 – Q4 2016/17 – 44  68.2 % increase</p>		
<b>Reason For Variance</b>	The positive reduction of 12.9% is due to mainly Ranger efficiencies relating to deployment of technologies, early detection of poachers, good tracking skills and rapid deployment of both K9 and air reaction support. Support from Operation Rhino 8 (NATJOINTS) joint operations both internal and external to park. There has only been a 1.3% reduction in poaching activities recorded.		
<b>Planned Improvements/Corrective Actions</b>	Improve access (entrance gates) and movement control in the park. Continue to implement detection technologies in the IPZ. Continue with improving relationship with Alliance partners adjacent to the park (JPZ & IPZ). Continue with MAJOC joint operations in the mission area both inside and outside the Kruger National Park. Implement specific and focused operations in the Nxanatseni North region to address elephant poaching. Improve on disruptive operations by ECI /SAPS outside the park.		

**TABLE 5: STRATEGIC OBJECTIVE 2: EFFECTIVELY MANAGED ECOSYSTEM, SPECIES AND CULTURAL HERITAGE ASSETS (CONTINUATION)**

STRATEGIC OBJECTIVE 2: Effectively managed ecosystem, species and cultural heritage assets			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>2. 4 Number of rhinos poached per annum in 6 Rhino Parks (other than Kruger National Park)</b>	<b>0</b>	0	<b>0</b>
<b>Performance Analysis</b>	No Rhinos poached in the 6 rhino parks. This is due to effective implementation of the Rhino Protection Plan and the alignment with the SANParks Rhino Management Strategy.		
<b>Reason For Variance</b>	None		
<b>Planned Improvements/Corrective Actions</b>	Continued implementation of the Rhino Protection Plan for Parks Division.		
<b>2.5% Implementation of SANParks Rhino Management Strategy</b>	<b>100% implementation of SANParks Rhino Management Strategy</b>	100% implementation of the annual quarterly activities	<b>100% of scheduled activities in the Rhino Management Strategy were implemented in 2017/18</b>
<b>Performance Analysis</b>	A total of 30 activities identified for implementation in 2017/18 with activities 5, 7, 8 and 10 implemented in all 4 quarters. Quarters 1, 2 and 3 exceeded the quarterly target and the calculations in the evidence thus show an achievement in excess of 100%		
<b>Reason For Variance</b>	This is as a result of some activities being implemented ahead of schedule.		
<b>Planned Improvements/Corrective Actions</b>	No corrective actions required.		
<b>2.7 SANParks Elephant Management Implementation Plan developed and implemented</b>	<b>Elephant Management Implementation Plan approved by CEO</b>	The first round of consultation workshops, with rangers, to develop Elephant Management Implementation Plans for Kruger, Marakele and Mapungubwe NPs have been concluded and areas of concern for Marakele and Mapungubwe listed and revisited for the Kruger NP	<b>The Elephant Management Improved Plan was approved by ExCo and the CEO</b>
<b>Performance Analysis</b>	A Draft Elephant Management Implementation Plan was completed and provided for input to Park Managers. These inputs informed the final Elephant Management Implementation Plan which was submitted to ExCo and the CE for approval.		
<b>Reason For Variance</b>	No variance		
<b>Planned Improvements/Corrective Actions</b>	Comments from ExCo will be considered for integration into the plan.		



**TABLE 5: STRATEGIC OBJECTIVE 2: EFFECTIVELY MANAGED ECOSYSTEM, SPECIES AND CULTURAL HERITAGE ASSETS (CONTINUATION)**

STRATEGIC OBJECTIVE 2: Effectively managed ecosystem, species and cultural heritage assets			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>2.8.1 Increase in SANParks EMI fines (J534) (+total)</b>	<b>2% increase in J534 fines recorded</b>	A total of 31 Joint Operations and activities were conducted as planned in South Africa & Mozambique 105 (J534) fines were issued by Rangers with the total revenue generated amounting to R86,250,72 Arrests were made for identified species as follows: Elephant =0; Rhino=4; Abalone=2; Cycads=0; Lion=0; Additional poaching related arrests=66 TOTAL: 72	<b>13.9% reduction YOY in J534 fines from baseline for environmental crimes.</b>
<b>Performance Analysis</b>	<p>For the period Q1-Q4 (April – March 2016/17) a total of 5,620 J534 fines were issued. For the same period Q1-Q4 (April 2017- March 2018) a total of 4838 J534 fines were issued. There was a reduction YoY of 23% for the number of fines issued.</p> <p>Q1-Q4 (April-March 2016 &amp; 2018) 5,620 &amp; 4,838 fines issued 13.9% reduction in fines issued</p>		
<b>Reason For Variance</b>	<p>For Kruger National Park the Traffic Section was not at full capacity due to vacant positions and staff training requirements and therefore there was a reduction in patrolling efforts and number of fines issued for the Q1-Q4 2017/18 period. The issuing of NRTA fines issued for speeding infringements was stopped in February 2018 in view of a legal opinion indicating the illegality of such. This resulted in the reported 13.9% reduction.</p> <p>For Parks the highest YOY increase was recorded for fines issued under the Marine Living Resources Act. One arrest was made for an incursion of a suspected rhino poacher in Karoo NP in Q2. No arrests were made for any contraventions related to the remaining key species. A total of 112 arrests were made for other crimes during Q4. These arrests are mostly for trespassing and smuggling of goods in Mapungubwe. Information is contained in the S&amp;S Report.</p>		
<b>Planned Improvements/Corrective Actions</b>	Ensure all current vacancies within the Traffic Section are filled. Ensure a better coverage of Traffic Officers in Movement, Access, Location & Airspace (MALA) security operations to mitigate associated risks & reduce speeding and general infringements / violations of staff and visitors. Identify and address legal challenges with regard to the issuing of traffic fines for speeding.		

**TABLE 5: STRATEGIC OBJECTIVE 2: EFFECTIVELY MANAGED ECOSYSTEM, SPECIES AND CULTURAL HERITAGE ASSETS (CONTINUATION)**

STRATEGIC OBJECTIVE 2: Effectively managed ecosystem, species and cultural heritage assets			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>2.8.2 Increase in SANParks EMI arrests for key species</b>	<b>2% increase in SANParks EMI arrest for key species.</b>	46 Arrests were made for identified key species and other poaching-related activities.	<b>32% decrease YoY in arrests from key species from baseline.</b>
<b>Performance Analysis</b>	Period Q1-Q4 (April – Feb 2017/18) = 190 Period Q1-Q3 (April – Feb 2016/17) = 279 32 % decrease in arrests		
<b>Reason For Variance</b>	<p>For Kruger National Park information “leaks” through internal collusion &amp; corruption involving Rangers and other SANParks staff. Counter poaching tactics possibly may have become more predictable (more of the same due to relentless nature of poacher activities) and therefore poachers, who have no rules governing their actions, are able to easily adapt their tactics to counter law enforcement actions. This lead to the reported 32 % decrease in arrests for key species.</p> <p>For Parks the highest YOY increase was recorded for fines issued under the Marine Living Resources Act. One arrest was made for an incursion of a suspected rhino poacher in Karoo NP in Q2. No arrests were made for any contraventions related to the remaining key species. A total of 112 arrests were made for other crimes during Q4. These arrests are mostly for trespassing and smuggling of goods in Mapungubwe. Information is contained in the S&amp;S Report.</p>		
<b>Planned Improvements/Corrective Actions</b>	Continue to analyse, plan and execute tactical joint operations giving serious attention to ensuring less predictability of counter operations, provide continuous rapid air & K9 reaction support to Rangers in the field. Become less predictable and evolve appropriate tactics to counter the poacher incursions.		
<b>2.9.1 Deviance from the sustainability threshold of identified key species managed. (Rhinos)</b>	SWBR (Range between 0 - <2); SCBR (Range between 0 - <10); SWR (Range between 0 - <110) number of poached carcasses per quarter	Actual number of poached rhino carcasses in Quarter 3: SWBR: 0 SCBR: 11 detected and 1 unknown but most likely a BlackRhino SWR: 109 detected	<b>The rhino sustainability threshold has been determined.</b>  <b>During 2017/18:</b>  <b>SWBR: 0; SCBR: 36 SWR: 466</b>
<b>Performance Analysis</b>	The total for the year for SWBR is zero carcasses, SCBR carcasses is 36 (on average 9 per quarter) which is within the predicted sustainability threshold, while 466 (average of 116.5 per quarter) SWR carcasses were recorded, exceeding the sustainability threshold by 26 carcasses annually or 6.5 carcasses on average per quarter.		
<b>Reason For Variance</b>	<p>The sustainability threshold for SWR have been exceeded by 5.9%. There was more Southern White Rhinos fatalities than anticipated. This however not in SANParks control. The impact on sustainability is however negligible unless the threshold is exceeded for an extended period of time.</p> <p>The Southern White Rhino Management Plan include various initiatives to address threats to the sustainability of the species, including the anti-poaching programme , translocation of rhinos to safer locations, etc.</p>		
<b>Planned Improvements/Corrective Actions</b>	Implement revised interventions as captured in a “state of emergency” initiative by the rhino steering committee. Maintain the Blackrhino guardian initiatives and fully implement the programme .		



**TABLE 5: STRATEGIC OBJECTIVE 2: EFFECTIVELY MANAGED ECOSYSTEM, SPECIES AND CULTURAL HERITAGE ASSETS (CONTINUATION)**

STRATEGIC OBJECTIVE 2: Effectively managed ecosystem, species and cultural heritage assets			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
2.9.2 Deviance from the sustainability threshold of identified key species managed. (Elephants)	AENP (Range between 0 - <1); GRNP 0; Kruger National Park (Range between 0 - <30); MapNP (Range between 0 - <1); MarNP (Range between 0 - <2) number of poached carcasses per quarter	Actual number of poached elephant carcasses in Quarter 3: There were 28 elephants poached in Kruger National Park and none in the other parks.	<p><b>Elephant sustainability threshold determined at:</b></p> <p>AENP (Range btw.0- &lt;1); GRNP 0; Kruger National Park (Range btw. 0- &lt;30); MapNP (Range btw. 0- &lt;1); MarNP (Range btw. 0- &lt;2) number of poached carcasses per quarter.</p> <p>During 2017/18: Garden Route NP: 0 Kruger NP: 74 Mapungubwe NP: 0 Marakele NP: 0 Addo Elephant NP: 0</p>
Performance Analysis	The number of detected carcasses totals 74 for 2017/18. This is well within the acceptable range and the mortalities have thus not impeded SANParks' ability to maintain predicted sustainability thresholds.		
Reason For Variance	No variance recorded.		
Planned Improvements/Corrective Actions	No corrective actions required.		
2.9.3 Cycad Monitoring Plan Implemented	Continue monitoring cycads in parks where they occur.	Species specific management plans for each cycad species in SANParks, with reference to the Cycad BMP, have been reviewed and completed while additional activities in the Cycad monitoring Plan have been conducted	100% of activities scheduled for 2017/18 have been achieved inclusive of the review of sustainability targets for cycad species in national parks.
Performance Analysis	A total of 11 activities were identified for implementation in 2017/18. Of these 2 related to the development of the Monitoring Plan informed by the Cycad BMP. The remaining 9 activities were monitoring activities identified in the monitoring plan. All the identified activities were implemented.		
Reason For Variance	The cycad threshold has been determined and the monitoring have been fully implemented.		
Planned Improvements/Corrective Actions	No corrective actions required.		

**TABLE 5: STRATEGIC OBJECTIVE 2: EFFECTIVELY MANAGED ECOSYSTEM, SPECIES AND CULTURAL HERITAGE ASSETS (CONTINUATION)**

STRATEGIC OBJECTIVE 2: Effectively managed ecosystem, species and cultural heritage assets			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>2.9.4 Penguin Biodiversity Management Plan implemented</b>	<b>100% implement of identified actions per site as per Penguin Biodiversity Management Plan.</b>	In process - 95% of actions implemented. 100% of actions selected from the Penguin BMP have been completed in West Coast and Addo Elephant NPs.	<b>77.7% of the management plan has been implemented.</b>
<b>Performance Analysis</b>	The Penguin sustainability threshold has been determined. 77.7% of identified Penguin monitoring & management actions were implemented in Addo and West Coast NPs and Boulders penguin colonies. An assessment of breeding pairs as measured against set sustainability thresholds was completed.		
<b>Reason For Variance</b>	Technical issues with imported equipment, time and resources constraint. Lack of capacity at the Boulders Colony resulted in the 77.7% achievement of the monitoring plan.		
<b>Planned Improvements/Corrective Actions</b>	Implementation of the penguin monitoring plan. Addo: Equipment to be installed as soon as parts arrive. West coast to plan for time and resources to implement 2 outstanding actions in 2018/19. A new Section ranger has now been appointed at Boulders.		
<b>2.10 progress against the Annual Biodiversity Monitoring Plan</b>	<b>≥ 95% implementation of planned annual monitoring activities</b>	82.7% of planned monitoring projects have been implemented this quarter	<b>89.4% of the scheduled annual monitoring activities were implemented</b>
<b>Performance Analysis</b>	For the entire year, covering Q1 - Q4, 252 of the 282 monitoring programmes were completed, realising 89.4% completion. This has fallen short of the target of ≥ 95%.		
<b>Reason For Variance</b>	<p>A number of programme were not implemented due to one of the following reasons:</p> <p>Adverse conditions made implementation impossible (e.g. closed status of estuary mouth; weather conditions for aerial census; lack of plantation exit areas coming to SANParks);</p> <p>In some instances, partner organisations were not able to commit the time or resources to assist in conducting monitoring as anticipated;</p> <p>Programme requiring modifications based on changes in the biological systems (e.g. drought conditions, fire) – these programme are under review and will be modified for implementation going forward.</p> <p>In most instances, these modifications, or inability to implement certain programme, are a direct result of the ever-changing and complex systems that we are monitoring. As such, monitoring programme must remain adaptable to such changes, also being explicitly adapted as results indicate that new or alternate ways of monitoring would be more appropriate. This also results in the group implementing additional monitoring programme, not specified at the beginning of the financial year, in response to changing or unusual environmental conditions (e.g. Western Cape drought, Knysna fires, etc.).</p>		



**TABLE 5: STRATEGIC OBJECTIVE 2: EFFECTIVELY MANAGED ECOSYSTEM, SPECIES AND CULTURAL HERITAGE ASSETS (CONTINUATION)**

STRATEGIC OBJECTIVE 2: Effectively managed ecosystem, species and cultural heritage assets			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>Planned Improvements/Corrective Actions</b>	A more stringent approach to listing monitoring programme for the next financial year will ensure that we include programmes that scientific services are directly responsible for. It should however be noted that there will always be adaptive responses required to capitalise on learning opportunities through monitoring unforeseen ecological events.		
<b>2.11% Implementation of Wildlife Utilisation Strategy</b>	<b>100% delivery of planned annual activities as per Wildlife Utilisation Strategic Plan.</b>	<b>85% Delivery of planned quarterly activities.</b>	<b>89.4% of the planned annual activities were implemented.</b>
<b>Performance Analysis</b>	A total of 76 activities were planned for implementation of the Wildlife Utilization Strategy during 2017/18. Sixty eight (68) of the annually planned activities were implemented.		
<b>Reason For Variance</b>	The wildlife loans for Window 1 (2017) are still to be approved by the Board and as such, the signing of wildlife custodianship agreements with emerging game farmers and translocations are still outstanding. Whilst no specific workshops were held, Park Forums were used to engage with local communities on Wildlife Economy. The activity to scope the suitability and vulnerability of habitats in communal areas was not achieved due to time constraints.		
<b>Planned Improvements/Corrective Actions</b>	Conclude wildlife custodianship agreements upon Board approval of Wildlife Loans Window 1 (2017). Create greater awareness of SANParks Wildlife Economy Initiative amongst local communities. Gain better understanding of vulnerable habitats around National Parks.		
<b>2.12% implementation of Cultural Heritage Management Plan</b>	<b>100% implementation of annual activities within the cultural heritage management plan.</b>	60% of activities on the Cultural Heritage Management Plan for Q3 have been achieved.	<b>86.6% of the scheduled Annual Cultural Heritage activities were implemented.</b>
<b>Performance Analysis</b>	Of the 15 targets identified for implementation in 2017/18, 13 were achieved and 2 targets were not achieved.		
<b>Reason For Variance</b>	Finalization of SANParks, SAHRA, UP Heritage Agreement on Mapungubwe Collections was not finalised as third parties were only able to commit to meeting on 11 April 2018. The development of an online exhibition for the Mapungubwe World Heritage Site did not take place as the scope of the exhibition changed after consultation with stakeholders and a new tender process is required in the new financial year. This resulted in the underachievement of 86.6%.		
<b>Planned Improvements/Corrective Actions</b>	The meeting to finalise the Mapungubwe Collections Agreement is scheduled to take place on 11 April 2018. The online Mapungubwe exhibition will commence after the tender is awarded in the next financial year.		

TABLE 6: STRATEGIC OBJECTIVE 3: ENHANCED KNOWLEDGE FOR DECISION MAKING

STRATEGIC OBJECTIVE 3: Enhanced Knowledge for decision making			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
3.1% of research projects relevant to SANParks key issues	≥ 75%	80.4% of currently registered research projects are rated as essential or important to supporting SANParks’ knowledge needs.	79.6% of all registered projects at the end of Q4 are classified as either essential or important in achieving SANParks’ knowledge needs.
Performance Analysis	At the end of the financial year, there are 314 current, or active, research projects registered in SANParks. Of these, 250 are categorised as being either ‘essential’ or ‘important’, resulting in a performance of 79.6% of projects being relevant to SANParks key issues. A large proportion of these projects are conducted by external research collaborators; highlighting the research capacity that SANParks is able to leverage.		
Reason For Variance	No variance		
Planned Improvements/Corrective Actions	No corrective actions required.		
3.2 Total Number of Peer Reviewed SANParks Research Publications	≥ 30	23 peer-reviewed papers and 1 book chapter were published in the scientific literature this quarter	A total of 52 peer-reviewed research publications were published in 2017/18
Performance Analysis	The year has been highly productive for the Conservation Services Division, with a fantastic publication output of 52 publications.		
Reason For Variance	Internal research efforts and papers submitted has increased due to greater collaboration with external researches and academia, which resulted in this overachievement of 22.		
Planned Improvements/Corrective Actions	No corrective actions required.		

**TABLE 7: STRATEGIC OBJECTIVE 4: ENHANCED TOURISM RETURNS**

STRATEGIC OBJECTIVE 4: Enhanced Tourism Returns			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>4.1% growth in Gross Operating Tourism Revenue (YoY)</b>	<b>10%</b>	Increased by 14.8% to R1.210 billion, from R1.054 billion achieved in the previous year.	<b>12.6% increase in Tourism Revenue.</b>
<b>Performance Analysis</b>	Tourism Revenue increased by 12.6% from R1,423,892 million to R1,603,634 million. This is 2.4% above target of R1,566,282 million.		
<b>Reason For Variance</b>	2017/18 had two Easter weekends, while 2016/17 had none. 2017/18 saw significant growth in foreign visitors, up 17.0% from previous year, which resulted in the 12.6% increase.		
<b>Planned Improvements/Corrective Actions</b>	Continued emphasis on marketing and promoting national parks to domestic and international markets.		
<b>4.2 Tourism Growth Strategy Developed and Implemented</b>	<b>Tourism Growth Strategy Developed and approved.</b>	Internal and external consultation of the strategy has been completed.	<b>Tourism Growth Strategy Developed and approved.</b>
<b>Performance Analysis</b>	The Tourism growth strategy has been develop and approved by the Board.		
<b>Reason For Variance</b>	The target was exceeded due to efficient approval processes and governance.		
<b>Planned Improvements/Corrective Actions</b>	None		
<b>4.3 Total Number of Visitors to National Parks</b>	<b>3% (YoY) on actuals.</b>	10% increase to 3,121,60.	<b>5.1% increase to 7,007,152 visitors to national parks.</b>
<b>Performance Analysis</b>	Number of visitors increased by 5.1 % from 6,664,996 to 7,007,152 for 2017/18 which is 2.0% above target of 6,864,946.		
<b>Reason For Variance</b>	2017/18 had two Easter weekends, while 2016/17 had none. 2017/18 saw significant growth in foreign visitors, up 17.0% from previous year, which resulted in the 5.1% increase.		
<b>Planned Improvements/Corrective Actions</b>	Continued emphasis on marketing and promoting national parks to domestic and international markets.		
<b>4.4 Growth in Total Number of local BlackVisitors</b>	<b>2 % (YoY) increase actuals</b>	<b>4.7% increase</b>	<b>Increased by 4.6% from 547,683 to 572,734 Black South African Visitors (636,371 minus 63,637)</b>
<b>Performance Analysis</b>	Number of Black South Africans increased by 4.6% from 547,683 (608,537 minus 60,854) to 572,734 (636,371 minus 63,637) for 2017/8. This is 2.5% above annual target of 558,637 (620,708 minus 62,071). *** Technical Indicator Descriptor: SANParks is measuring the growth in numbers of Black Visitors to NPs through observation; reporting and monitoring as a trend as opposed to an absolute number. For that reason a 10% margin of error has been built into the method of calculations.		
<b>Reason For Variance</b>	2017/18 had two Easter weekends, while 2016/17 had none. Marketing efforts are primarily being focussed on Black South Africans.		
<b>Planned Improvements/Corrective Actions</b>	Continued emphasis on marketing and promoting national parks to domestic and in particular Blackmarkets.		



**TABLE 7: STRATEGIC OBJECTIVE 4: ENHANCED TOURISM RETURNS (CONTINUATION)**

STRATEGIC OBJECTIVE 4: Enhanced Tourism Returns			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>4.5% Growth in Over Night local BlackVisitors</b>	<b>4% (YoY) increase on actuals.</b>	Increased by 5.8%.	<b>Increased by 11,0% 52,693 Black South African Overnight Visitors (58,548 minus 5,855).</b>
<b>Performance Analysis</b>	Number of Black Overnight South Africans increased by 11.0% from 47,463 (52,737 minus 5,274) to 52,693 (58,548 minus 5,855) for 2017/8. This is 6.7% above annual target of 49,361 (54,846 minus 5,485). *** Technical Indicator Descriptor: SANParks is measuring the growth in numbers of Black Visitors to NPs through observation; reporting and monitoring as a trend as opposed to an absolute number. For that reason a 10% margin of error has been built into the method of calculations.		
<b>Reason For Variance</b>	2017/18 had two Easter weekends, while 2016/17 had none. Marketing efforts are primarily being focussed on Black South Africans.		
<b>Planned Improvements/Corrective Actions</b>	Continued emphasis on marketing and promoting national parks to domestic and in particular Black markets. New products focusing on needs of those markets.		
<b>4.6% Accommodation Occupancy</b>	<b>72.5%</b>	78%	<b>Unit Occupancy for 2017/18 is 75.2% (584,844/ 777,747).</b>
<b>Performance Analysis</b>	Accommodation Occupancy increased by 1.2% points from 74.0% to 75.2% for 2017/18 and this is 1.2% points above target of 74.0%.		
<b>Reason For Variance</b>	2017/18 had two Easter weekends, while 2016/17 had none. 2017/18 saw significant growth in foreign visitors, up 17.0% from previous year, which resulted in accommodation occupancy of 75.2%.		
<b>Planned Improvements/Corrective Actions</b>	Continued emphasis on marketing and promoting national parks to domestic and international markets		
<b>4.6 Total Number of Accommodation Unit Nights Sold</b>	<b>573,000 (This is an accumulative target).</b>	456,056	<b>584,844 Unit Nights Sold.</b>
<b>Performance Analysis</b>	Unit Nights Sold for 2017/18 increased by only 1.5% points from 576,289 to 584,844 for 2017/8.		
<b>Reason For Variance</b>	2017/18 had two Easter weekends, while 2016/17 had none. 2017/18 saw significant growth in foreign visitors, up 17.0% from previous year. Achievements were negatively impacted by delays in implementing upgrades at certain facilities.		
<b>Planned Improvements/Corrective Actions</b>	Continued emphasis on marketing and promoting national parks to domestic and international markets.		
<b>4.7 Customer Satisfaction Index</b>	<b>82%</b>	80.5%	<b>Customer Satisfaction Index for 2017/18 is 80.8%</b>
<b>Performance Analysis</b>	Customer Satisfaction Index (CSI) declined by 0.8% points from 81.6% to 80.8% for 2017/8. This is 1.2% below the target of 82.0%.		
<b>Reason For Variance</b>	Customer Satisfaction Index score was negatively impacted by the problems experienced with some of the large restaurant operators in the Kruger National Park.		
<b>Planned Improvements/Corrective Actions</b>	Restaurant operators have been terminated. Customer Service Improvement Programme to be developed and implemented in 2018/9.		

**TABLE 8: STRATEGIC OBJECTIVE 5: DIVERSIFIED AND ENHANCED TOURISM OPPORTUNITIES AND EXPERIENCES**

STRATEGIC OBJECTIVE 5: Diversified and enhanced tourism opportunities and experiences			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>5.1 Total Number of Revenue Generating Products Implemented</b>	<b>12</b>	4 products were implemented.	<b>Annual: 14</b>
<b>Performance Analysis</b>	<p>This target has exceeded by 2 additional products developed. In total 14 products had been developed.</p> <ol style="list-style-type: none"> <li>1. Kranshoek Gorge Zipline Quarter 1</li> <li>2. Selati Bridge Accommodation Quarter 1</li> <li>3. Wilderness Segways Quarter 1</li> <li>4. Kgalagadi Nossob Luxury Camp Sites and ablutions Quarter 1</li> <li>5. Mountain Zebra 8 Chalets Quarter 2</li> <li>6. Tankwa Cottages Quarter 3</li> <li>7. Golden Classics Event Quarter 3</li> <li>8. Phalaborwa Bush Braai Quarter 3</li> <li>9. Kgalagadi Nossob Chalets Quarter 3</li> <li>10. Mapungubwe Launch of the lecture Series Event Quarter 3</li> <li>11. Knysna Water based Activities Quarter 4</li> <li>12. Namaqua Tented Camp Quarter 4</li> <li>13. Nkuhlu Picnic Site &amp; Accommodation Quarter 4</li> <li>14. AENP Healing &amp; Wellness Activity Quarter 4</li> </ol>		
<b>Reason For Variance</b>	Additional events were identified, such as the 2 Golden Classic events after the target was set. Improved processes to improve the awarding of PPPs also contributed to this achievement of 14 new products.		
<b>Planned Improvements/Corrective Actions</b>	None		
<b>5.2 Total Number of Park Visitor Management and Interpretation Plans Implemented</b>	<b>6 (3 Park Visitor plans and 3 interpretation plans)</b>	2	<b>9 (4 Park Visitor plans &amp; 5 interpretation plan)</b>
<b>Performance Analysis</b>	Visitor Management plans had been developed for Richtersveld, Mokala, Mapungubwe and Kruger Interpretation Plans has been developed for Mokala, Richtersveld, Map, Kruger and GRNP.		
<b>Reason For Variance</b>	Once the template for visitor management and interpretation plans have been mastered, the smaller parks were easier to develop, thus leaving space for additional plans to be done.		
<b>Planned Improvements/Corrective Actions</b>	None		

**TABLE 9: STRATEGIC OBJECTIVE 6: OPTIMISED CONTRIBUTION TO THE GREEN AND BLUE ECONOMY**

STRATEGIC OBJECTIVE 6: Optimised contribution to the green and blue economy			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>6.1 Total Number of Full-time Equivalent Jobs Created</b>	<b>EPWP = 6,792</b> <b>(This target has been amended during the mid-term review and is an accumulative target).</b>	5,267	<b>7,109 (105%)</b>
<b>Performance Analysis</b>	7,109 (105%) Approval was granted for the change of the annual target to include the Eco-Furniture Programme increasing the FTE's from % 5,225 to 6,792. The revised quarterly target was exceeded with 317 FTE's or 5%. All active programme were performing as planned. The above resulted in 7,109 FTEs created.		
<b>Reason For Variance</b>	The remedial action implemented for the Working for Water programme assisted to achieve the FTE's, i.e. appointment of more SMME's and participants. The "tendering" system also assisted to reduce the costs and increased the number of person days.		
<b>Planned Improvements/Corrective Actions</b>	None		
<b>6.2 Socio-Economic Development Strategy Developed</b>	<b>100% of activities as per SED Implementation Plan</b>	98% achieved	<b>75% achieved</b>
<b>Performance Analysis</b>	The target is under achieved.		
<b>Reason For Variance</b>	<ul style="list-style-type: none"> <li>The following resulted in the under achievement of 75%.</li> <li>Limited time frames for schools to visit parks.</li> <li>Limited capacity to host children in the parks.</li> <li>The game donation process (application, assessment and site inspection) was completed after the closure of the game capture season due to delay in the community governance structures (beneficiaries) and sites not being ready to receive the game.</li> <li>Delays from the contractors for the constructions of the science labs, incomplete documents( Letter from the Department of Education was received late which resulted in the delay as the construction could not commence before receiving approval from the Department of Education).</li> </ul>		
<b>Planned Improvements/Corrective Actions</b>	None		
<b>6.3 Total Number of SMMEs / Enterprises Supported</b>	<b>EPWP = 480</b> <b>(This target has been revised during the mid-term review and is an accumulative target)</b>	568	<b>733 (153%)</b>
<b>Performance Analysis</b>	Approval was granted for the change of the annual target from 430 to 480 to include the Eco-Furniture Programme information.  The EPWP programme has employed 253 SMMEs or 53% more than the planned quarterly and annual target in 2017/18.		
<b>Reason For Variance</b>	The number of teams for the Wetlands, WftC, WfW and WfE programme were doubled to make provision for the initial late start in some programme and capacity, resulting in the 733 SMMEs supported.		
<b>Planned Improvements/Corrective Actions</b>	None		



**TABLE 9: STRATEGIC OBJECTIVE 6: OPTIMISED CONTRIBUTION TO THE GREEN AND BLUE ECONOMY (CONTINUATION)**

STRATEGIC OBJECTIVE 6: Optimised contribution to the green and blue economy			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>6.4 Integrated Transformation Strategy Developed</b>	<b>Integrated Transformation Strategy Developed.</b>  (This performance indicator has been changed during the mid-term review).	Scoping process still in process. Met with the HR as 1 strategic partner. Draft Terms of Reference developed.	<b>During the internal scoping process, SANParks realised the magnitude of the development of an Integrated Transformation Strategy as it needs to cover transformation in all aspects of the organisation. It was therefore decided to outsource the development of such a strategy. The tender had been awarded for the first session with top management for a transformation workshop for 2 days, which will be the preface of the scoping towards the development of the strategy.</b>
<b>Performance Analysis</b>	During the internal scoping process, SANParks realised the magnitude of the development of an Integrated Transformation Strategy as it needs to cover transformation in all aspects of the organisation. It was therefore decided to outsource the development of such a strategy. The tender had been awarded for the first session with top management for a transformation workshop for 2 days, which will be the preface of the scoping towards the development of the strategy.		
<b>Reason For Variance</b>	The magnitude of the said project identified the need to appoint consultants to do 4 more workshops as well as to appoint a consultant to develop the actual strategy in conjunction with the affected divisions. The consultants for the workshops had been appointed for the first workshop and the terms of reference for the development of the strategy still needs to be developed.		
<b>Planned Improvements/Corrective Actions</b>	Appoint the 2 sets of consultants and coordinate the development of the said strategy.		
<b>6.5 Rand Value Spent on SMMEs through EPWP</b>	<b>R 203,675 million</b> (This target has been adjusted from R154 million during the midterm review).	R173,287 million.	<b>R231,064 million (113%).</b>
<b>Performance Analysis</b>	Approval was granted for the change of the annual target to include the Eco-Furniture Programme , i.e. from R154 million to R203,675 million. The revised quarterly target of Amount paid to SMME's was exceeded with 13% (R27,4 million) - total paid to SMME's for 2017/18 was R231,064 million.		
<b>Reason For Variance</b>	All programme performed and could employ the SMME's from April due to timeous approval of budgets and Annual Performance and Business Plans.		
<b>Planned Improvements/Corrective Actions</b>	Approval was granted for the change of the annual target to include the Eco-Furniture Programme , i.e. from R154 million to R203,675 million. The revised quarterly target of Amount paid to SMME's was exceeded with 13% (R27,4 million) - total paid to SMME's for 2017/18 was R231,064 million.		

**TABLE 9: STRATEGIC OBJECTIVE 6: OPTIMISED CONTRIBUTION TO THE GREEN AND BLUE ECONOMY (CONTINUATION)**

STRATEGIC OBJECTIVE 6: Optimised contribution to the green and blue economy			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>6.6 Total Number of Green &amp; Blue Economy Project Implemented</b>	<b>3 Green Economy Projects implemented.</b>	1 green economy project implemented.	<b>Two (2) Green Economy Projects Implemented.</b>
<b>Performance Analysis</b>	<p>Two (2) Green Economy Projects have been implemented against the planned target of three (3).</p> <p>The Five (5) disease free buffalos donated to Matsila Community Trust in May 2017 and sixty five (65) different types of plain game (19 Gemsbok, 37 Ostrich and 9 Hartman Zebra) donated to Khomani San CPA.</p> <p>Technical site inspection was done for game donation to Motlhabatse CPA, awaiting the game capture period for the necessary capture and delivery to be done.</p>		
<b>Reason For Variance</b>	The game donation process (application, assessment and site inspection) was completed after the closure of the game capture season due to delay in the community governance structures (beneficiaries) and sites not being ready to receive the game.		
<b>Planned Improvements/Corrective Actions</b>	The game capture and donation will be done as soon as the game capture period commences (i.e. between April and May 2018).		
<b>6.7 Number of social legacy projects implemented</b>	<b>5 (This is an <u>accumulative target</u>).</b>	2 projects in process Tenders had been awarded for the 2 science labs. Construction to commence in January 2018.	<b>Three (3) Social Legacy Project Implemented .</b>
<b>Performance Analysis</b>	Three social legacy projects have been implemented. These are: Kgalagadi Multi-purpose playground, Mbuyane, and Mtiti, Science Laboratory projects. Science laboratories are all at roofing level (80% completion). Kgalagadi multi-purpose playground was completed and officially handed over to Welkom Primary School in November 2017.		
<b>Reason For Variance</b>	Target could not be reached due to delays from the contractors for the constructions of the science labs, incomplete documents( Letter from the Department of Education was received late which resulted in the delay as the construction could not commence before receiving approval from the Department of Education).		
<b>Planned Improvements/Corrective Actions</b>	Procurement process, stakeholder engagement and consultations for improved delivery.		
<b>6.8 Land Claims Beneficiation Package developed and approved</b>	<b>Kruger National Park land claimants beneficiation scheme developed and approved.</b>	The Kruger National Park beneficiation Scheme has been submitted to ExCo.	<b>Kruger National Park Land Claimants Beneficiation Scheme Developed and approved.</b>
<b>Performance Analysis</b>	The Kruger National Park Land claimants' beneficiation scheme has been approved by the Board.		
<b>Reason For Variance</b>	None		
<b>Planned Improvements/Corrective Actions</b>	Continuous engagement with all the stakeholder.		

TABLE 10: STRATEGIC OBJECTIVE 7: ENHANCED AWARENESS AND SKILLS

STRATEGIC OBJECTIVE 7: Enhanced awareness and skills			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>7.1 Total Number of Participants in Environmental Education Programme</b>	<b>208,000</b> (This target has been revised downward from 218,000 during the mid-term review and this is an <u>accumulative target</u> ) .	<b>31,674</b>	<b>139,668 participants.</b>
<b>Performance Analysis</b>	The total number of participants in SANParks' Environmental Education Programme is 139,668 which is 68,332 below the planned annual target of 208,000.		
<b>Reason For Variance</b>	The under performance is due to the fact that Department of Education has restrictive measures on excursions of learners to national parks. The carrying capacity of certain national parks limits the number of learners to national parks.		
<b>Planned Improvements/Corrective Actions</b>	Improve quality of programme and reinvigorate the EE programme and efficient data capturing and reporting.		
<b>7.2 Total Number of Free Access Entrants during SANParks week and other planned events</b>	<b>54,000</b> <b>Set baseline for planned events.</b>	<b>77,340</b>	<b>77,340</b> <b>Baseline for other planned events not set.</b>
<b>Performance Analysis</b>	This target has been over achieved for SANParks week. No additional free events were identified for this reporting period, as the systems to capture the number of attendees is not yet in place.		
<b>Reason For Variance</b>	A more interactive plan was embarked upon for SANPW, this included partner activations as well as competitions. The good weather conditions particularly in the Cape also assisted with the numbers unlike in the previous years where it rained most of the time. The system for recording other planned events have not been finalised in time to submit to Management for approval.		
<b>Planned Improvements/Corrective Actions</b>	To continue to increase the numbers of free entrants and plan other free events in order to establish a baseline.		



**TABLE 11: STRATEGIC OBJECTIVE 8: ENHANCED STAKEHOLDER ENGAGEMENT**

STRATEGIC OBJECTIVE 8: Enhanced Stakeholder engagement			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>8.1.1 Total Number of Proactive Media Engagements (releases)</b>	<b>Media Releases = 125</b>	80	<b>306</b>
<b>Performance Analysis</b>	This target has been overachieved.		
<b>Reason For Variance</b>	A greater number of ad hoc requests from the parks and additional activities, such as the lions escaping from Kruger and increased poaching attempts.		
<b>Planned Improvements/Corrective Actions</b>	Annual plan in place and continues to be implemented.		
<b>8.1.2 Total Number of Proactive Media Engagements (events)</b>	<b>Media events = 10</b>	16	<b>20</b>
<b>Performance Analysis</b>	This target has been over-achieved.		
<b>Reason For Variance</b>	While the Communication Division plans for calendar events, ad hoc requests come through form DEA as well as Parks, which Communications then executes. These includes the escaped lion media briefing; launching the new Golf GTi in the Camdeboo National Park and the Golden Classics in the Golden Gate Highlands National Park.		
<b>Planned Improvements Corrective Actions</b>	SANParks to continue on excellent performance more especially by being pro-active in its operations. Communication will work closer with the department and various parks to improve targeting and plans.		
<b>8.3 Media Reputation Rating</b>	<b>Positive/Neutral &gt; 95%</b>	99% positive and neutral coverage. Therefore exceed the target for the quarter.	<b>93% positive/ neutral 7% negative.</b>
<b>Performance Analysis</b>	This achievement is 2% under the intended target.		
<b>Reason For Variance</b>	The 7% negative included the issues of rhino poaching and lions escaping from Kruger National Park.		
<b>Planned Improvements/Corrective Actions</b>	Continuous interaction with media.		
<b>8.4% of PAIA Requests Responded to within time frames</b>	<b>80%</b>	100%	<b>100%</b>
<b>Performance Analysis</b>	4 PAIA requests have been submitted and responded to within the set time-frame.		
<b>Reason For Variance</b>	Only 4 PAIA requests have been submitted to SANParks and responded to the 4 requests within the set timeframe.		
<b>Planned Improvements/Corrective Actions</b>	The target will be adjusted for the 2018/19 APP during the mid-term review to reflect a 100% target.		

**TABLE 12: STRATEGIC OBJECTIVE 9: ADEQUATE, APPROPRIATELY SKILLED, TRANSFORMED AND DIVERSE HUMAN CAPITAL**

STRATEGIC OBJECTIVE 9: Adequate, appropriately skilled, transformed and diverse human capital			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>9.1.1% of Employees from Designated EE Groups Blackas % of Management</b>	<b>60% Black as a % of Management.</b>	59.0%	<b>59%</b>
<b>Performance Analysis</b>	This achievement is 1% below the intended target.		
<b>Reason For Variance</b>	There is a slow turn-over rate of staff. SANParks remain an employee of choice.		
<b>Planned Improvements/Corrective Actions</b>	HCM to monitor adherence to the EE & targeted recruitment plans, Advise line management to comply.		

**TABLE 12: STRATEGIC OBJECTIVE 9: ADEQUATE, APPROPRIATELY SKILLED, TRANSFORMED AND DIVERSE HUMAN CAPITAL (CONTINUATION)**

STRATEGIC OBJECTIVE 9: Adequate, appropriately skilled, transformed and diverse human capital			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>9.1.2 Women as % of Management</b>	50% Women as % of Management	38.5%	<b>38.5%</b>
<b>Performance Analysis</b>	The intended target was not achieved.		
<b>Reason For Variance</b>	The intended target is difficult to attain due to the following: <ul style="list-style-type: none"> <li>• Slow staff turn-over of staff, as SANParks remains an employer of choice.</li> <li>• Even if all current vacant positions in management is filled with women, SANParks will still not attain 50%.</li> </ul>		
<b>Planned Improvements/Corrective Actions</b>	The gap to the target is 9.5%. HCM continue to advise line managers to increase efforts around recruitment of Blackfemale managers.		
<b>9.1.3 Employment Equity: People with Disabilities</b>	<b>2%</b>	<b>2%</b>	<b>2.1%</b>
<b>Performance Analysis</b>	The successful implementation of the EE plan and targeted recruitment plan, resulted in this positive achievement.		
<b>Reason For Variance</b>	None		
<b>Planned Improvements/Corrective Actions</b>	None		
<b>9.1.4 Employment Equity: Total Male: Female Ratio</b>	<b>M:F : 1:0.8</b>	<b>01: 06</b>	<b>01:06</b>
<b>Performance Analysis</b>	The male to female ratio is work in progress.		
<b>Reason For Variance</b>	Slow staff turn-over of staff, as SANParks remains an employer of choice. Even if all current vacant positions in is filled with women, this target is difficult to attain.		
<b>Planned Improvements/Corrective Actions</b>	Monitoring adherence to the EE plan and advised Line Management to comply.		
<b>9.2% of Employees Meeting Minimum Educational Requirements (C and Upper)</b>	<b>75%</b>	<b>71%</b>	<b>73%</b>
<b>Performance Analysis</b>	Out of the 909 persons employed on the Paterson C1-F Band Category, 663 (74%) do meet the minimum educational requirements for the job they occupy.		
<b>Reason For Variance</b>	The employees who do not meet the minimum requirements are registered on internal training and external academic programme The nature of qualifications which are required usually extend beyond one year, which resulted in the underachievement of 73%.		
<b>Planned Improvements/Corrective Actions</b>	None		
<b>9.3% of payroll spent on the Skills Development Programme</b>	<b>1%</b>	<b>0.72%</b>	<b>1.48%</b>
<b>Performance Analysis</b>	The target was exceeded at 1.48%. This is a R14,4 million spent against a target of R9.9 million.		
<b>Reason For Variance</b>	This target is exceeded due to the culture of learning which had been inculcated to all levels within SANParks. There has been an improvement of the distribution of the training budgets amongst the different divisions and parks.		
<b>Planned Improvements/Corrective Actions</b>	None		

TABLE 13: STRATEGIC OBJECTIVE 10: CONDUCIVE WORKING ENVIRONMENT

STRATEGIC OBJECTIVE 10: Conducive Working Environment			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
10.1% Staff Turnover	≤ 5%	4.97%	1.03%
Performance Analysis	SANParks effectively managed the turnover of staff.		
Reason For Variance	Generally staff in SANParks stay with the organisation for long as SANParks is an employer of choice.		
Planned Improvements/Corrective Actions	None		
10.3% Success Rate at CCMA	85%	93%	100%
Performance Analysis	SANParks achieved and exceeded the intended target. Out of 4 cases, 3 were settled and one dismissed with no financial implication. There was no ruling against SANParks during this period.		
Reason For Variance	Effectively and efficiently managed labour litigation.		
Planned Improvements/Corrective Actions	Effectively and efficiently managed labour litigation.		
10.4% reduction in average number of sick leave days taken annually per capita	2% reduction	0.62 average days	0.5 average days
Performance Analysis	The sick leave reduction should be less by 2% based on the baseline established (5.6). The 2% of 5.6 is 0.112, meaning the annual target is 5.6 less 0.11 and that is 5.49. If the target is divided by four (04), you get the quarterly target and which is 1.37. Therefore the actual performance is within the target. The performance is 0.50. The average number of sick leave days taken in the quarter is 2014 against the average establishment of 3,994 employees.		
Reason For Variance	This target has been over achieved due to increased wellness campaigns and better management of absence from work by line managers.		
Planned Improvements/Corrective Actions	Continued.		
10.5 Disabling Injury Frequency Rate (DIFR)	< 0.42	0.38	0.42
Performance Analysis	The DIFR has been achieved.		
Reason For Variance	None		
Planned Improvements/Corrective Actions	Continue with set implementation plans.		



TABLE 14: STRATEGIC OBJECTIVE 11: : OPTIMISED BUSINESS PROCESSES AND KNOWLEDGE MANAGEMENT SYSTEMS

STRATEGIC OBJECTIVE 11: : Optimised business processes and knowledge management systems			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
11.1 Total number of business processes reviewed	Mapped: 4 Automated: 4	Mapped: 1 Automated: 1	Mapped: 7 Automated: 6
Performance Analysis	The following business processes were reviewed, mapped and or automated this year:  <u>Reviewed, mapped and automated:</u> <ul style="list-style-type: none"><li>• Biometric access management process</li><li>• Job profiling</li><li>• Facilities overnight request process</li><li>• Fire arm control and management process</li><li>• Facilities Help desk</li></ul> <u>Mapped:</u> <ul style="list-style-type: none"><li>• Facilities Stock Management (Reviewed and Mapped)</li><li>• IT User Access (Reviewed and Mapped)</li></ul> <u>Automated:</u> <ul style="list-style-type: none"><li>• Central supplier database integration</li></ul>		
Reason For Variance	This target was overachieved due to some processes not being as complex as others, which enabled SANParks to do additional processes.		
Planned Improvements/Corrective Actions	None		
11.2 Number of ICT Strategy projects implemented	4	1 achieved	7 achieved
Performance Analysis	The following ICT Strategic projects were reviewed, mapped and automated this year: <ul style="list-style-type: none"><li>• 2 BABEX System was installed and deployed at Thesen Island and Stormsriver Mouth Gate.</li><li>• Least Cost routing between all sites was configured including ability to make calls to HO.</li><li>• A number of last mile data connections to the sites to allow for voice traffic was upgraded.</li><li>• Security incident event monitoring mapped and automated.</li><li>• Targeted threat protection on all emails received.</li><li>• Vulnerability scanning solution.</li></ul>		
Reason For Variance	This target is overachieved, as smaller/ uncomplicated projects were concluded earlier than planned, which gave SANParks the opportunity to do more.		
Planned Improvements/Corrective Actions	None		

**TABLE 15: STRATEGIC OBJECTIVE 12: ACCOUNTABLE CORPORATE GOVERNANCE**

STRATEGIC OBJECTIVE 12: Accountable Corporate Governance			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>12.1% Compliance with Governance Regulations</b>	<b>100%</b>	100%	<b>100%</b>
<b>Performance Analysis</b>	Compliance with Environmental Affairs and National Treasury quarterly reports submitted timeously. These reports include the following: All quarterly ENE reports. All quarterly APP reports, including the relevant financial statements. PFMA Quarterly reports.		
<b>Reason For Variance</b>	None		
<b>Planned Improvements/Corrective Actions</b>	Compliance report to be submitted within stipulated timeframe.		

**TABLE 16: STRATEGIC OBJECTIVE 13: FINANCIAL SUSTAINABILITY**

STRATEGIC OBJECTIVE 13: Financial Sustainability			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>13.1 Income-to-Cost Ratio</b>	<b>1:1</b>	01.16 : 01	<b>01.11:01</b>
<b>Performance Analysis</b>	The income to cost ratio is better than expected due to more revenue generated from conservation and concession fees than anticipated. This is evidenced by an increase in visitor numbers. For the period under review, total Guests to Parks increased by 5.1% from 6,664,996 to 7,004,213 persons through SANParks gates. For Kruger the number is up 6.3% from 1,817,724 to 1,932,750 and for Parks increased by 4.6% from 4,847,272 to 5,071,463 persons.		
<b>Reason For Variance</b>	The income to cost ratio is better than expected due to more revenue generated from conservation and concession fees than anticipated.		
<b>Planned Improvements/Corrective Actions</b>	In addition to continuous budget variance monitoring, regular financial forecast will be undertaken to mitigate any possible financial risks the organisation might be exposed to due to the current economic downturn. Furthermore, a special focus will be given to improve financial controls and management of assets.		
<b>13.2% Expenditure Budget Variance</b>	<b>≤ 0%</b>	-7%	<b>2%</b>
<b>Performance Analysis</b>	SANParks total expenditure to date is R2, 127 billion compared to a budget of R2, 093b, resulting in an overspending amounting to R33 million. There is however a saving of R34,321 million in human resource costs, a saving of R14,889 million in maintenance costs. It should however be noted that vacant posts have not been filled but have been budgeted for. As soon as the vacant posts are filled, the saving will be significantly reduced. The saving could also be impacted by the post-retirement medical health liability provision to be finalised.		
<b>Reason For Variance</b>	This is as a result of an overspending in depreciation and operating costs. For depreciation, the overspending is mainly due to the purchase of the new vehicle fleet. The main contributor to the negative variance for operating costs, is the provision for bad debts amounting to R92 million. There is however a saving of R34,321 million in human resource costs, a saving of R14,889 million in maintenance costs. It should however be noted that vacant posts have not been filled but have been budgeted for. As soon as the vacant posts are filled, the saving will be significantly reduced. The saving could also be impacted by the post-retirement medical health liability provision to be finalised. The reason for maintenance costs underspending could be as a result of the long procurement processes. Special projects operating expenditure has been excluded in this calculation as it falls outside SANParks normal operations. (Please note that these figures are provisional).		

**TABLE 16: STRATEGIC OBJECTIVE 13: FINANCIAL SUSTAINABILITY (CONTINUATION)**

STRATEGIC OBJECTIVE 13: Financial Sustainability			
Performance indicators	Annual Target 2017/18	3rd Quarter Status	Annual Performance
<b>Planned Improvements/Corrective Actions</b>	In addition to continuous budget variance monitoring, regular financial forecast will be undertaken to mitigate any possible financial risks the organisation might be exposed to due to the current economic downturn. Furthermore, a special focus will be given to improve financial controls and management of assets.		
<b>13.3 Direct HR cost as % of Total Expenditure</b>	≤ 53%	54%	51%
<b>Performance Analysis</b>	The human resource costs are well within the quarterly target of 53% of total expenditure.		
<b>Reason For Variance</b>	Even though the direct HR costs are well within the set target, care should be taken to keep overtime within budget as it is currently showing an overspending. The driver of the spike is likely due to the December and Easter holiday break. Corrective measures should be sought to avoid this from happening in the new financial year.		
<b>Planned Improvements/Corrective Actions</b>	Management should plan overtime carefully to ensure that overtime pay is valid (duly authorised) and accurate, and is within the allocated budget.		
<b>13.4 Own revenue generated as % of Total Revenue</b>	70%	84%	82%
<b>Performance Analysis</b>	SANParks own revenue generated is sitting at 82% compared to the quarterly target of 70%. This is well above the quarterly target.		
<b>Reason For Variance</b>	It is better than expected due to more revenue generated from conservation and concession fees than anticipated. This is evidenced by an increase in visitor numbers. For the period under review, total Guests to Parks increased by 5.1% from 6,664,996 to 7,004,213 persons through SANParks gates. For Kruger the number is up 6.3% from 1,817,724 to 1,932,750 and for Parks increased by 4.6% from 4,847,272 to 5,071,463 persons.		
<b>Planned Improvements/Corrective Actions</b>	Management will continue growing own revenue to ensure SANParks operational costs remain within total revenue.		
<b>13.5 Average number of days: Debtor collection</b>	≤ 30	43 days	39 days
<b>Performance Analysis</b>	The average number of days for debtor collection is not within the annual target due to long outstanding debt pertaining to concessionaires. They have contractual payment terms and arrangements have been finalised regarding repayment options.		
<b>Reason For Variance</b>	The average number of days for debtor collection is not within the quarterly target due to long outstanding debt pertaining to concessionaires. They have contractual payment terms and arrangements have been finalised regarding repayment options.		
<b>Planned Improvements/Corrective Actions</b>	The situation regarding debtors is constantly being monitored and corrective action, even legal action is taken when necessary.		
<b>13.6 Average number of days: Creditor payment</b>	≤ 30	21 days	25 days
<b>Performance Analysis</b>	The average number of days for creditor is less than the quarterly target of 30 days, as set out in the PFMA.		
<b>Reason For Variance</b>	The average number of days for creditor is less than the quarterly target of 30 days, as set out in the PFMA.		
<b>Planned Improvements/Corrective Actions</b>	Management is closely monitoring the creditor's payment period to ensure that it remains within the set 30 days as stated in the PFMA.		
<b>13.7 Total Revenue generated from Fundraising per annum</b>	R50,4 million	R10,352,864.29	R34,652,744.50
<b>Performance Analysis</b>	The target was not achieved due to the economic downturn and the lack of an integrated function of fundraising in the organisation.		
<b>Reason For Variance</b>	Economic downturn and lack of an integrated approach to fundraising.		
<b>Planned Improvements/Corrective Actions</b>	Management is working on a strategy to obtain more donations in order to meet set targets.		



# OPERATIONS REPORT

Parks Division makes up  
**an estate** of over  
**2,169,300** hectares.

The Parks Division manages  
approximately **5%** of  
SANParks' rhino population  
(**>255 White rhinos** and  
**>268 Black rhinos**) in six  
widely-dispersed parks.

Kalahari Gemsbok National Park  
provides an **important  
cultural landscape** for  
the **Khomani San** people  
and was recently inscribed on  
the UNESCO World Heritage List  
as a **Cultural Heritage  
Landscape** because of its  
importance to the Khomani  
people.



MOUNTAIN ZEBRA NATIONAL PARK

# Parks and Regions



Map 2: Parks and Regions

TABLE 17: TABLE OF PARKS PER REGION

Region		Park name	Proclamation date	Size (ha.)
	1	Kruger National Park	1926	1,962,362
Arid	2	Augrabies Falls National Park	1966	52,905
	3	Kalahari Gemsbok National Park	1931	956,665
	4	Mokala National Park	2007	32,335
	5	Namaqua National Park	2002	138,552
	6	Richtersveld National Park	1991	179,792
Cape	7	Agulhas National Park	1999	21,038
	8	Bontebok National Park	1931	3,479
	9	Table Mountain National Park	1998	25,000
	10	Tankwa-Karoo National Park	1986	140,642
	11	West Coast National Park	1985	46,817
Frontier	12	Addo Elephant National Park	1931	178,117
	13	Camdeboo National Park	2005	19,455
	14	Garden Route National Park: Knysna (1985); Tsitsikamma (1964); Wilderness (1983)	2009	141,712
	15	Karoo National Park	1979	88,325
	16	Mountain Zebra National Park	1937	26,997
Northern	17	Golden Gate Highlands National Park	1963	32,700
	18	Mapungubwe National Park	1998	20,182
	19	Marakele National Park	1994	64,677
Other*	A	Groenkloof National Park	1968	7
	B	Graspan/Vaalbos National Park	1986	4,575
*(NOTE: GROENKLOOF AND GRASPAN/VAALBOS ARE DECLARED NATIONAL PARKS IN LEGISLATION BUT ARE NOT OPERATIONALLY FUNCTIONAL NATIONAL PARKS).				



## Operations Report

SANParks Operations has responsibilities for the nineteen national parks. These are organised into two divisions: Kruger National Park and the Parks Division which is in turn divided into the Arid, Cape, Frontier and Northern Regions. Together, parks under the Parks Division make up an estate of over 2,169,300 hectares.

The Arid management region consists of five parks. Kalahari Gemsbok National Park, the largest of these, covers almost one-third of a sand-filled basin in the west of southern Africa and forms what may be the largest sandveld area in the world. As well as supporting its distinctive fauna and flora, the park provides an important cultural landscape for the Khomani San people and was recently inscribed on the UNESCO World Heritage List as a Cultural Heritage Landscape because of its importance to the Khomani cultural heritage. Three other parks, /Ai/Ais Richtersveld, Augrabies Falls and Namaqua, are within the Succulent Karoo Biome and are areas of significant geological interest. The unique habitat of Mokala National Park supports diverse ecosystems in the transition zone between the Karoo Biome and Arid Savanna Bushveld. The Kalahari Gemsbok and /Ai/Ais Richtersveld parks are Transfrontier Conservation Areas whose borders straddle those of Namibia and Botswana respectively.

The Cape management region is made up of five parks, three situated along the South African coastline and including two Marine Protected Areas. Langebaan estuary in the West Coast National Park is registered as an important non-breeding site for hundreds of thousands of Palaearctic migrant waders during the austral summer and is recognised by the Ramsar Convention as a wetland of international importance with about 32% of South Africa's saltmarshes. The Western Cape Province is characterised by its outstanding universal value, representing on-going ecological and biological processes associated with the evolution of the Cape Floristic

Region. The Table Mountain, Agulhas and Bontebok national parks are within the Cape Floral Region Protected Areas World Heritage Site. The Tankwa-Karoo National Park falls within the International Biodiversity Hotspot of the Succulent Karoo as recognised by Conservation International.

The Frontier Management Region consists of five parks situated in the Western and Eastern Cape Provinces and representing a number of different biomes. The Garden Route National Park is a complex of protected areas managed as a single entity and includes the previously proclaimed Tsitsikamma and Wilderness national parks, state forests and mountain catchment areas as well as the Knysna National Lake Area. Addo Elephant National Park conserves examples of the Eastern Cape's unique biodiversity including marine areas, representatives of five terrestrial biomes (Thicket, Forest, Fynbos, Nama-Karoo and Grassland) and azonal wetlands in a landscape-diverse environment with offshore islands, coastal plains, dune fields, mountains and arid plains.

Camdeboo and Karoo national parks include steep topographical gradients which produce a structurally complex environment that provides many niches for animal and plant species. Vegetation types are closely linked to soil type and depth, rockiness, slope and aspect. Camdeboo represents the Karoo Biome, recognised as a world conservation priority. Karoo National Park is situated in the semi-arid Nama-Karoo and falls within two biomes: Nama-Karoo and Grassland. Mountain Zebra National Park is located in a transitional area between four biomes: Grassland, Nama Karoo, Thicket and Savanna, major vegetation types that are currently poorly conserved elsewhere in South Africa. Being a transition area between biomes allows for an interesting mix of flora and fauna as well as important ecological and landscape processes. The region includes two significant Marine Protected Areas: Bird Island and Tsitsikamma.

The Northern Management Region consists of three parks. Golden Gate Highland National Park was proclaimed for its water production capacity, geological significance and aesthetic beauty. The park affords protection to the threatened grassland biome.

The Mapungubwe National Park and World Heritage Site protects the important biodiversity components of its semi-arid landscape. However, its uniqueness lies in the significant cultural landscape of the area as it enables understanding of the important interconnections between people and their heritage and biodiversity in the landscape. The outstanding universal value that led to its inscription as a cultural landscape lies in the evidence from more than 400 archaeological sites showing dynamic interaction between people, natural resources and the landscape. Mapungubwe is also a transfrontier conservation area.

Marakele National Park is situated in the extreme south-western quadrant of the Waterberg massif and its adjoining lowlands to the west. The park hosts a wide diversity of vegetation from four major vegetation units: fine-leaved thornveld, broad-leaved woodland, forest and grassland. Floristically, Marakele is exceptionally rich, with representatives typical of fynbos and forest systems. Because the Waterberg is an important transitional zone in the distribution of mammals, it can support a large diversity of species.

## Tools for park system integrity: State of Area Integrity Assessments (SoAIMs)

For the past decade, assessments of the State of Area Integrity (SoAIM) have been undertaken at park or section level. Their purpose is to evaluate management's operational interventions and in this way establish the ability of parks to function effectively and efficiently. There is a particularly strong focus on ensuring that people, systems,

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processes and resources are in place and in use to achieve the desired ecological, safety and security status of a protected area. Through 45 assessments across the 18 national parks, all of the parks in the division were assessed in 2017. The process used a newly-introduced system that produces results reflecting the risk and the importance of the criteria assessed, with the scores indicating the current status of area integrity. After the assessments were analysed, each park identified between five and fifteen corrective actions against which progress was monitored.

## Rhino conservation

The Parks Division manages approximately 5% of SANParks' rhino population (>255 White rhinos and >268 Black rhinos) in six widely-dispersed parks. These populations vary from as few as five White rhinos in Mapungubwe National Park to as many as 190 in Marakele National Park.

The Parks Division is also in the unique situation of managing two subspecies of Black rhinos (the South Central Blackrhino *Diceros bicornis minor* and South Western Blackrhino *D. b. bicornis*), with the latter protected in the Addo Elephant, Karoo, Mokala and Mountain Zebra national parks. This population of approximately 186 *D. b. bicornis* animals makes up approximately 83% of the country's total of about 220 animals and is the largest population of this subspecies outside the Republic of Namibia. However, rhino poaching continues to increase in South Africa and remains a major concern.

During the reporting period, no rhinos were poached in the six parks outside the Kruger National Park. However, there were 33 cases of poaching in areas close to these parks, a significant increase from previous years. Nine were near Mokala, seven near Addo, three near Mapungubwe, 12 near Marakele and two near Mountain Zebra national parks. This clearly shows the extent of the poaching threat.

The dedication of the ranger force and implementation of the Rhino Protection Plan were two main contributors to the successes of the past year. Strategies include deployment, training, commitment, planning and effective use of force multipliers such as dogs, equipment and intelligence.

## Rangers at our service

Rangers' duties vary widely across national parks but have in common area integrity patrols, monitoring and observing the parks' fauna and flora. Duties, with their diverse functions, are performed in the land- and sea-scapes of our protected areas. In parks that include the Big Five, particularly because of the rhino-poaching crisis of recent years, most of the Ranger force is engaged in anti-poaching activities.

In other parks, Rangers are responsible for many tasks aside from area integrity, with law enforcement and compliance work a major focus. The nature and extent of this varies depending on whether a park is in a rural, peri-urban or urban area. Other responsibilities making up the Ranger's daily tasks and emergency functions include fence monitoring and maintenance, water supply monitoring and maintenance, road maintenance, management of alien invasive animals and plants, game capture, fire-fighting and gate security.

Within the Ranger force, specialised staff have been trained to undertake specific tasks. These include specialist trackers, pilots and dog handlers who boost security with their canine partners.

## World Ranger Day 2017

In recognition of the Work of Rangers in protecting parks and conservation areas around the globe, World Ranger Day 2017 was celebrated in July in all the country's national parks. World Ranger Day is also a day to remember the many Rangers injured or killed in the line of duty while protecting the

world's conservation estate. The celebrations took place in collaboration with SANParks' Honorary Rangers and other stakeholders. The day gave the Rangers the opportunity to demonstrate their skills on land and water including squad drilling, firearms competency, dog handling, patrolling, boat handling, contact and arrest simulation and first aid.

## Socio economic development in parks

### Green economy projects

#### Enon/Bersheba

Enon/Bersheba consists of 8,400 ha close to pristine veld adjoining the Zuurborg section of Addo Elephant National Park. A feasibility study carried out in February 2017 concluded that the property has eco-tourism and wildlife economy potential. As well as social and community development benefits, such initiatives could have significant conservation outcomes as conserving the area could enable the creation of an ecological corridor linking sections of the Addo Elephant National Park.

A number of issues became clear during initial meetings with the community and this delayed the anticipated engagements.

#### Khomani San Erin Farm

As part of a settlement agreement, government transferred the farm Erin in the Northern Cape to the Khomani San whose Community Property Association (CPA) decided to use the property as a game farm. They approached SANParks for assistance and the project was taken on as part of a Wildlife Economy Programme. Other organisations, including the Peace Parks Foundation and Rotary South Africa provided financial and technical support.

SANParks has donated over 500 head of game since the start of the project. These include springbok, red hartebeest, gemsbok, blue wildebeest, giraffe, eland, ostrich and Burchell and Hartman zebra.

With assistance from The Peace Parks Foundation, a tented camp has been constructed on the property and training for field- and hunting-guides has been provided by Wildlife Ranching of South Africa. A steering committee made up of representatives of the Community Property Association, Wildlife Ranching South Africa, SANParks and the Peace Parks Foundation has been established and meets quarterly. The farm is currently fully functional and the Khomani San are working on plans to develop a second similar enterprise.

### Blue economy projects

#### Tsitsikamma Marine Protected Area

The opening of the Marine Protected Area (MPA) in Tsitsikamma to fishing by local communities is a Blue Economy Project. For many years a no-take zone, the area was rezoned to allow access by defined local communities with historical fishing rights to the Tsitsikamma coastline.

The amount of fishing during the past year has been less than expected and the low catch rates are of concern. Gathering robust and correct data about the situation requires a better understanding of illegal fishing practises and continuous evaluation of the effectiveness of access point surveys. This will need continued monitor training as well as independent fishery monitoring techniques. Some communities are unhappy with the restrictions on fishing in the controlled zones and have indicated that they intend to approach the Department of Environmental Affairs about having additional areas opened to fishing. Another source of unhappiness is that the regulations only permit access to the MPA during daylight. Ongoing communication between SANParks and the communities will be necessary to develop and improve relations.

### Peace Park Foundation



South African National Parks (SANParks) this year celebrates two decades of transfrontier conservation through a close working relationship with non-profit organisation Peace Parks Foundation. In 1998, the Foundation was instrumental in facilitating the collaboration between SANParks and Botswana National Parks and Wildlife that saw the official establishment of the first of southern Africa's peace parks, the Kgalagadi Transfrontier Park, in 1999.

Since then, Peace Parks Foundation and SANParks have joined forces to link key South African protected areas to neighbouring countries as part of three more transfrontier conservation areas (TFCAs). The /Ai/Ais – Richtersveld Transfrontier Park straddles the South African and Namibian borders. Towards the east, the Greater Mapungubwe TFCA links Botswana, Zimbabwe and South Africa. The Great Limpopo TFCA includes Kruger National Park and covers large areas in Mozambique, Zimbabwe and South Africa.

Across these borders, as well as in the six other TFCAs, Peace Parks Foundation assists SANParks and their regional counterparts with policy development and institutionalisation, conservation planning and management, infrastructure and resource development, community engagement, commercialisation, as well as joint initiatives to combat environmental crimes.

Taking on the challenges brought about by wildlife crime, and more specifically protecting the country's largest remaining population of wild rhino, has seen the Foundation and SANParks intensify its partnership since the establishment of the Rhino Protection Programme in 2014. Peace Parks Foundation, through its generous donors, is the second biggest contributor to rhino protection conservation efforts in Kruger National Park.

Support to the cause has included provision of vital equipment and infrastructure, advanced ranger training, veterinary and orphaned rhino care, rhino population management and tracking, improved digital communication systems, integrity testing protocols, and state-of-the-art technology for security and monitoring solutions. In 2017, thanks to an agreement between Peace Parks Foundation, SANParks and the South African Council for Scientific and Industrial Research (CSIR), an innovative and customised wide-area radar surveillance and detection system, the Postcode Meerkat, was officially put into operation. The Postcode Meerkat has truly been a game-changer in anti-poaching operations, dramatically improving the Park's capabilities in tracking and intercepting poachers, whilst increasing the safety of rangers on the ground. In addition, Peace Parks Foundation assisted SANParks to bolster specialist investigative capacity and improve coordination of activities with security agencies, thereby centralising information-gathering and analysis and allowing for the more effective development of cases against perpetrators of wildlife crimes.

Whilst campaigning against wildlife crime remains paramount, Peace Parks Foundation is steadfast in its commitment to restore and revitalise large functional ecosystems across borders through effective conservation management, revitalisation of the region's tourism potential, and by advancing the economic viability of communities living in and around the parks. A highlight of 2017 was the inscription of the Khomani Cultural Landscape in Kgalagadi Transfrontier Park as a World Heritage Site, following an intensive application process in which Peace Parks Foundation played a significant role. The Foundation has, since 2009, been working with various donors to develop the !Ae!Hai Kalahari Heritage Park, which aims to preserve the cultural and traditional knowledge of these indigenous communities, while improving their opportunities to earn a livelihood through initiatives such as Erin Game Ranch.

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Also in 2017, Peace Parks Foundation donated the Little Muck Lodge to SANParks to manage and run in aid of further development of the tourism potential of Mapungubwe National Park.

Through a visionary partnership with Conservation South Africa and Kruger National Park, the Herding 4 Health programme was launched in 2017 to support communal farmers in the Mnisi community, part of the Kruger to Canyons Biosphere Reserve. The programme aims to engage the famers in rangeland stewardship and climate-smart livestock production. It further contributes to wildlife economy activities and improved livelihoods. The objective is to fully incorporate commodity-based trade standards along this value chain so that meat can even be sold outside the Foot-and-Mouth Disease-infected zone, which will unlock significant value for local producers.

Peace Parks Foundation is honoured to be able to support and collaborate with South African National Parks as a leading and forward-thinking conservation agency. With rapid population growth and degradation of natural resources threatening the future of man and nature, there are many challenges that lie ahead for those in the conservation industry, and much work to be done. The Foundation looks forward to a long and productive relationship with SANParks, striving towards a joint vision of protecting and transforming natural landscapes to ensure a healthy tomorrow for generations to come.

## Honorary Rangers

Linked to SANParks by a Memorandum of Understanding, the nearly seventeen hundred members of the SANParks Honorary Rangers non-governmental organisation play a very important role in supporting SANParks' objectives. Through a country-wide network of 31 regions, they add to SANParks' social outreach, research and tourism utilising the members' skills and commitment for tasks including assisting at entry gates, fund raising, helping with visitor management and providing specialist advice on infrastructure and scientific projects.

The numerous local projects that the Honorary Rangers undertake include maintaining hiking routes and helping to eradicate invasive plant species. Nationally, projects include:

- Organising sporting events in National Parks for the public
- Providing the public with wilderness experiences and raising funds for SANParks by organising bush camps
- Supporting SANParks' canine units
- Raising funds to combat poaching and for other conservation activities
- Running SANParks Junior Honorary Rangers

In the 15-month 2017/18 financial year (1 January to 31 March), SANParks Honorary Rangers provided more than 340,000 hours of service and travelled more than 3.5 million kilometers in support of SANParks. Using a Wishlist system, the SANParks Honorary Rangers work jointly with SANParks to identify which services and capital items to support; these are then approved. In the 2017/18 financial year, donations of more than R11m were made to SANParks via the Wishlist system.

### SANParks Junior Honorary Rangers

The SANParks Honorary Rangers are determined to do everything possible to nurture future generations of environmentally-aware young people and, with the help of parents and teachers, they run the SANParks Junior Honorary Rangers programme Through class-based and outdoor activities, young people learn to appreciate and understand the natural world and the need for its conservation. In Johannesburg South, for instance, an active group has visited local wetlands, the Klipriviersberg Nature Reserve, the Golden Gate Highlands National Park and the Yebo Gogga Expo at the University of the Witwatersrand. Junior Honorary Rangers have also attended presentations from specialists in snake and reptile handling, birders, staff from the Cheetah Centre and astronomy and ecology experts.

Of particular pride to the SANParks Honorary Ranger movement during the reporting period was the awarding of university bursaries to three Junior Honorary Rangers from the Bushveld region. This followed their excellent performance in the South African Youth Water Prize competition held in Pretoria in June 2017. The prize forms part of the 2020 Vision programme of the Department of Water and Sanitation and aims to promote science and technology among senior high school learners.

The three winners were Desmond Mmola and Temogelo Mokgotho (both 16) and Wayne Nkwane (17) from Grade 11 at Lebeko High School in Mashishimale village, Phalaborwa. In August, their project, 'Water Wastage, a thing of the past', competed internationally in Sweden against learners from 30 countries. To quote Carmin Moir, SANParks Junior Honorary Rangers project leader, these three young men along with their facilitator Honorary Ranger Mary Raganya are "true ambassadors of our Junior Honorary Ranger movement".





*Marakele Field Rangers at the summit*



*Bontebok National Park cycle handover*



*Johannesburg South Junior Honorary Rangers at Marakele National Park*



## News Highlights from the Parks

# Mokala's 10-year milestone

**Nadia Lemmetuis**

SANParks Communications

The youngest park under the SANParks umbrella just celebrated its 10th birthday. SANParks staff, stakeholders, SANParks Honorary Rangers and the media gathered in the park's Mosu Restaurant at the end of July to celebrate this milestone. Guests were treated to a gala event and a beautiful cake decorated with animals unique to Mokala.

Prior to its proclamation as a national park in 2007, the area was known as the Vaalbos National Park, but after a land claim in the area it moved to what is now known as Mokala. The first animals, born in the new park area in 2006, were two giraffes.

Over the past decade, Mokala has evolved and expanded significantly and now stands at 32 448ha. Today it offers a number of activities, including self-drive game viewing, 4x4 trails, an interpretation centre, guided rock-art engraving drives to explore the park's cultural heritage, bush braais, and birding.



Today, visitors to Mokala can experience various game-viewing activities.  
Photo: Jacques Marais

### Drought impacts all: from gentle giants to tiny critters

**Hendrik Sithole**  
SANParks Scientific Services

The recent drought has been described as one of the worst in memorable history.

While impacts on wildlife and landscape are visible to the naked eye, those smaller creatures lurking below the surface of rivers also have an interesting tale to tell.

During droughts the water flow declines and becomes confined to the low-flow channels of the river. The marginal vegetation at the edge of the rivers dries up, becoming unsuitable to some macro-invertebrates that die if they cannot migrate or use other habitats at low-flow channels.

The dead macro-invertebrates (and other organisms) then release nutrients such as nitrogen and phosphorus into remaining waters.

This, and the continuing high evaporation increase the salinity of the remaining waters, inhibiting macro-invertebrates that are intolerant to waters with high concentrations of these chemicals.

SANParks has been monitoring the ecological status of the Kruger's

Here, for the first time, only three out of five sensitive families were still present

rivers since 2010. The perennial Sabie and Luvuvhu rivers, are less impacted by the upstream human activities than others in the park.

The lost macro-invertebrate families such as mayflies, stoneflies and aquatic caterpillars are more sensitive to the pollution than those found in other rivers.

But recently, the team found

that the condition of these two rivers plummeted drastically. The number of different macro-invertebrate families present in the Luvuvhu River dropped from 26 in 2015 to 21 in 2016.

The situation was even more dire in the Sabie River, where the number of families plunged from 30 to 20. Here, for the first time, only three out of five sensitive families were still present.

The plummeting of these macro-invertebrates indicates that these little creatures respond drastically to any disturbances in their environment.

But with the recent rain, it is hoped that they will soon return and help the Sabie and Luvuvhu rivers to reclaim their pristine title.

SANParks will continue to monitor macro-invertebrates in these rivers to further understand which factors cause their distress and joy.



During the drought, the declining waterflow in Kruger's rivers had negative effects on macro-invertebrate populations – and the water quality of these rivers. Photo: René de Klerk

## Ranger's desire to protect makes Kruger history

**Elize Parker**

As a young girl growing up in a rural Mtititi-Altein village, Tinyiko Golele often followed her brothers to see the animals at the fence of the Kruger National Park. The village borders the park, where the savannah biome is surrounded by Mopani tree veld in the south, and sandveld in the west.

"I was so interested to see the animals on the other side of the fence," says Golele.

This wonder became a passion which led to her career as the first female regional ranger in Kruger. At the beginning of this year Golele took on this daunting task – one she is more than capable of handling.

"I have inherited a team of well-experienced section rangers. Together, we will be able to ensure that our region is not a safe haven for criminals, corruption and poaching," says Golele.

The region comprises Punda Maria, Pafuri, Shingwedzi,



Tinyiko Golele is making strides in Kruger as the park's first female regional ranger.

Vlakteplaas, Woodlands and Shangani Sections. Making up 538 964ha, it is the second largest in

the region. Golele is unperturbed by the long distances one needs to walk to patrol sections.

"Though the patrolling is mainly done by field rangers under the leadership of section rangers, it is also crucial for me to stay familiar with the region," explains Golele.

Managing a team of mostly male rangers is not intimidating for her. "You need not be anxious for a new challenge when you know you are working with a team of mature adults who understand their duties."

Golele is proud of the paramilitary training she has undergone. The lessons on leadership passed on by her mentor and former Nxanatseni North regional ranger, Albert Machaba, have become her compass.

One of the lessons learned, she says, is that people are only limited by how hungry they are to realise their desired outcomes.

"We need to keep this hunger alive," says Golele.

## Special Projects Programme

### Expanded Public Works Programme

#### The EPWP Projects

The Expanded Public Works Programme (EPWP) is funded mainly by the Department of Environmental Affairs (DEA) and partly by the Social Responsibility Programme of the National Department of Tourism. During 2017/18, the main focus of SANParks' EPWP projects was biodiversity rehabilitation of 244,000 hectares of land in parks and follow-up rehabilitation inside and in some cases outside national parks. SANParks is the implementing agent for national programme such as the Environmental Monitor Programme and the Eco-Furniture Programme which uses wood from invasive species to make furniture. Projects implemented form part of the DEA's two main programme: Natural Resource Management, and Environmental Protection and Infrastructure. Except for the People & Parks projects, which started late in the year, all programme performed according to plan.

TABLE 18: OVERVIEW OF EPWP PROGRAMME IMPLEMENTED IN 2017/18

EPWP Programme	Description	Implementation status
Working for the Coast	Cleaning beaches, rehabilitating coastal systems and maintaining tourism infrastructure including Blue Flag beaches.	2017/18 was the last implementation year of the 2016/18 cycle. Beach clean-up remained the main focus and, through regular repeats, covered 28,000 km of beach.  All eight projects were extended to the end of June 2018, with beaches cleaned over the Easter weekend.
Environmental Monitor	Support for conservation functions in parks, buffer zones, provincial nature reserves and private nature reserves.	This programme is in the second year of its three-year implementation period. Currently, 1,608 Environmental Monitors are employed in the participating protected areas and private nature reserves. Five new host entities were approved during the year.
People & Parks	Infrastructure development and improving the integrity of protected areas.	Implementation in Bushbuckridge Nature Reserve, Mpumalanga Tourism and Parks Agency focused on land rehabilitation while the perimeter fence tender for improved reserve management was awarded to complete the project.  Implementation started on the projects to upgrade infrastructure in Mokala and Tsitsikamma National Parks. Approval of the Ais! Ais! Richtersveld project is still to be finalised.
Wildlife Economy	Involving communities in the wildlife economy through game farming, breeding and eco-tourism.	Planning of the two approved projects - Nkambeni and Bevhula/Gidjana - was not finalised due to challenges with land ownership, community approval for the proposed projects and the feasibility of the projects. Kruger National Park management has identified projects for implementation and planning will proceed to enable them to start.
Working for Water	Clearing invasive alien vegetation.	Alien vegetation clearing projects were carried out in all national parks and in the communal areas of the Integrated Zone next to Kruger National Park.  Initial alien vegetation clearing was carried out on over 38,000 hectares, with follow-up on more than 176,600 hectares. A new strategy for removing Parthenium in Kruger National Park contributed to this.

EPWP Programme	Description	Implementation status
<b>Working for Ecosystems</b>	Land rehabilitation projects and control of bush encroachment.	This programme was implemented in all national parks, nature reserves of the Mpumalanga Tourism and Parks Agency (MTPA), the Kruger to Canyons Biosphere and the Kruger National Park Integrated Buffer Zone.  Initial land rehabilitation of 6,336 hectares was carried out, with follow-up of 22,828 hectares.
<b>Working for Wetlands</b>	Rehabilitation of wetland systems.	The projects of the previous year and the approved 2017/18 projects were completed. Additional teams were employed to rehabilitate 32 wetlands and 100 identified sites in the wetlands. Rehabilitation of 6,467m³ was achieved through the use of various structures.
<b>Eco-Furniture Programme</b>	Manufacturing school desks and other furniture from alien vegetation timber.	27,540 school desks were produced by the seven mills in the programme. The programme was implemented under challenging conditions, with budget constraints and no orders for the desks.
<b>Working on Fire and High Altitude Teams</b>	Fire prevention and control in national parks; removal of alien vegetation from difficult-to-access mountainous areas and cliffs.	Eight firefighting bases continued to operate in the participating parks. High altitude teams for alien vegetation clearing were deployed in the Table Mountain and Garden Route National Parks.
<b>National Department of Tourism Social Responsibility Programme</b>	Development of tourism infrastructure.	The Agulhas Southernmost Tip project was completed with the opening of the structure and road to the public. The tender for the construction of the Dinosaur Interpretive Centre project was approved by the Board. Planning was done for the Agulhas Lighthouse Precinct and Mapungubwe Dormitories projects and a new project was approved for the extension of the Addo Main Rest Camp.

## Social deliverables

The EPWP has its origins in the 2003 Growth and Development Summit (GDS) when four themes were adopted. One of these was 'More jobs, better jobs, decent work for all'. The objective of the EPWP programme is to "provide poverty and income relief through temporary work for the unemployed to carry out socially useful activities."

The programme is a key government initiative that contributes to policy priorities in terms of decent work, sustainable livelihoods, education, health, rural development, food security and land reform and the fight against crime and corruption. The EPWP subscribes to Outcome 4 of the National Development Plan: Decent employment through inclusive economic growth.

In 2017/18, under the EPWP SANParks projects created over 7,000 full time equivalent (FTE) jobs through the employment of 16,900 beneficiaries. This was more than twice as many as planned and involved 1,6 million person-days of work. The largest programme remains Working for Water which employed 6,800 people. Projects within the DEA's Natural Resource Management Programme included Working for Ecosystems and Working for Wetlands and achieved 790,000 person-days. Projects carried out under the DEA's Environmental Protection and Infrastructure Programme accounted for over 590,000 person-days, with the Environmental Monitor programme, implemented on a national basis, contributing the most. Other activities under these programme included Working for the Coast (over 192,000 person-days) and People and Parks (over 37,500 person-days).

All EPWP participants received training and, with 99,000 training days achieved, the projects exceeded the target by almost 20%. More than 730 SMMEs were supported through the programme, with R 231 million paid to these small contractors whose roles included ensuring that EPWP participants reached their work sites, carried out their tasks and returned safely to their homes. Almost 70% of the participants were young people aged between 16 and 35; 55% were women and 2% were people with disabilities.



**TABLE 19: SOCIAL DELIVERABLES OF EPWP PROGRAMME FOR 2017/18**

Programme	No. of People	Person days	FTEs	Training	SMMEs	Amount paid to SMMEs (000)	Exp. Actual
<b>Planned 2017/18</b>	<b>6,792</b>	<b>1,554,548</b>	<b>6,792</b>	<b>83,405</b>	<b>480</b>	<b>203,675</b>	<b>535,007</b>
<b>DEA EPIP</b>							
Working for the Coast	1,617	192,743	838	14,465	78	R33,060	R48,121
Environmental Monitors	1,837	363,655	1,581	480	-	R0,000	R75,775
People & Parks	280	37,543	163	364	24	R6,391	R8,959
<b>Sub-Total: DEA EPIP</b>	<b>3,734</b>	<b>593,941</b>	<b>2,582</b>	<b>15,309</b>	<b>102</b>	<b>R39,451</b>	<b>R132,855</b>
<b>DEA NRMP</b>							
Working for Water	6,837	411,719	1,790	1,249	325	R81,421	R136,302
WfE: Land Rehabilitation	2,612	231,133	1,005	21,163	139	R44,144	R69,005
NRMP Field Guards	192	29,787	130	-	-	R0,000	R8,008
WfE: MTPA	379	38,366	167	2,919	18	R7,661	R10,810
K2C Land Incentive	305	41,319	180	2,948	19	R7,231	R10,394
Bio-control	168	6,608	29	389	9	R1,251	R1,709
Working for Wetlands	503	30,655	133	4,788	32	R6,990	R11,088
<b>Sub-Total: DEA NRMP</b>	<b>10,996</b>	<b>789,587</b>	<b>3,433</b>	<b>73,456</b>	<b>542</b>	<b>R148,698</b>	<b>R247,316</b>
Eco Furniture Programme	1,818	187,319	814	8,457	84	R41,159	R105,837
<b>Sub-Total: Other EFP</b>	<b>1,818</b>	<b>187,319</b>	<b>814</b>	<b>8,457</b>	<b>84</b>	<b>R41,159</b>	<b>R105,837</b>
<b>Working on Fire</b>							
Working on Fire	124	34,230	149	1,269			R0,000
Working on Fire: High Altitude	109	18,235	79				R0,000
<b>Sub-Total</b>	<b>233</b>	<b>52,465</b>	<b>228</b>	<b>1,269</b>	<b>-</b>	<b>R0,000</b>	<b>R0,000</b>
<b>NDT SRP</b>							
NDT Agulhas Icon Project	88	11,706	51	1,065	5	R1,757	R10,364
<b>Sub-Total</b>	<b>88</b>	<b>11,706</b>	<b>51</b>	<b>1,065</b>	<b>5</b>	<b>R1,757</b>	<b>R10,364</b>
<b>Total</b>	<b>16,869</b>	<b>1,635,018</b>	<b>7,109</b>	<b>99,556</b>	<b>733</b>	<b>R231,064</b>	<b>R496,372</b>
<b>Percentage</b>	<b>248,37%</b>	<b>105,18%</b>	<b>104,66%</b>	<b>119,36%</b>	<b>152,71%</b>	<b>113,45%</b>	<b>92,78%</b>

### Biodiversity and Infrastructure Deliverables

SANParks' main EPWP deliverables are biodiversity-related. In 2017/18, they included:

- Clearing alien invasive vegetation
- Land rehabilitation including erosion and control of bush encroachment
- Wetland rehabilitation
- Conservation management support through the Environmental Monitor Programme

Activities also included planning for approved infrastructure projects in the following financial year.

The table below shows performance against the planned targets for the main biodiversity deliverables. For most activities, these were not only achieved but exceeded. The Eco-Furniture Programme created 1,800 temporary jobs and achieved a lower target of school desk equivalents due to unavailability of dry timber and management capacity challenges. This project is implemented in close collaboration with the Department of Environmental Affairs which was tasked to engage with the Department of Education for school desk orders.

**Table 20: Biodiversity and Infrastructure Deliverables**

Deliverables	Planned	Actual	%
<b>Beach Clean up</b>			
Working for the Coast: Beach clean-up (km)	24,027	28,010	117%
<b>Wetlands Rehabilitation</b>			
Cubic meters	6,600	6,467	98%
Number of sites rehabilitated	20	53	265%
<b>Environmental Monitors</b>			
Environmental Monitors appointed	1,560	1,837	118%
Co-operation Agreements	2	2	100%
<b>Alien vegetation clearing (incl. HAT &amp; EFP)</b>			
Initial hectares (ha)	24,966	38,183	153%
Follow-up hectares (ha)	158,310	176,656	112%
<b>Working for Ecosystems</b>			
Initial rehabilitation (ha)	9,346	6,336	68%
Follow-up rehabilitation (ha)	29,816	22,828	77%
<b>Rehabilitation (Alien vegetation, erosion &amp; bush clearing)</b>			
Initial rehabilitation (ha)	34,312	44,519	130%
Follow up rehabilitation (ha)	188,126	199,484	106%
<b>Eco-Furniture Programme</b>			
School desks (SDEs)	44,000	27,540	63%

**Infrastructure Development Programme**

The 2017/18 Infrastructure Investment budget was R270 million of which R230 million or 85% was spent. The main items of expenditure were the Skukuza Safari Lodge and civil engineering services at Kruger National Park.

In line with SANParks’ transformation targets, construction tenders issued included pre-qualification criteria for Black-owned companies (B-BBEE Level 2) and support for exempted micro-enterprises (EMEs).

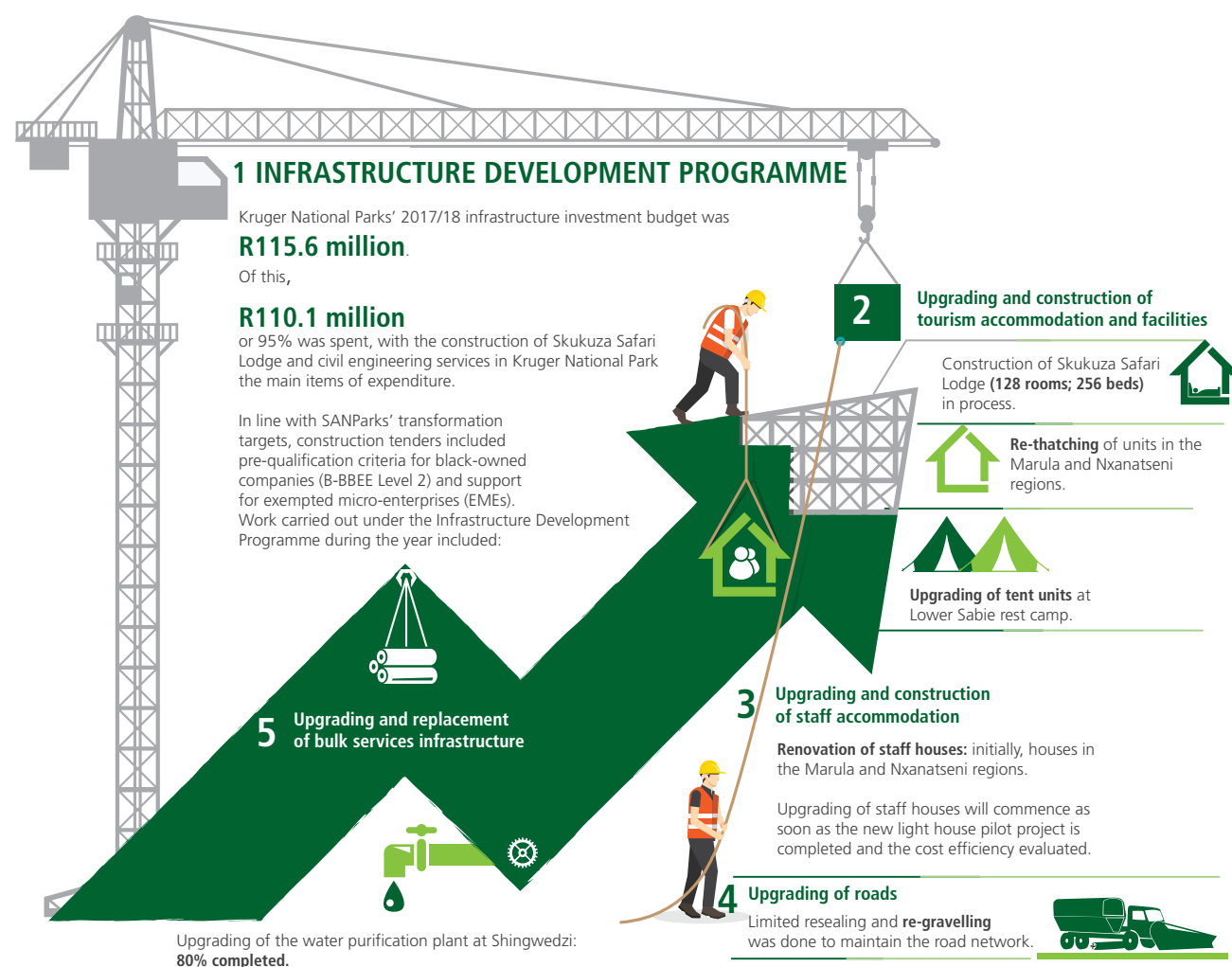
During the reporting year, the programme focused on:

- Upgrading and construction of tourism accommodation and facilities:
  - Extension of Nossob Rest Camp, Kgalagadi (10 chalets, 10 luxury camps sites and new camp site ablution facilities); Mountain Zebra Rest Camp (8 chalets); and Elandsberg Rest Camp (5 chalets) in Tankwa-Karoo National Park.
  - Construction of Skukuza Safari Lodge (128 rooms; 256 beds): in process.
  - Renovation of various tourism units in the Marula and Nxanatseni regions of Kruger National Park.
  - Upgrade Twee Rivieren chalets in Kgalagadi Transfrontier Park.
  - Karoo National Park chalets - rethatching of roofs
  - Upgrading of Boulders Visitor Node, Table Mountain National Park.
- Upgrading and construction of staff accommodation:
  - Renovation of staff houses in forestry areas: Garden Route National Park, Kgalagadi (Nossob & Mata Mata) and Addo Elephant National Park.
  - Renovation of staff houses in the Marula and Nxanatseni regions of Kruger National Park.
  - Construction of new staff houses in the Mountain Zebra, Namaqua and Mapungubwe National Parks.

- Upgrading of roads in the Camdeboo and West Coast National Parks.
- Upgrading and replacement of bulk services infrastructure:
  - ▲ Installation of new reedbed sewer system in Nossob.
  - ▲ Kruger National Park water and sewer infrastructure: Nxanatseni and Marula Regions.
  - ▲ Kruger National Park Skukuza electrical sub-station and reticulation upgrade.

Construction of the Skukuza Safari Lodge hotel in Kruger National Park is on target although the civil engineering contract has overrun its planned completion date. An interior architect for the public areas was appointed in December 2017.

The National Department of Tourism (NDT) has increasingly supported tourism infrastructure in national parks and in recent years has approved funds for eight projects to the value of R300 million. During 2017/18, the iconic Southernmost Tip of Africa sculpture in Agulhas National Park, which shows the directions of the compass and includes representations of several famous African landmarks, was completed and the road upgraded. The tender for the Dinosaur Interpretive Centre and associated infrastructure in the Golden Gate Highlands National Park in the Free State near the Lesotho border was awarded, and a new contractor appointed to complete the infrastructure at the Tsitsikamma Big Tree in the Garden Route National Park. Project planning for the Agulhas Lighthouse Precinct in the Agulhas National Park and the Environmental Education Facility in Mapungubwe National Park continued. Environmental impact assessments are ongoing for two tourism destination projects: the Phalaborwa Wild Activity Hub and the new Shangoni Gate infrastructure.



**Implementation of the Skukuza Safari Lodge project:** on target for completion by the end of August 2018. The civils contract exceeded the completion date but was expected to have been completed by the end of April 2018.

Phalaborwa Wild Activity Hub and new Shangoni Gate infrastructure projects: in the environmental approval phase and will commence as soon as authorisation from the Department of Environmental Affairs has been received.



# Our people behind Expanded Public Works Programme

South African National Parks, through the Expanded Public Works Programme (EPWP), provides poverty and income relief through temporary work for the unemployed to carry out socially useful activities. EPWP is a nationwide programme covering all spheres of government and state-owned enterprises. The programme provides an important avenue for labour absorption and income transfers to poor households in the short to medium-term. It is also a deliberate attempt by public sector bodies to use expenditure on goods and services to create work opportunities for the unemployed. EPWP employ workers on a temporary or on-going basis either by government, by contractor or by other non-governmental organisations under the Ministerial Conditions of Employment for the EPWP.



**Dimakatso Hlalele**

Dimakatso Hlalele is one of the woman benefitting from the programme. She is currently employed as a Working for the Coast (WftC) field assistant in Table Mountain National Park. Her career with EPWP started in 2014 as a general worker in the WftC programme, where she continued to expand her working experience taking on extra administration duties, and upskilling her education enabling herself to work in various fields that include health and safety procedures, marine monitoring and environmental monitor.



**Julia Joan Adams**

Julia Joan Adams is currently contractor in the Agulhas National Park's Working for the Coast project. She spent more than 15 years of her life working in the EPWP, where she started out as a general worker in 2000. She believes that if it was not for the training and skills development programme offered by the programme, she would not have made it this far as a business woman. In 2007 she became a contractor in the Agulhas Working for the Coast project.



**Velesta 'Lesta' Ahrends**

Velesta Ahrends, works for Working for Wetlands and is a female contractor at Agulhas National Park. In 2004, she joined the EPWP Working for Water project as a general worker. Becoming a contractor for the Agulhas Wetlands programme 'is one of my greatest achievements', she says and has enabled me to make a better life for her two daughters.



**Phyllis Ngobeni**

In 2014, Phyllis Ngobeni started as an EPWP general worker at the Kruger2Canyon (K2C) Biosphere. Currently she works as a nursery supervisor.



**Portia Baloyi**

Portia Baloyi is a first aider for in-field and nursery EPWP participants. She started her career in the programme as a general worker in 2014.



**Tsakani 'Happy' Mabunda**

Tsakani Mabunda, an environmental monitor is able to provide for her two sons, Member and Mpimo. She joined the EPWP in 2014 as a general worker.



**Victoria Rikhotso**

Victoria Rikhotso, a EPWP peer educator, informs participants on important health issues. She is also involved in the maintenance of the K2C nursery. She joined the EPWP in 2014 as a general worker.

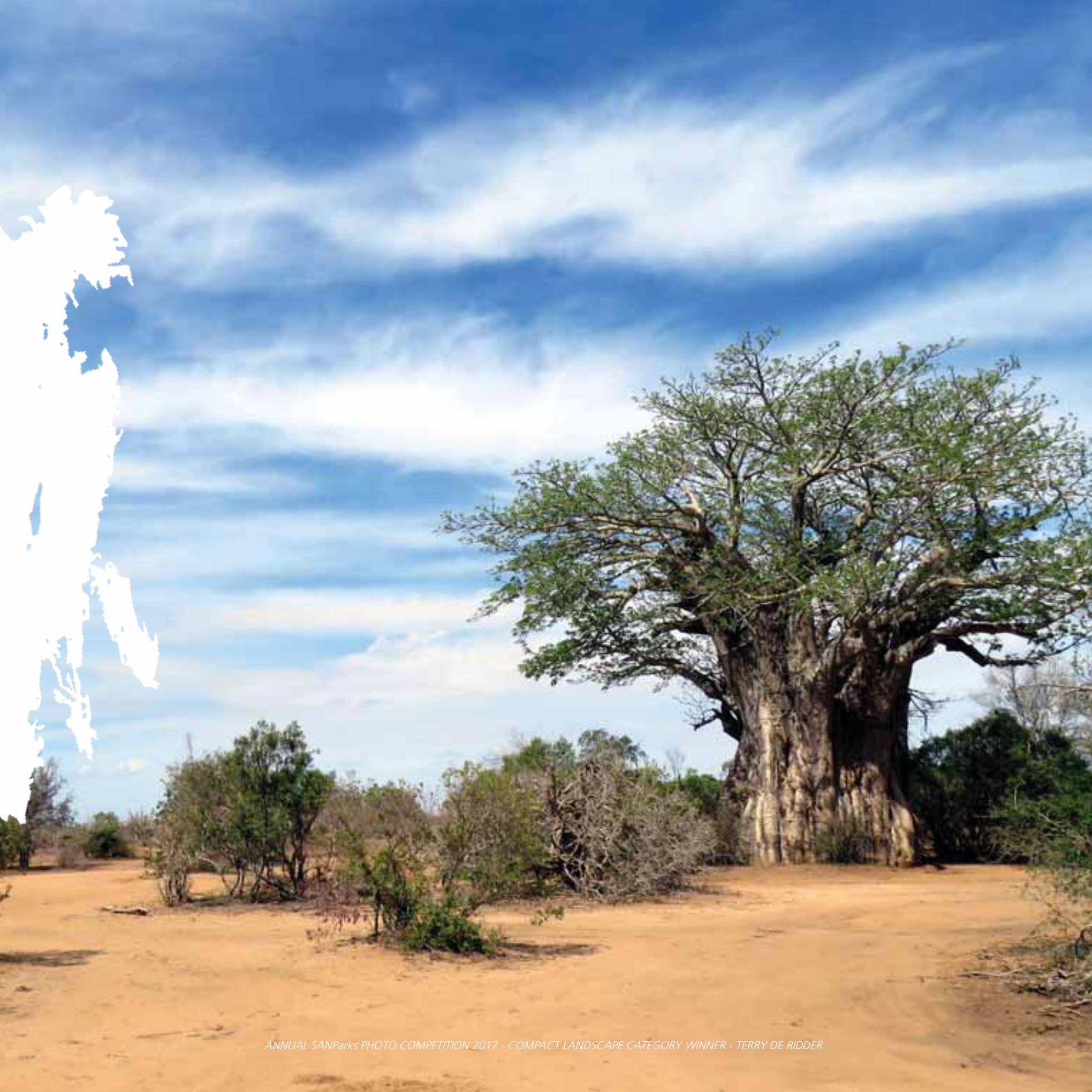
# CONSERVATION SERVICES REPORT

In the Succulent Karoo, **3,847 ha of land** was **added** to the Tankwa-Karoo National Park in 2017/18.

There has been a marked **decrease of 18.6%** in the number of **rhino poached** when compared to the same period in 2016/17.

**314 active research projects** registered in SANParks.







## Conservation Services

The Conservation Services Division provides leadership in support of the SANParks conservation mandate. The division's intellectual, technical and policy expertise inform and guide decisions about managing species and ecosystems and contributes to the conservation of cultural heritage. In 2017/18, Conservation Services enhanced its understanding of park management through science-management meetings with park management and collaboration with colleagues in designing programme for the conservation of species and ecosystems. It also carried out research and monitoring as well as practical interventions including rehabilitation of degraded habitats. Such activities were performed by multi-disciplinary teams in often inaccessible locations, requiring innovative approaches.

## Improved representative conservation estate

### National Park Inclusion

SANParks manages a conservation area of more than 4 million hectares (estate), comprising approximately 67% of the land under formal conservation in South Africa. The SANParks 2017-2020 Land Inclusion Plan was approved by the Department of Environmental Affairs and will guide land inclusion opportunities within the national park system for the next three years. Land is becoming increasingly expensive and this is a major challenge to the national objective of increasing land under the protected area estate to 13% of the total land of the country as articulated in the National Biodiversity Strategy and Action Plan, and to 17% according to the Convention on Biological Diversity targets.

In the Succulent Karoo, 3,847 ha of land was added to the Tankwa-Karoo National Park in 2017/18. The planned acquisition of the Riverbend property for inclusion into Addo Elephant National Park was placed on hold and the focus shifted to acquiring the large and ecologically important Soetkraal property for inclusion in the Garden Route National Park.

The development of a new national park in the Karoo Central Astronomy Advantage Area in the Northern Cape, as part of the Square Kilometre Array (SKA) project, is progressing well. Managed in South Africa by the National Research Foundation (NRF), the SKA project is an international collaboration to build the world's largest radio telescope. The project site requires electromagnetic communication silence; this excludes the use of most electronic equipment such as cell phones and radios.

A block of land approximately 128,000 ha in size has been acquired in the Carnarvon area, and the site will contribute significantly to national conservation efforts within the country given that three of the four Nama Karoo vegetation types present in the area have not previously been protected.

The NRF has approached SANParks to manage this land as a national park for its biodiversity conservation, in alignment with the special purpose for which the SKA was established. Pending negotiations with the NRF and engagement between the Departments of Science and Technology and Environmental Affairs, SANParks has approved this and the development of a draft Management Plan is underway.

During the year, more than 30 environmental impact assessments and/or mining applications were considered and commented on. Many were around the West Coast and Garden Route National Parks. Among concerns were the potential effects of off-shore seismic surveys and exploration close to Bird Island in Algoa Bay and the possible impacts of the

proposed Molapong aquaculture project near Jutten Island in Saldana Bay. SANParks also commented on diamond mining applications in the buffer zone of Mokala National Park, on mining impact in the buffer zone of the Mapungubwe cultural landscape and on an application for construction of gabions on Myoli Beach in Sedgefield.

Various biodiversity offset agreements are under negotiation including the Zirco Resource Offset Agreement next to Namaqua National Park, the Oograbies East-Eskom Offset Agreement in Richtersveld National Park and the Elandsfontein Exploration and Mining Offset Agreement next to the West Coast National Park.

### Marine Protected Areas

A Marine Protected Area is an area of sea and coastline dedicated to the conservation of biodiversity and associated cultural resources through being managed in a structured and legal manner. During the year, SANParks scientists provided inputs to Phakisa Marine Protected Area workshops to discuss technical aspects of gazetting 22 new Marine Protected Areas for declaration. These included discussions about boundaries for the Addo Elephant, Namaqua and Robben Island Marine Protected Areas, White shark satellite tag data collected by the Top Predator Scientific Working Group and comments on Addo and Namaqua Marine Protected Area regulations. Shoreline fishing guidelines for local communities in sections of the Tsitsikamma National Park coastline were implemented and monitored.

SANParks Conservation Services participated in the Compliance and Enforcement Working Group of Operation Phakisa. This coordinates inter-departmental functions, roles and responsibilities including compliance, monitoring and enforcement. SANParks also participated in joint compliance and enforcement operations along the coastline with various stakeholders.

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Marine Protection Services and Governance, also part of Operation Phakisa, focuses on the Enhanced and Coordinated Compliance and Enforcement Programme (Initiative 5) and provides opportunities for an integrated and coordinated approach to unlawful fishing practices and other illegal activities in the ocean environment.

### Park Management Plans

Park Management Plans are 10-year plans that provide integrated management objectives for biodiversity conservation, including operational management for species and ecosystem protection, tourism development and constituency building. The draft Management Plan for Richtersveld National Park was completed and submitted to the Department of Environmental Affairs for technical review. The Kruger National Park draft plan generated more than 250 questions and comments which required appropriate consideration in the revision of the plan. The draft plan was subsequently submitted to the Department of Environmental Affairs for technical review.

The Management Plan revisions entailed verifying and updating the mission, vital attributes and hierarchy of objectives for each park. Detailed lower-level plans were also developed or amended to guide operations. Park zonation was also reviewed to ensure that it provides the necessary guidance over the life of the plan. Sixteen public meetings, in which 3,502 stakeholders participated, were held between April and June 2017 to co-review the desired states of the Kruger and Richtersveld National Parks. A further 20 public meetings, with over 2,400 participants, were held during February 2018 to discuss the draft management plans of these two parks. In addition to the input from public meetings, 526 written comments were received.

### Management Effectiveness Tracking Tool

The Management Effectiveness Tracking Tool (METT-SA 3) is a method for evaluating the management effectiveness of protected areas through a set of criteria against agreed standards: that is, how well protected areas are being managed. METT-SA 3 assessment was completed for the 19 national parks. The average METT-SA 3 score for SANParks for 2017/18 was 71%, above the minimum threshold of 67% recommended by the Department of Environmental Affairs. Sixteen parks scored above the threshold and three below.

### State of Biodiversity

The State of Biodiversity is a tool that assesses the effectiveness of SANParks' management of biodiversity. The preliminary results from the 2017/18 assessment of all national parks show an average score of 58% against a target of 50%. Delivery of biodiversity objectives, understanding threats and ecological processes and patterns and lessons learned from the exercise are the most important aspects of the assessment and not the scores per se.

### Drought impact

For the third year in a row, the Western Cape region experienced severe drought and is expected to suffer the effects for the foreseeable future. The drought has had serious implications for water provision by local municipalities and has affected water usage particularly in the Table Mountain and West Coast National Parks. SANParks participated in exploring various options for meeting the City of Cape Town's current deficit, including further groundwater abstraction and desalination, both of which have negative impacts on the terrestrial and marine environments.



Late summer rains improved the drought situation in the Frontier Parks and the rest of the country experienced average rainfall with no impact on herbivore numbers in the national parks. In the calendar year 2017, SANParks scientists analysed the impact of the prolonged 2015/16 drought in the Kruger National Park and found that, despite a much higher herbivore biomass, it had less impact on the Kruger National Park buffalo population than the severe 1991/92 drought, with the elephant population even increasing. Hippo was the large herbivore most affected by the 2015/16 drought. It appears that changes in the park's water provisioning policy since 1994, with a reduction of artificial water points, has created a more uneven distribution of wildlife. This resulted in forage reserves in areas far from the water points and was responsible for the reduced impact of the 2015/16 drought.

### Wildlife disease

Regulatory constraints relating to disease continued to present challenges to achieving conservation goals. The diagnosis of tuberculosis in Black and White rhino in Kruger National Park in 2016/17 and its subsequent diagnosis in a buffalo at Mokala National Park in 2017/18 resulted in both parks being placed under quarantine, preventing any animal movement out of these parks until approved species-specific tuberculosis management plans were in place. A management plan for testing, quarantine and movement of rhino out of Kruger National Park, developed in collaboration with the Department of Agriculture, Forestry and Fisheries and various academic partners, is currently under consideration for approval. All preconditions for lifting the quarantine at Mokala National Park were addressed and surveillance has indicated no further evidence of the disease. Forty-three buffalo in the Kimberley bomas have undergone comprehensive five-stage testing, including for tuberculosis, Corridor Disease and Foot and Mouth Disease.

Following the canine distemper outbreak in a pack in 2016/17 in the southern part of Kruger National Park, the park's African wild dogs underwent ongoing monitoring and vaccination for distemper and rabies. A large percentage of the 77 dogs included in the 2016/17 survey tested positive for tuberculosis, suggesting that they are experiencing a high exposure rate which, in some cases, progresses to disease and death. Rabies is frequently diagnosed in domestic dogs in communities near the western boundary of Kruger National Park which suggests a pool of infection that crosses the park boundary.

Brucellosis, a bacterial disease that causes abortions in livestock, is endemic in Kruger National Park. A new and particularly pathogenic brucellosis strain, *Brucella melitensis*, was diagnosed in a buffalo in the park. The disease is frequently diagnosed in sable antelope on private game farms and seems to be becoming an "emerging disease" in wildlife, most likely having been introduced from domestic livestock. The potential impact on buffalo is still unknown.

Necropsy results on two of five elephants that died in the southern region of Kruger National Park suggested the presence of *Encephalomyocarditis* virus. This is associated with proliferation of the rodent population following drought and has in the past resulted in increased elephant mortality in the park. Limited diagnostic capacity, and the requirement for fresh material due to the labile nature of the virus, prevented diagnostic confirmation. Rodent populations in the area have also been sampled for the virus.

Pigeon paramyxovirus was diagnosed in dead laughing doves (*Spilopelia senegalensis*) in Kruger National Park. The outbreak of this disease appears to have been associated with a sudden increase in the pigeon population following the 2015/16 drought. African penguins and other seabirds have recently tested positive for the H5N8 strain of avian influenza (bird flu), the same strain

that devastated the local poultry industry in 2017. Affected birds showed neurological signs such as twitching, difficult breathing and often bright green guano. In response, a management brief was developed for surveillance and increased biosecurity around seabird colonies to try to reduce environmental virus loads. As avian influenza is a notifiable disease, SANParks has been working in collaboration with the State Veterinary Departments in the Western and Eastern Cape, immediately communicating any findings.

### Fire

Wildfires in Knysna started on 6 June 2017 under extreme environmental conditions. A day later, there were 26 fires which together resulted in the loss of 6 lives and approximately 2,000 structures, including residences. The total fire scar was calculated at 21,900 ha, with considerable economic losses to commercial forestry and tourism. Although the scar only includes a relatively small section of the Garden Route National Park, the fire's residual effects may have a considerable medium and long-term impact on the environmental integrity of the park. The Western Cape Provincial Government declared a disaster area and the Garden Route Rebuild Initiative was put in place. Various work streams were established under the auspices of the Initiative, with SANParks Scientific Services and Garden Route National Park management personnel serving on the environmental work stream.

### Rivers

Surveys of aquatic invertebrates in Kruger National Park's rivers showed that these systems have generally rebounded after the 2015/16 drought. The Sabie and Luvuvhu river systems, in particular, were found to be in good ecological condition, indicating good catchment management upstream of the park. The development and maintenance of collaborative relationships with stakeholders



across entire catchments and outside park boundaries remains an important strategy for conserving freshwater biodiversity inside parks.

The 2015/16 drought resulted in a decrease in water levels in the Massingir Dam in Mozambique but good subsequent rains and a rise in dam levels created a low energy, deep water habitat in the Olifants River gorge in Kruger National Park upstream of the dam. This situation appeared to be similar to that in 2008/09, which coincided with the first observed crocodile deaths due to the disease pansteatitis. In response, in collaboration with a number of other institutions a multi-disciplinary study has been launched to investigate the connectivity and migration ecology of the lower Olifants River ecosystem.

Following the June 2017 fires in the Knysna area, the water quality monitoring programme in the area was expanded with the aim, in the short-term, of quantifying the potentially increased concentration of suspended sediments in rivers and streams in burn affected catchments, with resulting changes in water clarity in the estuaries. Initial results indicated a predictable increase in suspended sediments, with the broad trend being higher sediment concentrations in rivers from catchments with a higher percentage of burn area.

Despite these changes in some river systems, no discernible changes in water clarity have been recorded in the Knysna Estuary. Two possible explanations for this are that there have been few high intensity rainfall events since the fires and freshwater inflows into the estuary have therefore been comparatively low; and that most of the firewater inflow is

from the Knysna River catchment where the burn area, at <2%, was relatively small. The sediment load in rivers is expected to decline as plant communities recover.

## Cultural Heritage

SANParks' approach to cultural heritage is based on the conviction that, when it is managed and used properly, it contributes to nation-building and facilitates social cohesion, common identities and mutual understanding. SANParks seeks to promote the social, spiritual, economic, tourism and educational value of cultural heritage and to ensure that it is brought into management decision-making at park and corporate levels.

In the past year, SANParks successfully listed the Kalahari Gemsbok National Park as a World Heritage Site. This gave the park international recognition and elevated the cultural heritage of the Khomani San people. SANParks also submitted some of its iconic heritage sites to the South African Heritage Resources Agency, including Thulamela, Masorini and the Agulhas Lighthouse, for declaration as National Heritage Sites. Garden Route National Park cultural heritage data were included in the Agency's register of sites.

Three Garden Route National Park sites were already listed with the Agency and 233 more sites were added for inclusion in the national data set. Working relationships established with the South African Heritage Resources Agency were aimed at skills transfer and management support, with a cultural heritage skills transfer workshop held by SANParks and the Agency in March 2018.

A thorough assessment and documentation of movable heritage collections in Kruger National Park was completed and will be followed by similar exercises in all parks. A draft strategy for the management of cultural heritage resources, currently being developed, will guide SANParks in implementing its mandate to conserve and manage cultural heritage within national parks.

In 2017/18, a skeleton was found in the Perdekloof Gorge in Tankwa-Karoo National Park. It was about 950m above sea-level in steep and rocky terrain and had been exposed by erosion and flash floods. Over time, pieces of bone had broken off and been scavenged, triggering concerns for its recovery. There is a legal obligation to conserve and care for old burials. SANParks worked with Drs Victoria and Ryan Gibbon from the University of Cape Town, and the skeleton has been identified as that of an elderly Khoisan man who led a traditional life and was buried with some care. With the collaboration of Heritage Western Cape and through participation by and consultation with Tankwa's neighbours, permission has been obtained to recover, date and re-bury the skeleton. When the results of the dating are available, a narrative about the circumstances of the man's life and death will be constructed. Understanding this elderly man's story will provide a gateway to the history of the Tankwa and will enrich the park and visitors' experience of the area.



Photo competition winner 2017 - Kobus Naude



## Enhanced knowledge for decision making and managing species, ecosystems and cultural heritage assets effectively

SANParks Conservation Services recognises the importance of evidence-based science and accountability in addressing the complexities of 21st century conservation. Rooted in intense commitment to the present and future of SANParks, the division's scientists strive continuously for excellence in their multi-dimensional research, based on an ecosystem services framework which highlights the connections between people and nature.

The ecosystem services concept can be used to explore the relationships, and sometimes tensions, between achieving biodiversity conservation and societal well-being, and how the management of protected areas influences the realisation of these dual objectives.

Such understanding is highly relevant to SANParks with its main operational pillars of conservation, responsible tourism and socio-economic development.

The division is conscious of the need both to support its established scientists and to develop a robust interactive team that will maintain and grow SANParks' science into the future. The Grow and Groom initiative embodies this approach, with "growing" referring to nurturing individuals so that they can achieve their full potential and "grooming" to learning from and with each other so that individual talents are blended into a cohesive capability.

### Research projects

SANParks Conservation Services continued to contribute significantly to research capacity development by making national parks available as research study sites and attracting scientists from national and international research institutions.

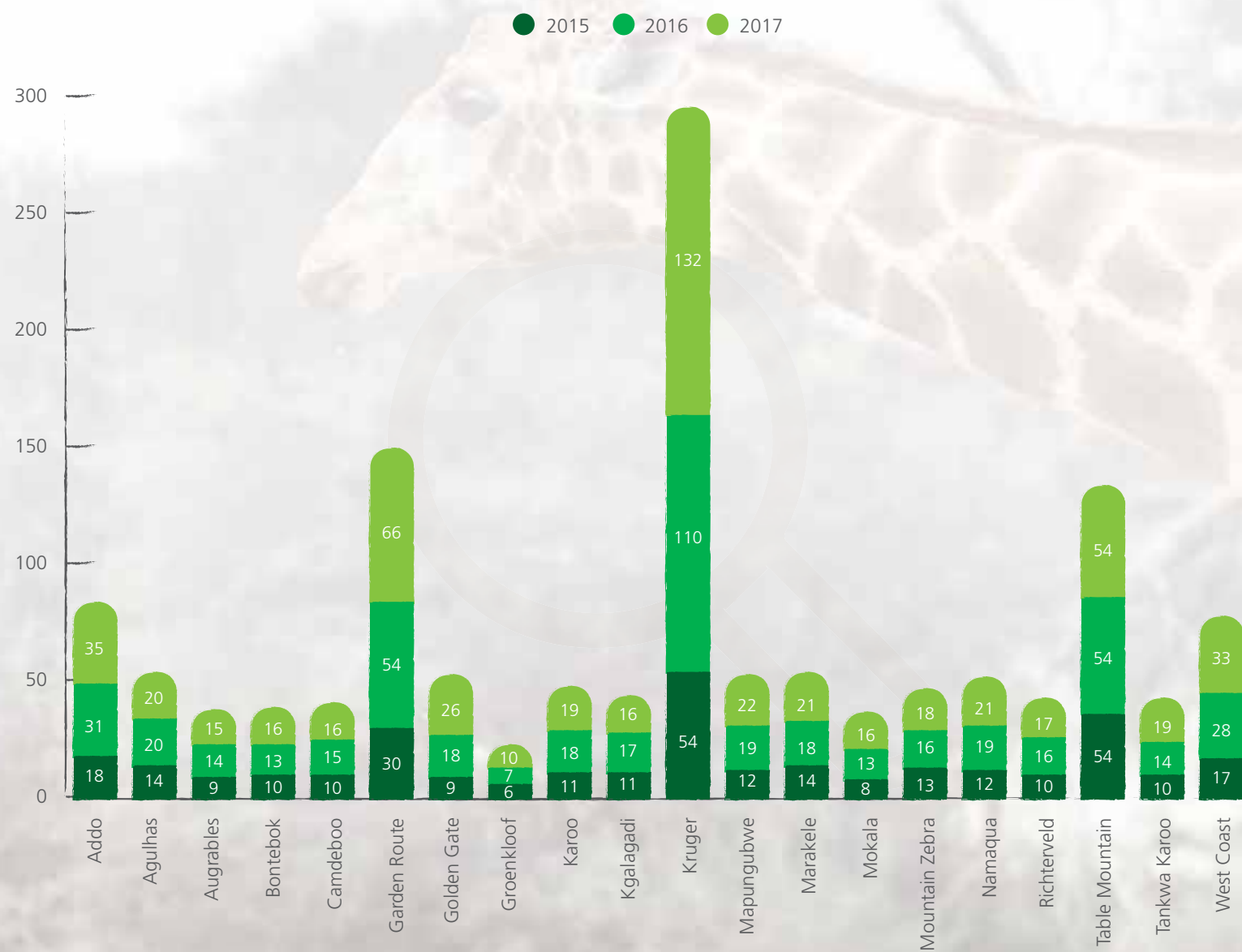
SANParks scientists support visiting researchers by providing access to study areas, giving intellectual input, coordinating research projects, enabling access to long-term datasets, providing logistical support to field experiments and collaborating in writing scientific outputs.

At the end of the reporting period, there were 314 active research projects registered in SANParks. Of these, 250 are categorised as "essential" or "important", with 79.6% relevant to SANParks' conservation priorities. A large proportion of these projects are conducted by external research collaborators, highlighting the research capacity that SANParks is able to leverage.

Over the past two years, research activities have increased in all national parks as the following graph shows. The knowledge generated by such projects enables better decision-making and promotes conservation of biodiversity, landscapes and associated heritage assets across SANParks' network of protected areas.



# Research Projects Running in Parks 2015 -2017

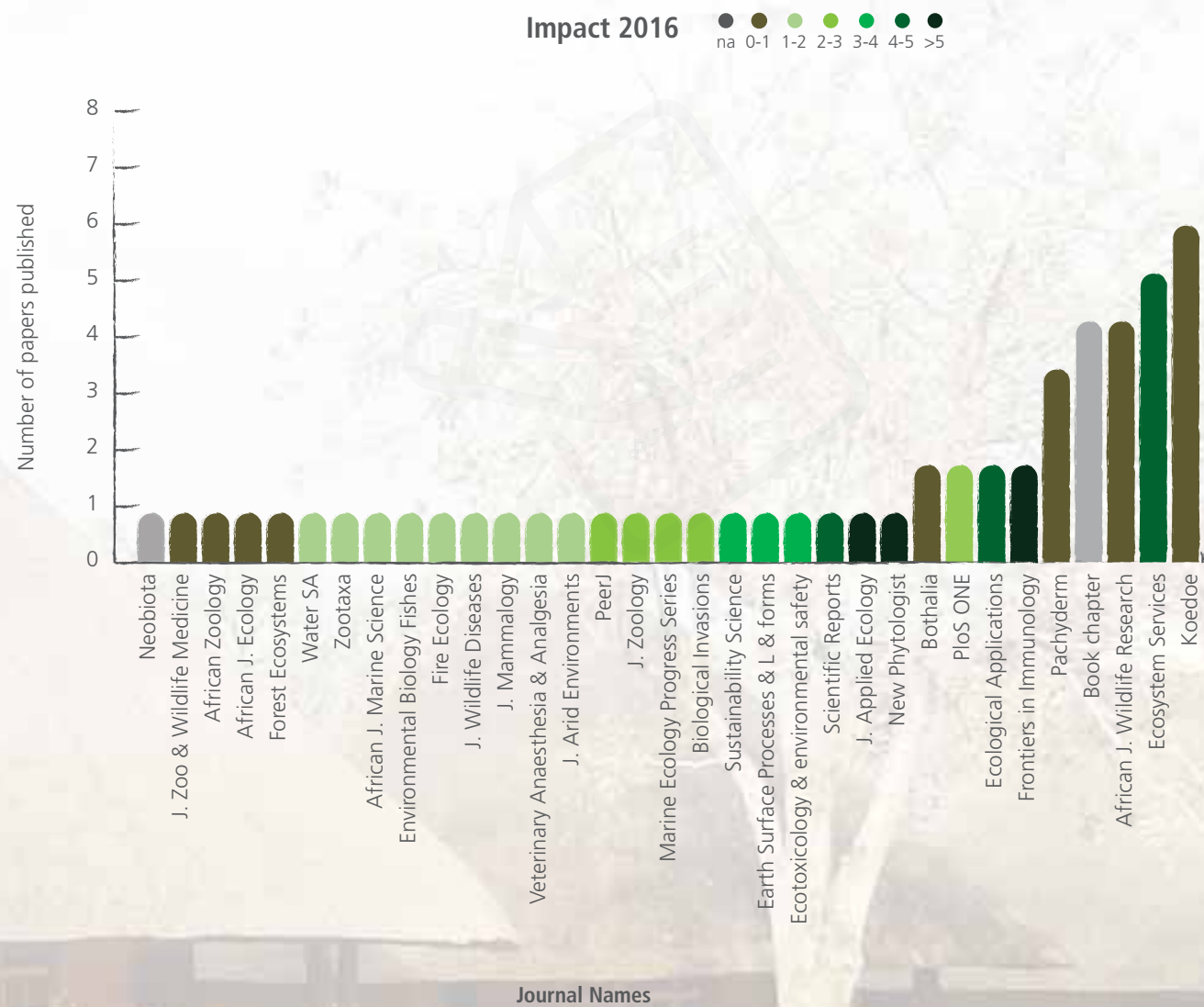


Graph 1: Number of research projects running in each park, 2015-2017. Numbers per park include duplicates due to multi-park projects registration.





Number of papers published with SANParks authors in various journals



Graph 2: Number of articles published by staff per journal. Colours indicate Impact Factors (Clarivate Web of Science).

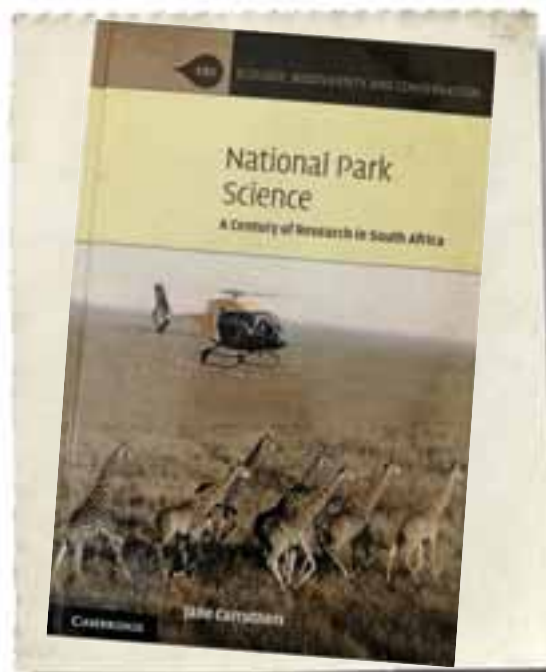
## SANParks Journal

*Koedoe*, the SANParks scientific journal, is celebrating its 60th birthday. Since its inception in 1958, it has grown from an in-house journal to a globally recognised peer-reviewed open access scientific journal with an impact factor of between 0.48 and 1.48 (Clarivate Analytics). Its initial objective was to publish original research papers related to wildlife management, animal ecology, botanical studies and documentation of species across the national parks. While these objectives remain important, there is now a strong focus on the conservation of natural resources. In an era of ever-changing human impact on the global environment, understanding how this will affect the diversity of flora and fauna, their habitats and long-term persistence in protected areas has become important.

*Koedoe* has also evolved towards studies of management of and challenges to protected areas, and of conservation science related to all ecosystem and socio-ecological contexts. The focus of the journal, therefore, is now to publish current advances in field studies, in-depth reviews of complex topics, studies of global environmental change and evidence-based studies that assist with policy and management challenges in protected areas.



## Books: *National Park Science: A Century of Research in South Africa* by Jane Carruthers



The aim of Jane Carruthers' scholarly text is to explain, in political and scientific terms, the changing ways in which research has been understood and conducted in South Africa's national parks from 1930 to 2010. An eminent social and conservation historian, Carruthers uncovered previously unused documents and information. She details the scientific achievements of and networks among more than a hundred of the first botanical, zoological and conservation scientists in South Africa, their international context and, importantly, the national politics that shaped their work. The book, which celebrates a century of research in South Africa's national parks and confirms their invaluable role as natural laboratories, is invaluable to anyone conducting conservation research in national parks.

## Ecosystem Services Research

December 2017 marked a significant step in growing SANParks' research capability in the field of understanding people-nature interactions in the national parks. This came about through the publication of a special issue of the journal *Ecosystem Services*, featuring 12 papers on the general theme of ecosystem service generation by protected areas in southern Africa. Of the twelve manuscripts that successfully passed through the initial screening and subsequent peer-review processes, seven related directly to SANParks' parks. Nine SANParks authors contributed to six of the twelve papers. The ecosystem services framework highlights the connections between people and nature. The concept can therefore be used to explore the relationship, and sometimes tension, between biodiversity conservation and societal well-being and the ways in which management of protected areas influences the realisation of these dual objectives. Such understanding is highly relevant to SANParks with its main operational pillars of conservation, responsible tourism and socio-economic development.

The special issue can be viewed at <https://www.sciencedirect.com/journal/ecosystem-services/vol/28/part/PB>

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## Conferences

SANParks continued to be well represented at conferences and forums nationally and abroad, with a total of 41 poster or oral presentations delivered, 23 of them at national forums. The International Savanna Science Networking Meeting in Skukuza remains an important annual event. At the 2017 meeting, which hosted almost 200 delegates representing 85 scientific and conservation organisations, there were six presentations by SANParks staff.

The four-day programme included 123 oral and 19 poster presentations, the second day being devoted to research papers relevant to management, selected by managers themselves. Close to 20 Rangers attended and the session was well received, with the theme to be further addressed in the future. The inaugural Garden Route Interface Meeting in Wilderness, with eight papers presented by SANParks staff in 2017/18, promises to become an exciting annual event.

An indication of the high level of interest in work being conducted by SANParks' scientists is their 12 international conference papers, of which five were invited or keynote presentations. Further indicating the value attached to contributions by SANParks staff, conference convenors either paid for attendance or the costs were waived. Funding from sources such as the Mellon Foundation, the NRF and collaborating academic institutions remains important to supporting these kinds of international interactions.



*Participants in the 2018 Annual International Savanna Science Network Meeting. Photo: Izak Smit.*







Photographer Christo Fabricius facilitating a dialogue session at the Garden Route Interface Meeting. Photo: Nicholas Cole.

### Effective species and ecosystem conservation

SANParks, in a collaborative project with the University of Pretoria, embarked on evaluating the re-introduction of White rhinos following the rehabilitation of weaned rhino orphans. Comparative analyses between two orphanages highlighted that rapid integration among free ranging rhinos may depend on the level of human interaction during orphan rearing. Seven rhino orphans are ready for release and will form part of the White rhino demographic study. In relation to south-central Black rhinos, the implementation of the BlackRhino Guardian Zone in Kruger National Park is underway with the BlackRhino Monitoring Coordinator and BlackRhino Scientist positions filled. Standard Operating Procedures have been developed to guide the management of rhino in the park.

A life-history database, updated regularly, provides a basis for prioritised veterinary care, biological management and satellite and Very High Frequency (VHF) collar management. Since the park's Cessna 206 was fitted with telemetry, intermittent aerial surveillance is also available. This allows surveillance of the BlackRhino Guardian Zone and easy location of collared animals for tracking and for other research purposes including noting records of other rhinos. Kernel density home ranges provide detail on where Black rhinos spend time; this informs interventions. Various map outputs, including probability density heat-maps, were shared with Rangers.

Blackrhino notching and collaring in Marakele National Park enabled samples to be collected for the SANParks biobank. Six Blackrhino were captured, primarily for reintroducing the species to Chad and for population management and conservation. The capture and translocation operation was successful and the animals are currently at the boma in Addo Elephant National Park. Rhino population monitoring training workshops were conducted with Marakele field staff. Installation of camera traps, donated by Highveld Honorary Rangers, commenced and the rhino ID files (ear notch sequences, photo files and mortality and translocation sheets) were updated and circulated to park staff. To improve data collection and analysis, a monthly checking system was implemented. The Elephant Implementation Plan 2018-2019 has six high-level objectives.

To ensure the ecological role of elephants by protecting populations, the plan seeks to align elephant conservation with rhino anti-poaching initiatives. A number of park-specific objectives and actions aim to manage the socio-economic and ecological impact of elephants, requiring careful collaboration, communication and sharing of information.

As the water availability gradient was not resulting in a decline of calf mortalities related to walking large distances between water and food, contraception was administered to the elephants in the Main Camp/Colchester section of Addo Elephant National Park to ensure the sustainability of the population. A new vaccine lasting three years is being tested for this population contraception. Relocation of a small herd of elephants to the Darlington section has also been recommended.

Monitoring of the African penguin population indicates that it is under strain and unable to reproduce itself, with the population dropping from approximately 20,000 to 17,000 over the last five years. The colonies in the West Coast National Park are shrinking annually, while that on Markus Island is considered extinct in 2017/18. Colonies in Table Mountain National Park and Addo Elephant National Park saw a small drop in numbers from 2016. The largest national colony,

at St Croix, is under particular pressure because of surrounding development, Coega Deepwater Port activities, increased shipping movements such as ship to ship bunker fuel transfer and lack of prey in Algoa Bay. Avian flu has been detected in penguin colonies in the Western Cape and state veterinarians are uncertain how this will affect the African penguin. The virus has been detected in other seabirds in the Eastern Cape and is likely to spread to the penguins on St. Croix and Bird Islands.

how this will affect the African penguin. The virus has been detected in other seabirds in the Eastern Cape and is likely to spread to the penguins on St Croix and Bird Islands.

In line with the South African Cycad Management Plan, SANParks continued to monitor and manage the cycad species under its care. *Encephalartos arenarius* was monitored in the Woody Cape section of Addo Elephant National Park; approximately 50 plants were recorded from 14 sites in the Boschoek area and 16 at the Woody Cape offices. The cycads at all the sites are in good condition with the Boschoek cycads particularly healthy and productive, bearing cones and seedlings. Regarding the *Encephalartos horridus* population monitoring in the Colchester section of Addo Elephant National Park, 11 adult individuals were marked and DNA samples taken as requested by the Department of Environmental Affairs and the University of Johannesburg.



## Conservation and communities

Innovative ways of reducing poaching are crucial to ensuring the survival of White and Black rhinos. Initiatives focus on zero-tolerance for breaking Kruger National Park rules, efficient access control, an Internal Intensive Protection Zone for high density White rhino areas guided by knowledge of the animals' movements, and initiatives that enhance safety and security for people in the region.

SANParks realises that successful combating of rhino poaching requires not only disruption of organised crime but the establishment of alternative, reliable sources of income for citizens near parks. While these social requirements are mostly outside SANParks' primary mandate, the organisation supports them wholeheartedly.

## Biodiversity Monitoring

In 2017/18, a total of 252 out of 282 planned monitoring programme were conducted, a completion rate of 89.4%. Modifications to monitoring programme or inability to implement certain programme are generally the result of the ever-changing and complex systems being monitored. Monitoring programme thus remained adaptable, responsive to change and open to improved methods. This resulted in the monitoring teams implementing additional programme, not specified at the beginning of the financial year, in response to changing or unusual environmental conditions such as the Western Cape drought and the Knysna fires.



*Sustainably built Science Centre at Skukuza Science Leadership Initiative, officially opened in September 2017.*

## Skukuza Science Leadership Centre

2017 saw the launch of Skukuza's newest scientific infrastructure: the Skukuza Science Leadership Initiative's sustainably built Science Centre. It includes a laboratory, library and lecture theatre built from recycled concrete and rammed earth. This inspirational building would not have been possible without generous funding from the Ruggles Family Trust, SANParks and the US National Science Foundation. The Skukuza Science Leadership Initiative's Centre provides an opportunity to use one of South Africa's greatest natural assets, the Kruger National Park, as a classroom for experiential learning linking biodiversity management, higher education institutions and local communities. The facility, which hosts human capital development programme run by the Organization for Tropical Studies, the Nsasani Trust and SANParks, is designed to enhance science education while demonstrating the feasibility of low impact living to managers, tourists and students.



*The library of the Science Centre optimises the use of natural light, with fans and lights powered by solar panels.*



## Rhino Management

### Rhino guardian initiatives

SANParks embraces formal guardian approaches as complementary to biological management and anti-poaching security-based protection of rhinos. Security-based approaches focus on apprehending transgressors while guardian approaches aim to safeguard rhinos.

### BlackRhino Guardian Programme

The BlackRhino Guardian Programme focuses on areas where Black rhinos live in Kruger National Park. The programme has benefited from the appointment of a BlackRhino Monitoring Coordinator and BlackRhino Scientist through the support of the Peace Parks Foundation and the World Wildlife Fund South Africa. Priority veterinary care and biological management standard operating procedures direct initiatives. A key element is the dedicated science support to the security and biological management components. Regular distribution maps derived from 18 Blackrhino cows (7% to 10% of the estimated adult females) fitted with satellite transmitters; rhino sightings by Rangers, pilots, concessionaires and researchers; and observations during formal aerial surveys have provided valuable information enabling greater understanding of Blackrhino in southern Kruger National Park. This adds to the information base available to Rangers for anti-poaching decision-making.

The fitting of satellite collars was a key component of the first phase of the programme. Eighteen cows and one bull formed part of the programme supported by the Mark Boucher Legacy Foundation, Jock Safari Lodge and Singita Concessions. During the financial year, 28 collars were placed on Black rhinos; these were mainly collar replacements. SANParks obtained more than 10 months of data on the 18 females, with data transmitted every 4 hours; 15 of

them provided data for more than 15 months. These positional data for individual Black rhinos will inform changes in Blackrhino distribution, temporal habitat selection and individual-based monitoring of Black rhinos in Kruger National Park. With the completion of the collaring operation, monitoring efforts will focus more intensively on ear-notching Blackrhino for individual ID and life histories, aerial surveillance and camera trap surveys.

### White Rhino Programme

Compared with Black rhinos, White rhinos present a considerably different challenge to SANParks. Given their large numbers in Kruger National Park, individual-based monitoring is not possible. In collaboration with the University of Pretoria, SANParks used data for White rhinos fitted with GPS collars and from aerial surveys in the park, together with indices of productivity and distance to the nearest water, to construct models that help to predict rhino presence and therefore inform pro-active protection by rangers. At present, most predictive models focus on poacher behaviour and may benefit from including rhino presence.

The fitting of satellite foot collars is a key component of the White rhino programme that seeks to use ecological information to inform rhino management. During the financial year, SANParks fitted 10 collars, of which 8 lasted only 3 to 4 days. Since the start of the White rhino programme in 2016, SANParks has fitted 3 males and 22 females with satellite foot collars. For 14 individuals, it was possible to extract individual movement data for less than 6 months; for 11, however, there is data for more than 12 months. Sadly, 8 of the collared rhinos were poached.

Since the inception of the White Rhino Programme in 2016 and BlackRhino Guardian Programme in 2017, SANParks has received 107 satellite collars: 54 for Blackrhino and 53 for White rhino. Of these, 74 were paid for (63 by the Mark Boucher Legacy Foundation:

R1,791,909.00; 3 by Jock Safari Lodge: R85,329.00; and 8 by SANParks Special Projects: R227,554.00). The remaining 33 were replacements for collars that failed.

### Pro-active patrolling

Following the conclusion of a collaboration between SANParks and the University of Wisconsin-Milwaukee, the scientific basis for providing rangers with options for patrolling that maximizes interception of transgressors before they reach rhinos is now well established. Using past poaching behaviour and game theory makes it possible to identify optimal patrol routes. Integrating these with biological information about both Black and White rhino could greatly enhance SANParks' protection and guardian initiatives by using optimal patrol models.

### Integrated Rhino Campaign

Rhinos play key roles in ecosystems that span several of SANParks' objectives. They create habitats beneficial to other species. Rhinos are also some of the key reasons why people visit parks. However, neighbouring communities benefit relatively little from rhinos although several opportunities exist to extend beneficiation associated with rhinos. The sale of rhinos provides a key revenue stream to support funding aimed at acquiring new protected areas and improving national parks. Rhinos are thus central components across the strategic objectives that SANParks seek to achieve.

Poaching, however, degrades these various values. SANParks is home to 44% of the world's White rhinos and 17% of the world's Black rhinos, with Kruger National Park the single most important rhino park. Poaching thus threatens SANParks' ability to achieve strategic objectives as well as the persistence of rhinos themselves. During 2014, between 8,000 and 9,300 White rhinos and at least 400 Black rhinos lived in Kruger National Park. Recorded birth rates equalled or were



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slightly less than loss rates that comprised of poaching, natural mortality and management removals. Apart from Kruger National Park, SANParks protect rhinos in six other national parks. These are all small populations which carry different challenges.

The strategic focus areas of SANParks' rhino management strategy are four-fold and aligned with South Africa's national approach.

1. **Compulsory Interventions:** These seek a proactive anti-poaching and supportive legislative environment, and make use of zonal approaches complemented by technological advances in Kruger National Park and general protection in the other rhino parks.
2. **Managing rhinos:** Basic ecological management of rhino habitat such as water distribution and fire regimes is a key strategic task. Included are strategic rhino removals that focus on increasing birth rates while decreasing mortality rates. The establishment of rhino strongholds outside national parks under a poaching siege helps to improve rhino populations in the donor and recipient sites.
3. **Long-term sustainability:** This seeks to create sustainable demand for rhino products. Good conservation embedded in robust governance will provide opportunities to provide horn sustainably.
4. **Game Changing Interventions:** Transnational organized crime influences nearly all strategic tasks. This focal area attempts to disrupt organized crime using analytical techniques to provide actionable intelligence.

## Rhino Protection Activities – Kruger National Park

Continued poaching activities have resulted in several measures being undertaken in parks along with further exploration of technologies to improve access (entrance gates) and movement control in the park, with proactive measures focusing on surveillance, early warning detection and tracking. SANParks continues to implement detection technologies in the Intensive Protection Zone (IPZ) along with relationship building with alliance partners adjacent to the park (Joint Protection Zone & IPZ). MAJOC (Major Joint Operations Centre) operations in critical areas also intensified with tactical operations involving rapid air and K9 reaction support to Rangers in the field.

**New technologies:** A Wide Area Surveillance System continues to operate, along with tracking collars on dogs. This year saw a gate access control system implemented in the IPZ as part of a wider Gate Access Control system that will be rolled out into the rest of the park.

### BlackRhino Guardian Zone (BRGZ)

SANParks embarked on a notching programme in the BlackRhino Guardian Zone to build knowledge of all individual Black rhinos. Along with this, satellite tracking data on Blackrhino females was also implemented.

### Ranger Wellness

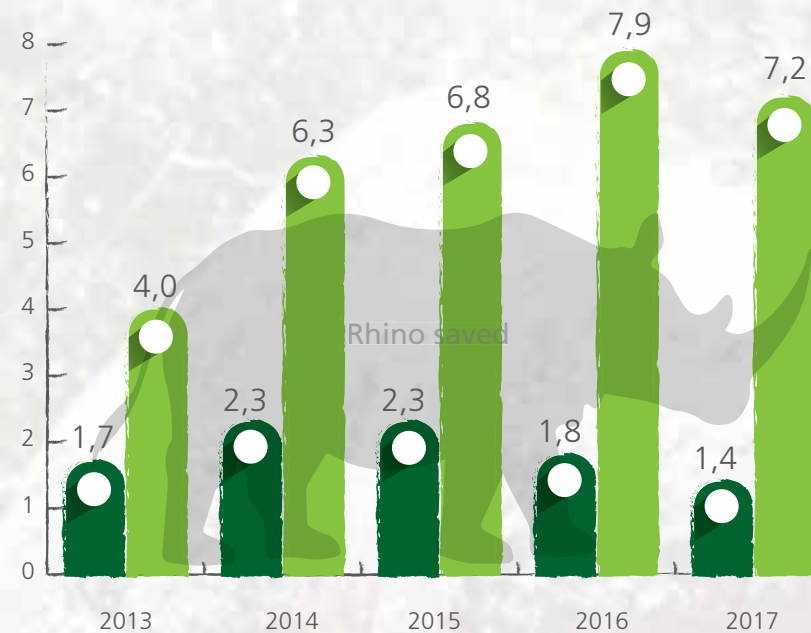
At the forefront of the SANParks anti-poaching campaign are the Rangers who are on the frontlines each day. The wellbeing of Rangers is critical to operations in all parks, especially for anti-poaching units. Key initiatives included the ongoing Ranger wellness programme that included workshops and psychologists to support Rangers and their families as well as initiatives supported by Honorary Rangers.



## Consequences of Poaching

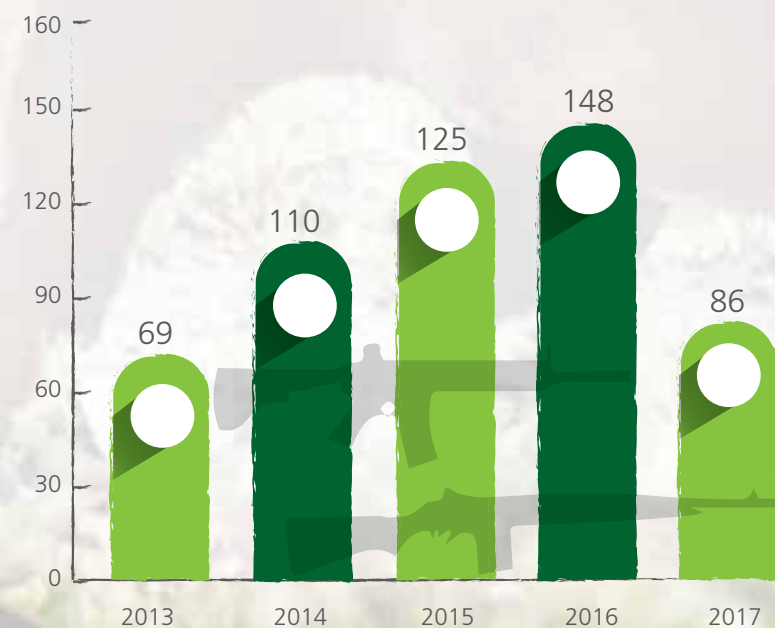
**Graph 3: Rhino poached per day and poacher activity per day**

The graph below shows poaching per day versus poaching activities per day.



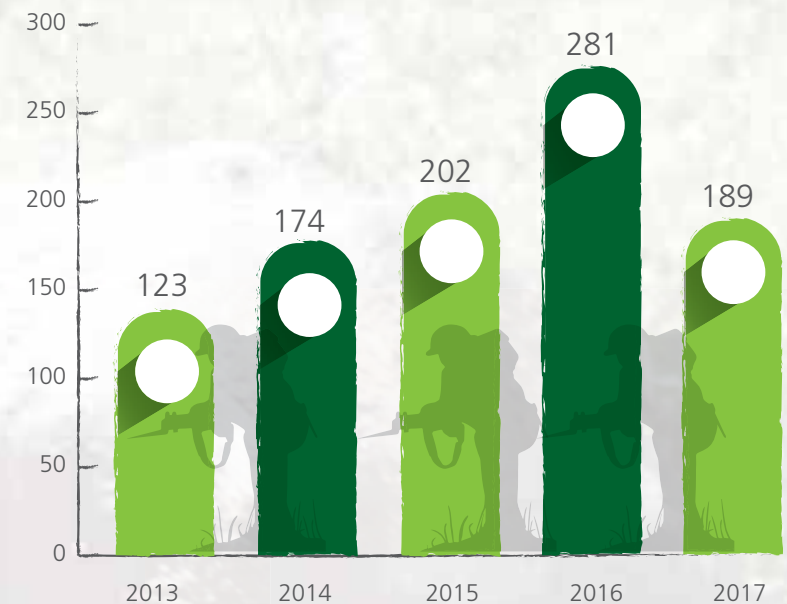
**Graph 4: Firearms recovered - calendar year**

There was a decrease of 41.89% in the number of firearms recovered. This pattern could suggest that poachers are finding it increasingly difficult to obtain firearms and could be indicative of the result of the various anti-poaching tactics.



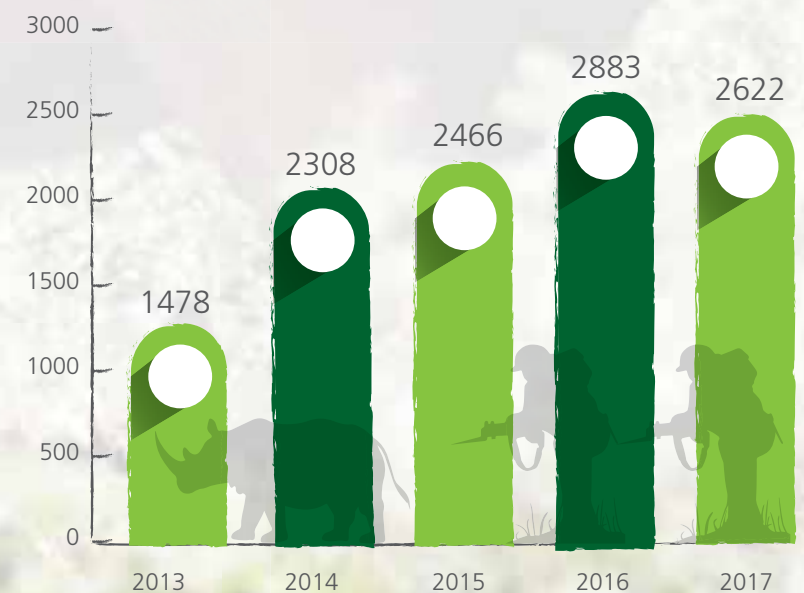
**Graph 5: Poachers arrested - calendar year**

In this calendar year, 281 poachers arrested. In the same period in the last calendar year there were 189 poachers arrested, a 32.74% decrease.



**Graph 6: Poacher activity - calendar year**

In this calendar year there were 2622 poaching activities, whereas in the same period in the last calendar year there were 2883 poaching activities. Therefore a decrease of 9.05%.





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## Biological Management Interventions

### Translocation of rhinos

SANParks use translocations for two main reasons: to enhance or establish existing or new populations; and to move rhinos away from areas where they are threatened by poaching

Initiatives to establish rhino strongholds faced challenges associated with the presence of bovine tuberculosis in rhinos in Kruger National Park. Following co-working with the Department of Agriculture and Forestry, a boma management system which includes a process of verifying the status of individual White rhinos earmarked for translocation is now in place. This is a lengthy process and as a result no White rhinos were shifted in 2017/18 from Kruger National Park to other parks or identified private or community strongholds. Instead, a White rhino cow and her calf at Mokala National Park and three White rhinos at a rhino orphanage that could potentially be bovine tuberculosis positive were moved back to Kruger National Park. Disease risks have thus imposed significant constraints on establishing or enhancing new or existing White rhino populations.

A major intervention included the removal of south-central Black rhinos from the custodian Venetia Limpopo Nature Reserve because of high poaching pressure. Only one cow and her calf were retrieved and released in Kruger National Park. The calf separated from its mother and was subsequently moved to a rhino orphanage outside the park.

Within the suite of small parks that protect south-western Black rhinos, SANParks has embraced an approach directed at mimicking social dynamics. In small areas, a primary constraint is the opportunities for sub-adults to disperse and occupy vacant territories. This may lead to fights, injuries and deaths. It may also lead to genetic risks if related animals mate more often than would be the case in a large population. SANParks moved three bulls as part of this initiative.

As part of an initiative to re-introduce rhino to Chad, SANParks captured six south-central Black rhinos in Marakele National Park and moved them to a holding facility in Addo Elephant National Park. This re-introduction will be completed during 2018.

### Compromised rhinos

Veterinary interventions focus on injured rhinos and on rhino calves that are dependent on adult cows that have died or been separated from their calves. During the year, SANParks treated 10 southern White and 1 south-central Blackrhino to full recovery. Unfortunately, 11 southern White and 5 south-central Black rhinos had to be euthanized because of unrecoverable injuries.

A total of 5 southern White rhino and 2 south-central Blackrhino calves were removed from Kruger National Park and placed in rhino orphanages. One southern White rhino calf was euthanized due to multiple injuries. Since the poaching onslaught, SANParks has recovered 50 southern White rhino and 5 south-central Blackrhino calves. Of these, 41 southern White rhinos and 5 south-central Black rhinos survived. A key element of saving orphans is their ultimate re-introduction into free-ranging populations where rehabilitated orphans can contribute through breeding to rhino populations. In collaboration with the University of Pretoria, SANParks has initiated an assessment of orphan rehabilitation techniques focusing on potential risks to their survival when released back into the wild. As part of this initiative, six White rhinos are now earmarked for release back into Kruger National Park.

### Notching of rhinos

A key element of biological management is evaluating the biological performance of rhinos in response to interventions. In small parks, SANParks ear-notched 11 and 22 individual south-western Blackrhino bulls and cows respectively. This allows individual recognition, and construction of their life histories. It also assists with guardian approaches, allowing rangers to observe

individual rhinos regularly using ground and aerial observation platforms. Within Kruger National Park, SANParks immobilized 21 southern White rhinos and 28 south-central Black rhinos as part of the satellite transmitter studies. The Black rhinos also received individual notches.

### Biological monitoring

Since the inception of the Blackrhino Guardian and White Rhino Demography Programme, a total of 25 individually collared southern White and 19 south-central Black rhinos have been checked daily on remote computer systems using satellite fixes. All individuals have also been monitored bi-monthly through observation in the field from the air or the ground. Sadly, 8 and 2 focally monitored southern White and south-central Black rhinos, respectively, were poached. SANParks has established a citizen science support system for obtaining sightings and monitoring of Black rhinos in Kruger National Park.

Within small parks, rangers have made regular observations of individual rhinos using direct, camera-trap or aerial observations. No rhinos were poached in the small parks during 2017/18.

### National and international engagements

SANParks remains a key role-player in national and international initiatives to protect rhino and several SANParks staff are members of the African Rhino Specialist Group. During the year, SANParks had quarterly meetings with DEA as part of a joint Rhino Steering Committee and staff attended several DEA workshops in support of rhino conservation. SANParks also continued to contribute to and influence initiatives of NGOs, and several staff members attended international meetings outside South Africa. Two attended the East African Conservation Rhino Management Group Meeting.



## Research initiatives

Biological aspects are a key element of SANParks' research associated with rhinos. The programme on southern White rhino is now well established and focuses on understanding various drivers of population and spatial dynamics. It also uses age and sex structures to extract birth and death rates that allowed preliminary assessments of the effects of drought and poaching on White rhino dynamics. Satellite collars helped to obtain information on the individual movements of rhinos, while aerial surveys helped to describe their distribution.

There was also a focus on defining the presence of bovine tuberculosis in White rhinos and how the disease progresses in an individual rhino. A total of 12 rhinos kept in bomas formed part of a key TB project. SANParks also completed studies of optimal chemical capture techniques for southern White rhinos.

Most of the research attention on south-central Black rhinos was in Kruger National Park and focused on the spatial and temporal distribution changes in the southern part of the park and on describing individual spatial use using satellite transmitters. Building individual histories that will allow the extraction of performance measures, such as birth rates, and investigating the effects of poaching on the age and sex structure of the population are now key elements of the research activities. Research focus on south-western Black rhinos was on the use of genetic techniques to evaluate population performance and relatedness.

Non-biological aspects also received attention. SANParks completed five years of collaboration with the University of Wisconsin-Milwaukee. Findings to prevent the probability of rhino extinction from dramatically increasing from 2030 to 2035, if conditions fuelling poaching remain, suggest that predictive patrolling to assist with pro-active anti-poaching may protect rhinos better, particularly if combined with ways to stop collusion between criminals and officials responsible for protecting rhinos.

This is particularly so because banning horn trade while reducing demand, or allowing trade and revenue to protect rhinos, lead to rhino extinction. Rhinos only survive when protection, and demand reduction or trade by organised crime, have been disrupted as well as when alternative economic options are available to people.

The collaboration with the university made clear that social network analyses and federated databases can help to disrupt illegal supply chains. This is made all the more effective if authorities use the best legal tools given the available intelligence. Crucially, better economic opportunities and careers should reduce young men's decisions to poach.

## Game-changing interventions

Research provides clear indication that SANParks requires game-changing interventions to disrupt organised crime and establish alternative economic opportunities for people. Such interventions lie largely outside SANParks' primary mandate although the organisation can and will continue to advocate various initiatives.

## Rhinos in national parks

SANParks manage rhinos in seven National Parks. In small parks, Black rhinos of both sub-species increased at 5% and 11% per annum to 63 south-central and 199 south-western Black rhinos, respectively. Southern White rhinos increased at 12% per annum to a total of 250 by the end of 2017. There was no poaching of Black rhinos and White rhinos in small parks in 2017.

In Kruger National Park, Black rhinos increased from 2016 (349 to 465) to between 427 and 586 animals in 2017. The population experienced 5% poaching rates. SANParks' BlackRhino Guardian Initiative in Kruger National Park, with prioritized security and biological management responses supported by dedicated science, most likely contributed to halting the decline in Black rhinos noted before.

White rhino numbers in Kruger National Park, however, declined from between 6649 to 7830 in 2016 to between 4759 and 5532 individuals in 2017 despite poaching rates of approximately 7% being similar in those years. This decline was associated with immediate drought effects such as reduced grass biomass with resultant natural mortalities increasing from 1% before the drought to 1.6% during the drought.

Delayed drought effects also resulted in birth rates dropping from approximately 9% before the drought to 5% per annum after the drought because many cows did not have good enough body condition to allow them to conceive during the drought. In addition, compound effects of when cows die also played out. Deaths of calves that still depend on cows and loss of all future calves resulted in the overall compounding influence since the onslaught of poaching in 2008. SANParks anticipate an increase in birth rates during 2018 as more cows are likely to conceive after the drought. Higher birth rates will require more incidences of orphan recovery, a key requirement given the observed compound effect.

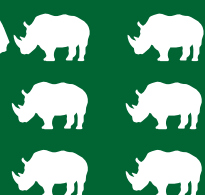
Although poaching impacts on rhino populations have resulted in declines, since 2015 the observed number of rhinos poached was far less than forecasted given the most recent trends at the time. This highlights a two-three year lag effect for all-inclusive anti-poaching to become effective.



In 2017 there was  
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**White rhino numbers** in  
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natural mortality **increasing** from  
**1%** before the drought to **1.6%**  
during the drought.

## Future responses

SANParks will use additional surveys to verify findings about the impacts of droughts and of compound effects particularly on White rhinos. Rhino population trends and status underline the fact that reducing poaching through innovative approaches remains a key requirement for ensuring the persistence of both rhino species. The focus will remain on zero tolerance for breaking rules in Kruger National Park as part of integrity management; efficient access control; implementation of an Internal Intensive Protection Zone for high density White rhino areas, informed by knowledge of their movements; and expansion of rhino security to initiatives that enhance safety and security in the region for people as well.



# News Highlights from Conservation Services

## 25<sup>th</sup> Anniversary of the coming into force of the convention on Biological Diversity: Highlights

South Africa National Park (SANParks) is among the leading conservation agencies in the world that continues to be a flagship for biodiversity conservation management in South African and on the continent, and the main implementing agent for the Convention on Biological Diversity (CBD) on behalf of the Department of Environmental Affairs. The Convention is the multi-lateral treaty that provides an overarching framework on biodiversity, with at least 196 countries committed to it including South Africa.

Three main objectives of the CBD are: the conservation of biological diversity, to use its components in a sustainable way and to share fairly and equitably the benefits arising from the use of genetic resources. The CBD is the main umbrella from which conservation strategies, targets and actions emanates. The strategic plan for biodiversity serves as a framework for the establishment of national and regional targets for effective implementation of CBD was adopted in 2010.

In the past two decades SANParks has achieved key milestones that form part of 20 biodiversity targets known as Aichi targets. To promote people's awareness about biodiversity, SANParks hosted over 2 million participants through various environmental education programme that take place in the national parks including Kids in Parks, Kudu Green Schools Initiative, Junior Rangers and Imbewu.

Seven new national park covering over 700,000 ha, were established and included in the existing national parks system since 1994. Marakele-1994, Mapungubwe-1995, Table Mountain-1998, Agulhas-1999, Namaqua-1999, Camdeboo-2005 and Mokala-2007 were added through national parks expansion system.

SANParks enlisted two of its cultural heritage sites under UNESCO's records of world heritage sites. These include Mapungubwe Cultural landscape (inscription, 2003), which forms part of Mapungubwe National Park, and the Khomani Cultural Landscape (inscription, 2017), which forms part of Kgalagadi Transfrontier Park.

SANParks responded to the need for benefit sharing with communities bordering its parks by increasing the number of SMMEs involved in land rehabilitation/restoration projects to enhance ecological infrastructure from one in 2001 to over 600 by 2017 through the Expanded Public Works Programme through this project the number of full time jobs created has also an increase from two in 2001 to over 30,000 by 2017.





## Seabirds in SANParks catch the flu

Seabird populations in South Africa are on the decline due to overexploitation of their prey fish and loss of suitable habitats. SANParks is one of the custodians of important seabird breeding colonies, including the islands of the West Coast and Addo Elephant National Parks and the African penguin colony at Boulders in the Table Mountain National Park.

These protected areas and adjacent marine protected areas provide refuge and food for threatened seabirds. An emerging threat in the form of a highly pathogenic avian influenza virus has recently had a severe impact on a number of species of seabirds. SANParks is playing an important role in managing this threat.

The outbreak started in China in 2014 when a highly pathogenic strain of avian influenza (also called bird flu or H5N8), caused the death of thousands of domestic birds.

The virus is considered high risk to domesticated and wild birds but low risk to people. It is present in the body fluids, faeces, feathers and eggs of infected birds and is transmitted by contact with infected birds or contaminated clothing and equipment. The virus spread rapidly to parts of Europe, the Middle East and Central Africa before hitting South Africa in 2017 where it had a devastating impact on the poultry industry. More than four million chickens, ostriches and ducks had to be culled which resulted in loss of income and jobs and increased prices for meat and eggs. However, by October 2017 the outbreak had been contained on poultry farms.

In January 2018, it was detected in populations of local seabirds and has had a particularly devastating impact on swift terns. SANParks was alerted and immediately implemented biosecurity measures at the main seabird colonies. These measures included ensuring that only trained staff, wearing protective clothing, handled sick or dead birds and that all clothing and equipment were sterilised after use. Rangers monitored the colonies for birds with symptoms of bird flu and sent dead birds to the State Veterinary Services for testing. Between January and April 2018, at least 12 seabird species have been impacted by bird flu, including the endangered African penguins, Cape Gannets and Bank cormorants. On Malgas Island in the West Coast National Park, more than 3000 Swift Terns have died from bird flu and in Cape Agulhas National Park more than 400 Cape Gannets are suspected to have died from the virus. So far, African penguins and other seabirds have shown more resilience with no mass deaths recorded.



# KRUGER NATIONAL PARK DIVISION REPORT

The review of the **Kruger National Park Management Plan** was **completed**.

Kruger National Park **scored 62%** in a **management assessment** using the METT scoring methodology to ensure objectivity.

Kruger National Park demonstrated **goodwill** by **distributing meat** to over **20,000** recipients.





KRUGER NATIONAL PARK



## Introduction

Spanning an impressive two million hectares and with a boundary over 1000 km long, Kruger National Park borders Mozambique to the east, Zimbabwe to the north and, to the west, private, community and provincial conservation areas, and populated areas under communal tenure.

Kruger National Park was declared a national park on 10 December 1926, although portions obtained formal protected area status before then.

The park area was once home to Stone Age hunter-gatherers including the San who left a rich heritage of rock paintings and other artefacts. Iron-age farmers, metalworkers and hunters followed, and from the 12<sup>th</sup> to the 17<sup>th</sup> centuries the area was characterised by trade centred on substantial settlements: Mapungubwe, along the Limpopo River towards Mozambique and later Thulamela, in the north of the present park.

Situated in the low-lying savannas of north-eastern South Africa, Kruger National Park's climate is tropical to subtropical with high summer temperatures and mild, generally frost-free winters. Rainfall, mostly from thunderstorms, is concentrated between October and April and ranges from about 750 mm annually in the south-west to 350 mm in the north. There are large annual variations, and drought is frequent.

Geologically, Kruger National Park consists of igneous rocks, granitic in the west and basaltic and rhyolitic in the east, with some important zones of sedimentary rock and sandy deposits. The extreme north of the park is unique for its diverse rock formations. Seven major perennial or seasonal rivers cross the park and its western half in particular is heavily dissected by drainage channels.

Geology, soil, fire and rain and the people who over the centuries have wrested a living from this often harsh environment have created today's distinctive and compelling landscape.

## The Kruger National Park Management Plan Review Process

The Management Plan, formulated following extensive consultation through 54 public and focus group meetings with the public and with interested groups, will guide the park's operations in relation to broader regional land use for the next ten years. The review of the Plan has been completed and, aligned with national and international legislation and agreements, was submitted to Minister of Environmental Affairs and approved.

Issues raised by the public during development of the Plan included job creation, business partnerships, opportunities to participate in the wildlife economy and tourism, better communication and feedback, the state of basic services, crime and its impact, damage-causing animals, increased community access to the park, more environmental education and awareness programme, opportunities for inclusion, and partnerships with Mozambique and Zimbabwe.

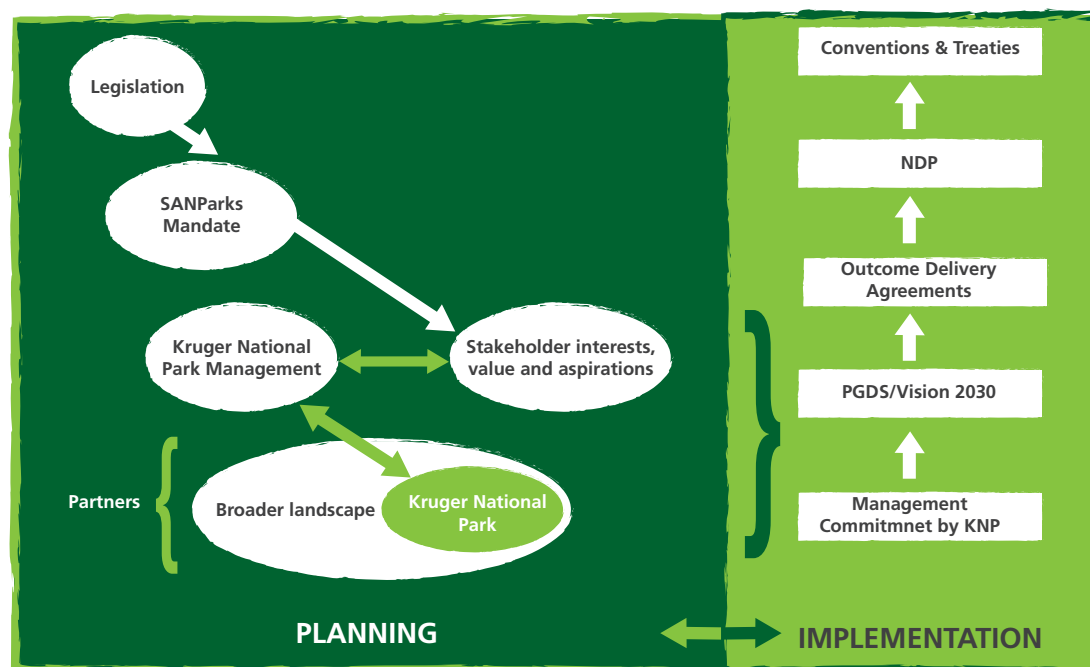


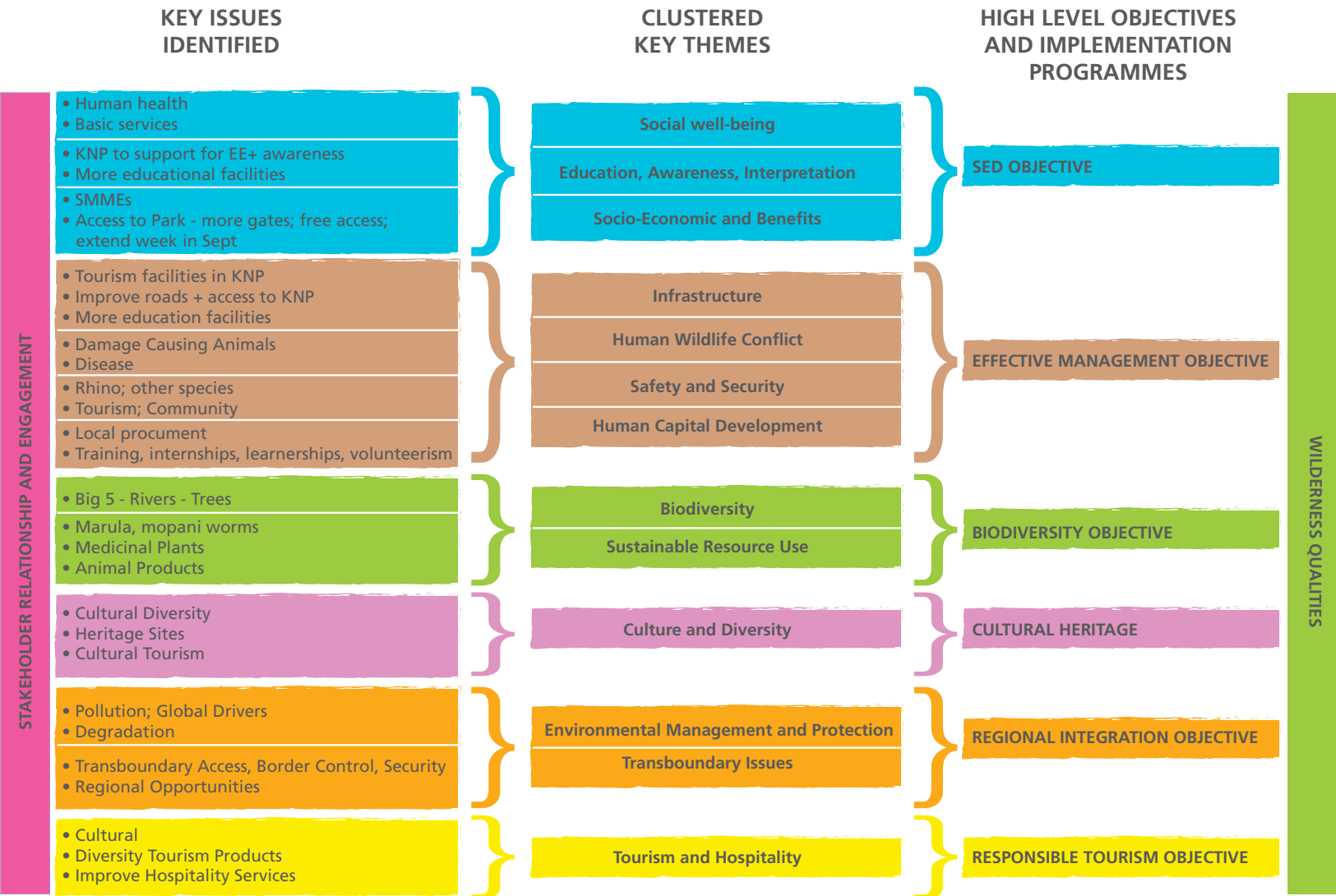
Figure 2: The role of the desired state process within the broader context of the relationship between SANParks-Kruger National Park and public interests.

**Graph 7. Graph of the key issues identified (more than 25 mentions) during the Desired State workshops.**



The Plan's programme fall under headings including regional integration, biodiversity management, responsible tourism, wilderness management, socio-economic development, cultural heritage management, stakeholder engagement and effective park managements. Within this, sub-programme will address issues pertaining to integrated land use, integrated catchment management, GLTFCA Cooperative arrangements, wildlife economic programme, Visitor management, tourism interpretation, land claimants programme, stakeholder relationships, environmental education and awareness, promoting access, cultural heritage plans, declaring wilderness areas, safety and security, environmental management, infrastructure development, human-wildlife-conflict management, research, communication, financial management, human human capital management , veterinary support services and more.

Figure 3: Summary of the key issues identified during the Desired State workshops, clustered into key themes and high level objectives.



Guided by international agreements, conventions and treaties, the legal framework, the National Development Plan and the Provincial development strategies, the park's approach seek a holistic multi-partner cooperative approach. Implementation therefore requires co-operation and collaboration between a range of partners including national, provincial and local government. In support of the Plan, the Minister has agreed to invite the Premiers

and officials of Mpumalanga and Limpopo provinces, and key strategic partners, to an indaba on the park's role in the Provincial Growth Development Strategy including its commitment to regional integrated development. This will lay a sound foundation for collaboration and collective action towards a regional vision for the park and its neighbours in South Africa and across its borders. The Plan emphasises transboundary management and putting into effect the

Great Limpopo Transfrontier Conservation Area Treaty (GLTFCA) in fields such as land use management, conservation, tourism, socio-economic development, research, safety and security, land and air access, and branding and marketing. It has a particular focus on integrated water resource management, addressing ecological issues and water quality and stewardship.



## Great Limpopo Transfrontier Conservation Area (GLTFCA) Agreement and Progress on the Global Environmental Facility (GEF)

Against the background of the Great Limpopo Transfrontier Park (GLTP) Treaty, Kruger National Park has greatly advanced the development of the GLTFCA agreement and a draft Cooperative Conservation Agreement has been developed. Implementation is guided by the International Union for Conservation of Nature (IUCN) and South African, Mozambican and Zimbabwean legislation. It is to be operationalised through an executive Joint Management Committee (JMC) and Joint Conservation Committees (JCC's) based on geographical clusters.

The Conservation Agreement is intended to enable the establishment of cooperative partnerships and to ensure a uniform framework for protection, management and socio-economic beneficiation of the GLTP open system. It will seek to promote cooperation and collaboration in environmental management, socio-economic development, safety and security, trans-boundary access, collective funding opportunities and other areas of common interest. It will seek to exploit joint buying-power, lobby for reasonable legislative and policy changes, conduct joint destination marketing, promote socio-economic welfare and address risks associated with several entities being jointly involved in a landscape-level conservation initiative.

Agreement on the joint operational cluster committees should be concluded by August 2018, and implementation plans for different geographical clusters will be developed, monitored and evaluated. The GLTFCA secretariat and a trust will be established to operationalise the partnership and an integrated GLTFCA land-use agreement is being developed to ensure sector alignment and integration. The UNDP Global



Figure 4: Limpopo Transfrontier Park

Environmental Facility Protected Area (GEFPA) funding has been instrumental in providing support and capacity for this process.

## Management Effectiveness Tracking Tool (METT)

Kruger National Park scored 62% in a management assessment using the METT scoring methodology to ensure objectivity. The assessment corresponds closely with the 67% scored in parks for the State of Biodiversity Assessment. The METT assessment will be used to guide required corrective interventions by all departments; these will be captured in the park's annual work plan. METT assessments will be conducted for all conservation areas open to the Kruger National Park, to ensure that Kruger National Park and cooperative partners address individual and collective risks, as operationalised through the respective management plans. This process will be facilitated by Game Rangers Association Africa, and concluded August.

## The Global Environmental Facility Protected Area Programme

The Global Environmental Facility Protected Area (GEFPA) programme is implemented through the Kruger 2 Canyons (K2C) within the Lowveld Footprint, a partnership between SANParks, the Mpumalanga Tourism and Parks Agency (MTPA), the Limpopo Economic Development Environment and Tourism Department (LEDET) and private and community reserves. The GEFPA programme has assisted with processes such as a baseline protected area status assessment, spatial assessment, socio-economic assessment of protected areas, a report on the development of a GLTFCA Trust/Endowment Fund, municipal tax assessments, buffer delineation and regularisation of the protected areas in the region. Fair Trade Tourism was awarded the tender to develop a responsible tourism assessment monitoring system, based on SANS1162, for the greater Kruger protected area network.

## State of Area Integrity Assessments (SoAIMs)

Nineteen of the park's 22 Ranger sections underwent SoAIM assessments to determine baseline scores. These will be used to determine the 2018/19 Kruger National Park SoAIM targets.

## Water Resources Management

During the reporting period, Kruger National Park continued with a range of crucial water-related activities. The Low Level Plan for Integrated Water Resources Management, part of the park's 2018 Management Plan, has three elements: ecological implementation; developmental water management in the buffer zone; and internal water stewardship. Representatives of the park presented a paper on 'Pristine savannas: spatio-temporal variability in groundwater surface-water

interactions in ephemeral drainages' at the International Association of Hydrological Sciences (IAHS) Scientific Assembly in Port Elizabeth between 9 and 14 July. After the conference, some delegates toured hydrological research sites in the park.

Kruger National Park Achievement Awards were presented to the Inkomati-Usuthu Catchment Management Agency, the Association for Water and Rural Development (a local NGO) and the Department of Water and Sanitation (Provincial Operations Office), key partners with the park in ensuring that rivers continued to flow during the 2014-16 drought.

The Catchment Management Strategy review for the Inkomati Water Management Area was carried out and representatives of the park attended Sabie and Crocodile River stakeholder consultation meetings and gave inputs from the park's perspective.

In collaboration with four emerging farmer schemes along the Sabie River adjacent to the park, a new project to increase water security at catchment level, develop water-efficient irrigation for small holder farmers and facilitate improved market access for their produce has been initiated downstream of the Mpumalanga Drakensberg Strategic Water Source Area. This is an applied project within the park's Integrated Land Use programme, and a project manager and two supporting environmental monitors have been employed. The inception meeting of the Integrated Water Governance Support System for the lower Olifants River (IWAGSS) project, funded by the German Federal Ministry of Education (BMBF),

took place at Phalaborwa in October. A number of related research projects are underway, including on-line eco-toxicology monitoring of the Olifants River within Kruger National Park. The project includes fluvio-hydrological modelling that will inform operations of the Phalaborwa barrage; it is hoped that this will mitigate the anoxic conditions created by sediment sluicing from the barrage. The International Water Association (IWA) Conference on River Basin Management, convened by the Water Institute of South Africa (WISA), was held in Skukuza in October 2017. SANParks was part of the local organising committee and an active participant, as were other local partners. Kruger National Park organised a post-conference technical tour to river and ecological management sites in the area.

The USAID Mission Director visited the Resilience in Limpopo Basin-Olifants project area. Investments in the project region, notably the low-flow early warning systems used during the 2015-16 drought, were showcased.

### River Flow

Flows in the park's catchment areas were considerably better in the 2017/18 reporting period than during the preceding two drought years in the Lowveld. Water-flow challenges in January and February to the Luvuvhu, Letaba, Olifants and Crocodile rivers, which were dry, were managed effectively and subsequent rains eased the situation. There were no major issues with the Sabie River during the reporting period nor were any serious river pollution incidents reported or observed.

### Rehabilitation (Removal of Redundant Man-Made Structures)

The 2015/2016 drought created ideal conditions to breach the Ngotso earthen dam in the Satara section as part of adaptive management of artificial water points in

the park. Because the Ngotso dam is so popular with tourists for game viewing, an additional 22 km one-way gravel loop road was constructed in the central region of the park. The road meanders along the Ngotso River which has springs that sustain numerous pools through the dry months. These attract wildlife in large numbers, providing more natural game spotting opportunities than a man-made dam that dries up during the winter months.

With the removal of Kanniedood dam, an alternative 24km loop road will be created using an old management track on the northern banks of the Shingwedzi River. It will be operational at the end of 2018.

## Sustainable Resource Use

### Meat from Kruger National Park nourished local communities

Guided by the principles set out in the SANParks resource use policy, a Kruger National Park meat distribution pilot study is investigating the feasibility and impact of distributing various forms of game protein to local community groups as one of many tools used for relationship building, raising conservation awareness and sharing benefits.

Important considerations include assessing the logistics of processing and distributing meat products safely including transport, storage, palatability and food hygiene regulations while minimising any risk of Foot and Mouth Disease transmission.

The products to date, processed in the registered Skukuza abattoir, have included buffalo biltong, buffalo stewing meat, buffalo goulash and elephant goulash. In consultation with community structures, the meat products are shared with relevant groups including mostly local primary and secondary schools, creches, daycare centres, special needs community groups, hospitals, community meetings and drop-in centres.



*Management of artificial water points in Kruger National Park.*

Preliminary results from meat distribution to over 20,000 recipients to date indicate that, when combined with targeted conservation education and outreach, sharing meat demonstrates goodwill by SANParks, providing a tangible way of connecting neighbouring communities to the park and demonstrating the potential to contribute positively to local constituency building. Although the project has been well received thus far, further resources are required to achieve desired outcomes effectively.

### **Distribution of medicinal plants to traditional healers**

In support of conserving rare and endangered species and of human well-being through sharing conservation benefits locally, the Kruger National Park medicinal plant project continues to engage with traditional healers through co-learning workshops aimed at building relationships and enabling collective decision-making about medicinal products.

Eighteen workshops have been held since the start of the project in 2010, engaging directly with over 250 traditional healers and indirectly with over 1500 through distribution and monitoring networks set up through the workshops. Over 60 villages have been directly engaged so far, with more than 16,000 *Warburgia* saplings distributed to various groups.

Workshops will continue with expansion of the project to include other rare and sought-after medicinal plants including *Siphonochilis aethiopicus*, currently being propagated in partnership with the ARC in Nelspruit. Funding from SAPPI currently contributes to workshop costs and equipment for the nursery but sustaining the project into the future will require additional funding.



*Buffalo biltong produced at the Skukuza abattoir distributed to school children during SANParks Week in Kruger National Park*



*Sharing of game meat as part of Kruger National Park's goodwill*





## Ranger Services

During the reporting period, Kruger National Park Ranger Services’ primary focus was once again on rhino and elephant poaching. The anti-poaching campaign continues to absorb around 80% of Rangers’ efforts and little respite is anticipated. However, the number of rhino poached in Kruger National Park markedly decreased, by 18.6%, during the financial year.

This can largely be attributed to the Rangers’ dedication and commitment, ongoing evolution of counter tactics and the ability to deploy rapid air and canine support and early-warning detection technologies.

Also critical have been the multi-disciplinary approach taken and the firm commitment by all stakeholders including the government of Mozambique, South African government law

enforcement agencies, concessionaires, private reserves, neighbouring alliance partners and communities. The graph below shows the rhino poaching figures for the calendar years 2010 to 2017.



*Ranger operation in Kruger National Park*

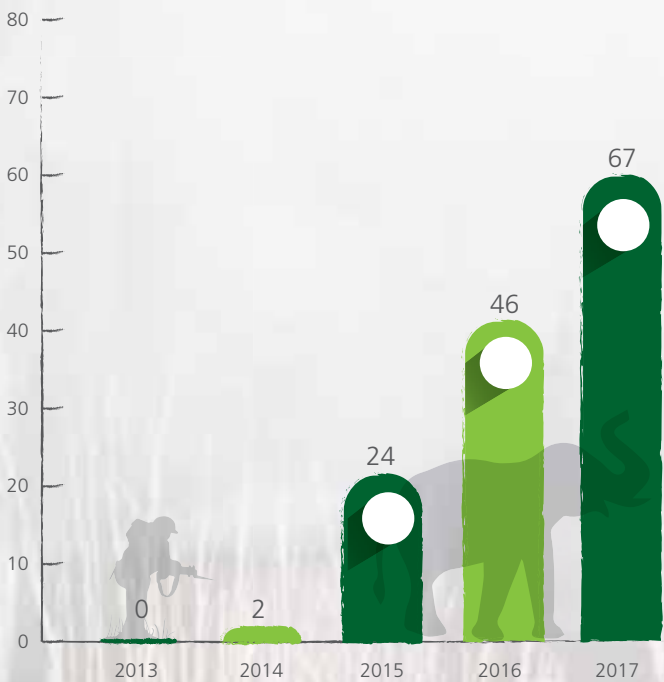
**Graph 8: Rhino poached - calendar year 23,87%**

Rhinos poached in Kruger National Park showed a decrease of 23,87%.



**Graph 9: Elephant poached - calendar year 45,65%**

Elephant poaching increased by 45,65% in this calendar year. Operation Ivory has been implemented in the north of the park to help address the increase in elephant poaching. Actions taken include deployment of SANParks Special Rangers to complement and support ongoing counter-poaching operations; aerial surveillance by the Bateleurs volunteer flying group to support ongoing air operations; involvement of the Limpopo Provincial Security Cluster in operation inside and outside the park boundaries; and joint operations with conservation and law enforcement agencies including the Mozambique and Limpopo National Park authorities.





In contrast to rhino poaching, elephant poaching, predominantly in the north of the park, increased significantly by 68.2% year-on-year over the reporting period. The relatively low numbers of rhino and the high numbers of elephant in this area of the park, and the ever-increasing demand for ivory, is contributing to this increase in poaching. The graph below shows the elephant poaching figures for the calendar years 2010 to 2017.

It is important to mention that recorded poaching activities only decreased by around 1% year on year against the declining figures for rhino poached, which may suggest that poachers are becoming less effective at killing these animals. Arrests inside the park fell by around 32% year-on-year and the number of firearms recovered inside the park decreased by 35% over the same period. Arrests and recovery of firearms outside the park, carried out by joint SANParks Environmental Crime Investigations (ECI) and South African Police Service officials, increased by 23% and 97% respectively. This can be attributed mainly to NATJOINTS Operation Rhino Provincial SAPS deployments in areas adjacent to the park in Limpopo and Mpumalanga Provinces and increased capacity and ongoing intelligence driven deployment of ECI investigators in support of SAPS Operation Rhino operations.

### Poacher Firearms

Of concern is corruption and collusion within SANParks relating to poaching. This severely affects operations and SANParks' reputation for dealing with this threat. To address the problem, an integrity management strategy and programme have been developed and are being implemented. The ongoing fight against rhino and elephant poaching continues to affect the wellbeing of Rangers involved with the campaign daily. Initiatives including spiritual, recreational, social and legal support and psychological counselling are in place to address and mitigate risks to the Rangers and their families.



*Ranger operations in Kruger National Park.*



Detection technologies deployed in the Marula South region of the park continue to provide early warnings of poacher incursions, enabling rapid reaction teams to respond and to arrest poacher groups. These developments have been made possible largely through continued support from public-private partnerships (PPPs) and donors.

### International Ranger Day celebrations, 2017

Kruger National Park celebrated International Ranger Day at Kruger Gate on 31 July 2017 with a wreath laying ceremony. Management and staff attended to honour the Ranger Corps, including those injured or who have passed on in the line of duty. At the ceremony, the oldest living retired Kruger National Park Ranger Lance Corporal Willie Nkuna (94 years old) was honored. The event was graced by the presence of the Mpumalanga MEC for Community Safety, Security and Liaison, Mr. Petrus Ngomane, SAPS Mpumalanga Provincial Commissioner Lt. General Zuma, SANDF Lt Colonel de Lange and the Honorary Rangers Acting Chairperson (Lowveld Region) Mr. Dave Malloch-Brown. The event was attended by 178 guests.

### VISITOR MANAGEMENT

To improve visitor management at the entrances to the park, advanced access and movement control technologies were acquired for the gates in the Marula South region. In due course, such systems will be installed at all entrance gates. Problems relating to systems hardware, software and information flow that arose during this initial phase are receiving attention.

During the reporting year, eight newly commissioned Kruger National Park traffic officers underwent traffic control training at the Mpumalanga Traffic Training College (MTTC). They will be central to the Visitor Management and Compliance Unit. In support of this initiative, Toyota South Africa donated four Toyota Avante vehicles to Kruger National

Park. They have been deployed in the park to monitor tourist behavior whilst also providing assistance in the case of emergencies.

### Cultural Heritage

#### Declaration of Masorini and Thulamela Heritage Sites

Forms for the declaration of Thulamela and Masorini as heritage sites have been submitted to the South African Heritage Resources Agency. This is the first stage in grading heritage resources in terms of Section 3(3) of the National Heritage Resources Act. Nominated heritage resources of special national significance are declared as Grade 1 and considered for National Heritage Site status.

#### Rock Art Trail Training

To provide them with detailed and relevant information, in March 2018 camp and trail guides who will be running the rock art trail received training at Berg en Dal.



*Toyota Avante vehicles donated by Toyota South Africa to Kruger National Park.*

## Customer-focused Responsible Tourism

During the reporting period, the Skukuza ablution blocks were renovated to cater for the increase in visitors. The Lower Sabie and Tamboti tents were upgraded to prevent primates from opening them and six tents were added at Lower Sabie. A new webcam for game viewing by Kruger National Park visitors and internet browsers was installed at Orpen Rest Camp. A new webcam for game viewing by Kruger National Park visitors and internet browsers was installed at Orpen Rest Camp.



*Orpen new webcam camera installed.*



*Lower Sabie renovated tent.*



*Tamboti newly renovated tents.*



*Renovated unit at Napi Wilderness Trails.*



*Skukuza Spa introduced in May 2017.*



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## Events and Stakeholder Relations

### Handover of the Phabeni Interpretative Centre

On 16 May 2017, the SANParks Honorary Rangers handed over to Kruger National Park management the Phabeni Interpretative Centre at the Albasini Ruins cultural heritage site. The Centre, at Phabeni Gate, includes a newly designed display structure, the re-fenced Albasini Ruins and two grave sites revealing the history of people who lived and worked in the Phabeni area in the past. The event was attended by 80 guests, 55 from outside the park.

### Kruger National Park Management Plan Review Workshop

In April and May 2017, Kruger National Park invited interested members of the public and stakeholders to take part in the Park Management Plan review and to give inputs on the management of the park. As required by the National Environment Management: Protected Areas Act of 2003, this process takes place every ten years. Eleven stakeholder engagement meetings were held in the areas of Limpopo and Mpumalanga provinces neighbouring the park.

### World Environment Day Celebration/ Keep Kruger Clean Campaign, 26 May 2017

In partnership with Total SA and drawing on the Keep Kruger Clean Campaign, Kruger National Park celebrated World Environment Day at Welverdiend, a village just outside Orpen Gate. Using the theme “Connecting People to Nature”, the aims of the campaign are to create awareness about the value of protecting the environment and to encourage people to appreciate their relationship with the park. The event was attended by more than 850 people.



*Park Management Plan public engagement.*



*World Environment Day activities.*



### St. Engena's Zion Christian Church Prayer against Wildlife Crime, 29 October 2017

St. Engena's ZCC hosted a prayer service at the Skukuza cricket field, attended by almost 5000 people, against rhino poaching and wildlife crime.



*Members of Zion Christian Church.*

### Senior Citizens' Luncheon, November 2017

On 15 November 2017, Kruger National Park hosted 245 senior citizens from previously disadvantaged communities, most of whom had never visited the park, at a pensioner's luncheon at Nombolo Mdhuli Conference Centre, Skukuza. The purpose was to inform, educate and entertain the guests, who were transported from villages in the southern region, about the park.



*Senior Citizens' Lunch.*

### Regional Tourism Information Session, 27 February-1 March 2018

Kruger National Park held its annual information-sharing session with Tourism Information Officers from Mpumalanga and Limpopo and, this year, from Mozambique and Swaziland.

The 33 participants learned about the park as a tourism destination, took part in a game drive, inspected the various accommodation units, took a morning walk and visited heritage sites in the park.



*Tourism Information Offices inspect accommodation.*

### Launch of the Men's Forum

On 27 February 2018, Kruger National Park launched the Kruger National Park Men's Forum in Skukuza. Its purpose is to promote responsible professional and social conduct by men, and to provide opportunities for men to discuss issues such as substance abuse, family planning, wellness and men's role in advancing human rights and human dignity.



*Men's forum attendees*

## Marula Regional & Corporate Support Services Awards

Kruger National Park held its annual Marula Regional and Corporate Support Services Awards ceremony on 26 March 2018 at Nombolo Mdhuli Conference Centre, recognising staff who went an extra mile in their work. Mr. Robert Phoku, who joined the park in 1974 as a driver in the Technical Services Department, a position he holds today, was given a lifetime award for 45 years of unbroken service.



*Marula Regional & Corporate Support Services awards.*

## Media

### Media Engagement Programme

During 2017/18, the park hosted 182 journalists at approximately 30 media events. Most of the stories resulting from these visits featured the park's anti-rhino poaching efforts, its management plan and various events taking place during the year. Fifty-one media statements were issued, and 14 speeches prepared for senior management. The park had 24 planned radio slots, mostly with community radio stations, and two live broadcasts with SABC's SAfm and Radio Sonder Grense during South African National Parks Week in September.



*Kruger National Park Management Plan review consultation in Hazyview Hosanna Church, 2 May 2017.*



*SABC's SAfm and Radio Sonder Grense covering South African National Parks Week in September.*



# TOURISM DEVELOPMENT AND MARKETING REPORT

Tourism revenue  
**increased by 12.6%**  
from **R1,424 bn** in 2016/17  
to **R1,604 bn.** This was 7.4%  
above the budgeted amount of  
**R1,493 bn.**

The number of  
BlackSouth African guests  
**increased by**  
**4.6%** in 2017/18 from  
**608,537** to **636,371.**

Guests to Parks in 2017/18  
**increased by 5.1%** from  
**6,664,996** to **7,007,152.**







## Tourism Development and Marketing Report

Tourism revenue is derived from a number of streams: Accommodation (comprising SANParks-operated overnight facilities), Conservation Fees (including Wild Card), Activities (SANParks-operated), Retail Gross Profit (SANParks-operated filling stations, shops and restaurants, including those under management agreement), Concession Fees (from private sector operated lodges), Facilities Rental (from private sector operated shops, restaurants and activities) and Other Tourism Income (such as cancellations, conferencing and laundromat).

### Tourism Revenue

Tourism revenue increased by 12.6% from R1,424 billion in 2016/17 to R1,604 billion. This was 7.4% above the budgeted amount of R1,493 billion.

Compared with the same months in the previous financial year, April 2017 and March 2018 benefitted from the dates of school holidays and long weekends. There were no school holidays in June 2017 but July had an additional week compared with 2016. However, because of a disappointing flower season in the Northern Cape and Western Cape, all tourism indicators in the second quarter were lower.

### Accommodation

Revenue from Accommodation (including camping) increased over the year by 10.9%, from R648,327 million to R718,724 million. The average rate increase was 7.3%. Unit nights sold increased by 1.5% and camp site nights sold by 7.2%. The budgeted amount of R699,538 million from Accommodation fees was exceeded by 2.7%.

### Conservation Fees

Revenue from Conservation Fees, including the Wild Card, increased by 17.8% from R491.764 million to R579,114 million. The average rate increase was 8.2% with Guests to Parks increasing by 5.1%. The budgeted amount of R508,501 million from Conservation fees was exceeded by 13.9%.

### Activities

Revenue from Activities increased by 11.0%, from R90,964 million to R100,986 million. The average rate increase was 5.9%. Activities sold increased by 7.9%. The budgeted amount of R93,760 million from Activities was exceeded by 7.7%.

### Retail Gross Profit

Revenue from Retail Activities fell by 4.2% from R40.138 million to R38,458 million. Retail Gross Profit of R43,788 million was 12.2% less than had been budgeted.

### Concession Fees

Revenue from concession operators increased by 9.4% from R76,275 million to R83,468 million, exceeding the budgeted amount of R68,347 million by 22.1%.

### Facilities Rental

Revenue from retail and food and beverage operators increased by 4.2% from R40.575 million to R42,283 million. This was 0.5% less than the budgeted amount.

### Other Tourism Income

Revenue from sundry sources and cancellation fees increased by 13.3% from R35,851 million to R40,601 million. The budgeted amount of R36,388 million was exceeded by 11.6%.

**TABLE 21: TOURISM REVENUE STREAMS 2017/18 COMPARED WITH BUDGET AND WITH 2016/17**

		Total April 2017 - March 2018			Total April 2016 - March 2017			2017/18	
		Actual	Budget	Budget Variance	Actual	Budget	Budget Variance	Actual vs Actual	Budget 2017/18 vs. Actual 2016/17
A001 - Conservation Fees	A001 - Conservation Fees	-R578,374,670	-R507,931,273	13.9%	-R490,925,650	-R376,915,856	30.2%	17.8%	3.5%
	A001 - Wild Card Income	-R58,760,915	-R59,999,999	-21%	-R51,595,228	-R45,670,097	13.0%	13.9%	16.3%
	A002 - Conservation Fees	-R510,619,411	-R440,664,411	15.9%	-R431,527,013	-R324,597,028	32.9%	18.3%	2.1%
	B011 - Entrance Fees	-R8,994,345	-R7,266,863	23.8%	-R7,803,409	-R6,648,731	17.4%	15.3%	-6.9%
	<b>CONSERVATION FEES</b>	<b>-R579,114,111</b>	<b>-R508,501,243</b>	<b>13.9%</b>	<b>.R 491,764,401</b>	<b>-R377,515,435</b>	<b>30.3%</b>	<b>17.8%</b>	<b>3.4%</b>
A005 - Concession Fees	A005 - Concession Fees	-R125,750,672	-R110,828,897	13.5%	-R116,849,867	-R 93,507,774	25.0%	7.6%	-5.2%
	<b>A005 - Facilities Rental</b>	<b>-R42,283,006</b>	<b>-R42,482,143</b>	<b>-0.5%</b>	<b>-R40,575,045</b>	<b>-R38,189,944</b>	<b>6.2%</b>	<b>4.2%</b>	<b>4.7%</b>
	<b>C025 - Concession Fees</b>	<b>-R83,467,666</b>	<b>-R68,346,754</b>	<b>22.1%</b>	<b>-R76,274,822</b>	<b>-R55,317,830</b>	<b>37.9%</b>	<b>9.4%</b>	<b>-10.4%</b>
A010 - Retail Gross Profit	<b>A010 - Retail Gross Profit</b>	<b>-R38,457,904</b>	<b>-R43,787,513</b>	<b>-12. 2%</b>	<b>-R40,137,778</b>	<b>-R47,677,921</b>	<b>-15.8%</b>	<b>-4.2%</b>	<b>9.1%</b>
	A010 - Sales - Trading	-R233,247,576	-R237,965,357	-2.0%	-R221,961,226	-R246,144,828	-9.8%	5.1%	7-2%
	A020 - Cost of Sales - Trading	R194,789,672	R194,177,844	0.3%	R181,823,448	R198,466,907	-8.4%	7. 1%	6.8%
B010 - Tourism Income	B010 - Tourism Income	R861,050,681	-R830,255,006	3.7%	-R775,979,350	-R753,094,824	3.0%	11.0%	7.0%
	<b>B010 - Accommodation</b>	<b>-R718,723,900</b>	<b>-R699,537,556</b>	<b>2.7%</b>	<b>-R648,326,537</b>	<b>-R639,127,714</b>	<b>1.4%</b>	<b>10.9%</b>	<b>7.9%</b>
	B011 - Entrance Fees	-R739,441	-R569,969	29.7%	-R838,751	-R599,579	39.9%	-11.8%	-32.0%
	B012 - Trail Fees	-R38,364,465	-R36,023,363	6.5%	-R34,484,130	-R33,680,403	2.4%	11.3%	4.5%
	B014 - Drive Fees	-R62,621,823	-R57,736,302	8.5%	-R56,479,381	-R46, 334.523	21.9%	10.9%	2.2%
	<b>ACTIVITIES</b>	<b>-R100,986,288</b>	<b>-R93,759,665</b>	<b>7.7%</b>	<b>-R90,963,512</b>	<b>-R80,014,926</b>	<b>13.7%</b>	<b>11.0%</b>	<b>3.1%</b>
	B015 - Sundry Tourism Income	-R24.387 ,964	-R19,249,079	26.7%	-R21,492,267	-R18,012,094	19.3%	13,5%	-10.4%
	B016 - Cancellations & Forfeitures	-R16,213,088	-R17,138,737	-5.4%	-R14,358,284	-R15,340,511	-6.4%	12.9%	19.4%
	OTHER TOURISM INCOME	-R40,601,052	-R36,387,816	11.6%	-R35,850,550	-R33,352,605	7.5%	13.3%	1.5%
<b>Totals</b>		<b>-R1,603,633,927</b>	<b>-R1,492,802,689</b>	<b>7.4%</b>	<b>-R1,423,892,646</b>	<b>-R1,271,196,375</b>	<b>12.0%</b>	<b>12.6%</b>	<b>4.8%</b>
<p>On average, the following tariff increases are in effect compared to the same months of 2016-2017:</p> <ul style="list-style-type: none"> <li>• Accommodation and Camping: +7.7% (April to October) &amp; 7.0% (November to March)</li> <li>• Activities: +5.7% (April to October) &amp; 6.0% (November to March)</li> <li>• Conservation Fees: +8.4% (April to October) &amp; 8.0% (November to March)</li> </ul>									



## Tourism Statistics

Mainly due to the favourable dates of school holidays and long weekends, all key tourism indicators in **April 2017** were considerably higher than for the same month in 2016. **May 2017** was a mixed month, with Camping, Guests to Parks and Activities increasing. Other measures, however, were lower than for May 2016. Because the **June 2017** school holidays started later than in 2016, all tourism indicators were lower than in the previous year. However, winter school holidays ended later in 2017 than in 2016 and all tourism indicators showed a good improvement in that month.

With the exception of Activities, all tourism performance indicators were slightly lower in **August 2017** than in the previous year, mainly because there was no long weekend around the Women's Day public holiday. Persistent drought in the winter rainfall areas meant a disappointing flower season and this affected some parks. In **September 2017**, all key indicators were better than in the same month in 2016 although the "flower parks" continued to be negatively affected by the drought. Compared with the same month in the previous year, **October 2017** was mixed. Guests to Parks and Camping indicators were higher but the withdrawal of the safari tents at Lower Sabie negatively affected the Accommodation indicators.

With the exception of Wild Card Guests, all indicators for **November 2017** were higher than in the same month in 2016. For **December 2017**, all indicators except Camping Sites Nights Sold were slightly lower than December 2016. This was mainly because there was no long weekend around the 16 December public holiday. Given

the longer holiday period into the new year, most indicators in **January 2018** were higher than in **January 2017**. Guests to Parks in Kruger National Park and Table Mountain National Park were an exception to this. **February 2018** was another mixed month, with Accommodation indicators slightly lower than in **February 2017** and others higher. Compared with the same month in the previous year, **March 2018** was also mixed. With the exception of Guests to Parks, key tourism statistics were higher.

The following factors influenced the 2017/18 performance figures compared with those of the previous year:

1. The 2016-2017 financial year had no Easter weekend.
2. Urikaruus Wilderness Camp in the Kgalagadi Transfrontier Park was being renovated and was out of commission throughout May 2016.
3. Kieliekrankie Wilderness Camp in Kgalagadi Transfrontier Park was being renovated and was out of commission throughout May 2017.
4. Bitterpan Wilderness Camp in Kgalagadi Transfrontier Park was being renovated and was out of commission throughout June 2017.
5. Three new accommodation units were commissioned at the West Coast National Park in April 2017.
6. Addo's Nyathi Rest Camp was only commissioned in April 2017.
7. Twenty-four safari tents at Lower Sabie were decommissioned for reconstruction from May 2017.
8. Management of Agulhas' Rietfontein Cottages has been outsourced. Therefore from September 2017 they are excluded from SANParks statistics.
9. The number of November 2016 guests to Table Mountain National Park (excluding the cableway) was previously given as 303,100 instead of 215,713. This error was corrected in November 2017.
10. Ten premium campsites and ten additional chalets were commissioned at Nossob Rest Camp in the Kgalagadi Transfrontier Park towards the end of 2017.
11. Connectivity difficulties at Camdeboo National Park affected the quality of the park's December 2017 statistics in the system. The figures presented are the best available but may not be wholly accurate. Overnight statistics were calculated using reservations on the system for the period 1-31 December 2017, while Guests to Park statistics were derived from the system for period 1-5 December. Manually-provided day visitor figures received from the park for 6-31 December were then added.
12. Boulders Bush Lodge in Kruger National Park was withdrawn for maintenance for the whole of February 2018.



Mapungubwe National Park





MOUNTAIN ZEBRA NATIONAL PARK

Table 22: KEY TOURISM PERFORMANCE STATISTICS FOR 2017/18FINANCIAL YEAR

	ACCOMMODATION (EXCL CAMPING)						
PARK	UNIT NIGHTS SOLD	% CHANGE	UNIT OCCUPANCY	BED NIGHTS SOLD	% CHANGE	BED OCCUPANCY	
ADDO	31,358	9.0%	86.5%	71,640	11.5%	70.6%	
Previous year	28,761		89.6%	64,234		71.6%	
AGULHAS	3,423	-1.6%	43.0%	8,970	-1.8%	34.6%	
Previous year	3,479		39.5%	9,131		33.5%	
AUGRABIES	9,344	4.4%	42.7%	19,028	1.7%	37.8%	
Previous year	8,953		41.4%	18,710		37.6%	
BONTEBOK	2,529	0.3%	49.5%	6,439	3.3%	38.4%	
Previous year	2,521		49.3%	6,232		37.1%	
CAMDEBOO	910	-10.3%	62.3%	1,744	-9.8%	59.7%	
Previous year	1,014		69.5%	1,934		66.3%	
GOLDEN GATE	21,082	-5.6%	38.9%	46,353	-3.5%	29.8%	
Previous year	22,328		41.4%	48,025		30.9%	
GARDEN ROUTE	32,460	3.3%	62.3%	74,670	2.2%	50.2%	
Previous year	31,420		60.7%	73,093		49.3%	
KAROO	9,376	-8.9%	73.0%	22,513	-10.8%	48.1%	
Previous year	10,289		76.7%	25,240		51.9%	
KGALAGADI	29,969	-4.1%	85.1%	68,105	-4.6%	65.3%	
Previous year	31,251		89.8%	71,417		69.6%	
KRUGER	407,189	1.3%	83.7%	9,6961	2.1%	64.5%	
Previous year	401,978		81.4%	9,6638		62.5%	
MARAKELE	4,823	5.4%	63.6%	10,941	3.8%	46.0%	
Previous year	4,578		60.0%	10,536		43.9%	
MAPUNGUBWE	6,685	18.9%	57.3%	14,732	17.8%	53.2%	
Previous year	5,621		48.7%	12,510		45.6%	
MOKALA	7,162	3.5%	65.5%	15,559	4.9%	50.9%	
Previous year	6,917		63.5%	14,828		48.0%	
MOUNTAIN ZEBRA	8,217	15.1%	81.4%	21,622	14.5%	48.9%	
Previous year	7,136		85.0%	18,884		48.9%	
NAMAQUA	874	-4.1%	48.3%	1,965	-3.4%	30.1%	
Previous year	911		51.4%	2,034		31.7%	
RICHTERSVELD	1,879	-7.5%	28.7%	4,112	-6.4%	25.7%	
Previous year	2,032		31.2%	4,394		27.6%	
TABLE MOUNTAIN	4,111	3.5%	42.6%	12,375	5.4%	35.4%	
Previous year	3,973		40.8%	11,737		33.5%	
Tankwa-Karoo	2,350	-8.0%	56.0%	6,327	-9.3%	29.5%	
Previous year	2,555		60.7%	6,978		32.6%	
WEST COAST	1,103	92.8%	61.5%	3,816	73.1%	40.8%	
Previous year	572		80.3%	2,205		44.4%	
TOTAL 2017/18	5,4844		75.2%	1,3778,2		58.2%	
TOTAL 2016/17	5,6289		74.0%	1,3487,0		57.1%	
DIFFERENCE	1.5%		1.2%	2.2%		1.1%	



	CAMPING								
	SITE NIGHTS SOLD	% CHANGE	CAMP SITE OCC	PERSON NIGHTS SOLD	% CHANGE	GUESTS TO PARK	% CHANGE	TOTAL ACTIVITIES	% CHANGE
	10,439	0.9%	86.7%	27,537	4.0%	3,5510	15.0%	33,772	-7.1%
	10,346		85.9%	26,486		2,5585		36,368	
	0		0.0%	0		43,811	23.7%	0	
	0		0.0%	0		35,407		0	
	5,112	6.2%	28.0%	14,376	11.3%	66,237	-2.8%	1,395	7.8%
	4,814		26.4%	12,914		68,131		1,294	
	2,479	2.5%	26.7%	6,907	5.7%	21,929	0.1%	0	
	2,418		22.1%	6,536		21,901		0	
	2,398	1.8%	43.8%	5,645	4.9%	43,543	5.1%	0	
	2,355		43.0%	5,379		41,432		0	
	5,058	7.9%	30.8%	13,695	9.1%	58,946	0.3%	2,897	227.7%
	4,688		28.5%	12,548		58,795		8,4	
	27,947	19.2%	23.8%	82,049	20.7%	5,8619	6.9%	15,286	5.2%
	23,453		19.7%	67,995		4,4632		14,525	
	6,572	-2.2%	60.0%	15,779	-2.0%	37,012	-6.7%	7,5	-41.7%
	6,717		61.4%	16,106		39,678		1,347	
	25,292	9.1%	78.3%	71,482	10.2%	52,463	8.8%	5,825	17.1%
	23,174		78.4%	64,864		48,221		4,973	
	1,5314	6.6%	69.8%	4,2945	8.0%	1,932750	6.3%	2,7076	9.6%
	1,5149		66.5%	4,0061		1,817724		1,8110	
	5,079	-4.2%	38.7%	13,360	-3.4%	26,383	13.9%	2,257	11.9%
	5,304		40.4%	13,828		23,165		2,017	
	2,621	25.0%	71.8%	6,820	26.8%	37,250	-1.9%	22,530	9.2%
	2,097		57.5%	5,379		37,956		20,632	
	1,918	0.9%	47.8%	4,932	4.4%	19,080	7.9%	1,111	16.7%
	1,900		47.3%	4,725		17,691		9,2	
	5,304	8.0%	58.1%	12,954	11.7%	31,210	11.6%	2,902	37.3%
	4,910		53.8%	11,601		27,965		2,113	
	3,458	12.3%	21.3%	11,094		12,072	-34.9%	0	
	3,078		18.5%	9,197		18,542		0	
	3,898	-3.1%	19.1%	12,456	1.9%	6,022	-9.2%	16	-76.1%
	4,024		19.7%	12,224		6,635		67	
	0		0	0		3,469076	5.3%	1,382	-9.6%
	0		0.0%	0		3,294714		1,528	
	1,219	-7.7%	24.1%	3,082	-6.7%	5,763	-2.4%	0	
	1,320		26.2%	3,304		5,904		0	
	0		0	0		3,9476	-9.2%	1,293	3.8%
	0		0.0%	0		3,0918		1,246	
	2,4108		51.7%	7,5113		7,007152		3,8527	
	2,5747		48.5%	6,3147		6,664996		2,6056	
	7.2%		3.2%	9.1%		5.1%		7.9%	

Table 23: SUMMARY OF VISITOR STATISTICS FOR THE TWELVE MONTHS ENDED MARCH 2018 FOR THE KRUGER NATIONAL PARK

	ACCOMMODATION (EXCL CAMPING)								
	UNIT NIGHTS SOLD	Previous year	UNIT OCC	Previous year	BED NIGHTS SOLD	Previous year	BED OCCUPANCY	Previous year	
Kruger National Park NXANATSENI	5.8%		3.2%		7.0%		2.8%		
BALULE	2,012	1,977	91.9%	90.3%	4,316	4,091	65.7%	62.3%	
BATELEUR	1,725	1,586	67.5%	62.1%	5,705	5,301	46.0%	42.7%	
BOULDERS	281	280	88.6%	78.0%	1,888	1,866	49.6%	43.3%	
LETABA	35,574	33,996	79.5%	76.7%	86,914	81,927	63.2%	60.4%	
MOPANI	21,831	20,789	58.8%	57.4%	68,519	64,541	37.5%	36.1%	
OLIFANTS	33,049	32,126	81.2%	79.8%	73,328	69,906	73.0%	71.2%	
PHALABORWA									
PAFURI BORDER	695	613	63.9%	56.2%	2,703	2,344	41.5%	35.9%	
PUNDA MARIA	8,766	7,916	75.5%	68.7%	18,538	16,475	65.5%	58.6%	
SABLE DAM	335	334	91.8%	91.5%	1,208	1,239	36.8%	37.7%	
SHIMUWINI	4,203	3,955	76.8%	72.2%	13,460	12,525	51.9%	48.3%	
SHINGWEDZI	19,444	17,550	67.5%	61.6%	41,357	37,342	55.2%	50.4%	
SIRHENI	3,363	2,999	61.5%	54.8%	10,359	9,376	35.6%	32.1%	
TSENDZE									
REGIONAL TOTAL	1,1278	1,4121	72.7%	69.6%	3,8295	3,6933	53.7%	50.9%	
Kruger National Park MARULA	-0.7%		2.2%		-0.2%		1.8%		
BERG-EN-DAL	30,726	29,914	90.6%	87.6%	81,938	80,105	63.7%	61.6%	
BIYAMITI	5,244	5,206	96.5%	95.1%	16,692	16,678	65.9%	65.3%	
CROCODILE BRIDGE	9,456	9,277	95.1%	93.9%	20,118	19,653	76.4%	75.4%	
LOWER SABIE	34,437	40,608	91.9%	90.9%	75,295	86,942	78.4%	77.9%	
MALELANE	1,481	1,479	88.6%	81.0%	3,804	3,747	59.9%	54.0%	
MARULA									
ORPEN	4,872	4,730	89.1%	86.5%	11,700	11,189	76.5%	73.1%	
PRETORIUSKOP	40,148	37,394	82.5%	77.6%	89,525	83,990	69.6%	65.8%	
ROODEWAL	288	289	78.9%	79.6%	2,917	2,999	44.4%	45.9%	
SATARA	54,072	53,580	90.3%	89.9%	1,0089	1,9324	79.9%	79.3%	
SKUKUZA	77,777	78,580	93.2%	91.3%	1,0225	1,0415	73.7%	71.6%	
TALAMATI	4,740	4,788	86.8%	87.5%	16,817	16,782	55.0%	54.8%	
TAMBOTI	12,670	12,012	88.7%	82.5%	29,546	27,881	68.9%	63.8%	
REGIONAL TOTAL	2,5911	2,7857	90.2%	88.0%	6,8666	6,9705	71.9%	70.1%	
TOTAL	4,7189	4,1978	83.7%	81.4%	9,6961	9,6638	64.5%	62.5%	
DIFFERENCE	1.3%		2.3%		2.1%		2.0%		

	CAMPING						TOTAL GUEST ENTRIES INTO PARK		TOTAL ACTIVITIES	
	SITE NIGHTS SOLD	Previous year	CAMP SITE OCC	Previous year	PERSON NIGHTS SOLD	Previous year		Previous year		Previous year
	11.4%		5.7%		14.7%				9.2%	
	4,424	4,123	67.3%	62.8%	12,023	10,770				
									369	211
	16,109	15,073	73.6%	68.8%	45,339	41,223			13,245	11,449
									6,245	6,745
									17,598	16,238
									6,573	5,509
	10,128	8,628	46.2%	39.4%	26,423	22,056			2,427	2,352
									762	635
	12,533	11,111	64.2%	59.9%	32,786	27,657			4,509	4,119
									428	519
	7,964	6,978	64.2%	56.3%	21,271	18,471				
	51,158	45,913	62.2%	56.5%	1,7842	1,0177			52,156	47,777
	4.5%		1.9%		5.3%				9.7%	
	20,683	19,537	69.1%	65.3%	57,740	53,552			15,585	13,311
									1,331	1,154
	6,361	6,024	87.1%	82.6%	16,134	15,049			20,248	17,499
	11,706	11,699	84.4%	84.3%	30,743	30,696			16,035	16,903
	2,899	2,810	46.7%	45.3%	7,649	7,654			5,109	3,934
	6,511	5,838	74.3%	66.6%	17,059	15,231				
									5,869	4,611
	12,285	10,584	66.9%	67.4%	31,954	28,455			23,758	19,961
	30,505	29,595	78.1%	75.8%	81,988	78,979			27,057	24,902
	23,206	23,149	74.8%	74.6%	61,836	60,268			48,351	46,741
									1,577	1,317
	1,4156	1,9236	73.9%	71.9%	3,5103	2,9884			1,4920	1,0333
	1,5314	1,5149	69.8%	66.5%	4,2945	4,0061	1,932750	1,817724	2,7076	1,8110
	6.6%		3.3%		8.0%		6.3%		9.6%	



**Table 24: SUMMARY OF VISITOR STATISTICS FOR THE TWELVE MONTHS ENDED MARCH 2018 FOR PARKS**

	ACCOMMODATION (EXCL CAMPING)								
	UNIT NIGHTS SOLD	Previous year	UNIT OCC	Previous year	BED NIGHTS SOLD	Previous year	BED OCC	Previous year	
<b>CAPE</b>	3.2%		1.2%		4.5%		0.6%		
AGULHAS	3,423	3,479	43.0%	39.5%	8,970	9,131	34.6%	33.5%	
Agulhas Main	3,183	3,199	55.4%	55.1%	8,201	8,229	47.8%	47.3%	
Bergplaas	61	70	16.7%	20.6%	290	379	7.9%	11.2%	
Rhenosterkop	171	111	15.8%	12.7%	463	333	12.9%	11.5%	
BONTEBOK	2,529	2,521	49.5%	49.3%	6,439	6,232	38.4%	37.1%	
TABLE MOUNTAIN	4,111	3,973	42.6%	40.8%	12,375	11,737	35.4%	33.5%	
Table Mountain NP									
Table Mountain Cableway									
Tankwa-Karoo	2,350	2,555	56.0%	60.7%	6,327	6,978	29.5%	32.6%	
Elandsberg	1,306	1,363	73.0%	76.0%	3,415	3,606	43.4%	45.7%	
Tankwa	1,044	1,192	43.3%	49.4%	2,912	3,372	21.5%	25.0%	
WEST COAST	1,103	572	61.5%	80.3%	3,816	2,205	40.8%	44.4%	
<b>CLUSTER TOTAL</b>	<b>13,516</b>	<b>13,100</b>	<b>47.1%</b>	<b>45.9%</b>	<b>37,927</b>	<b>36,283</b>	<b>35.0%</b>	<b>34.4%</b>	
<b>FRONTIER</b>	4.7%		-0.4%		4.8%		-0.0%		
ADDO	31,358	28,761	86.5%	89.6%	71,640	64,234	70.6%	71.6%	
Addo	22,276	22,397	93.2%	93.0%	50,408	50,226	75.6%	74.8%	
Alexandria	248	169	38.8%	46.3%	864	727	24.9%	24.9%	
Mathyolweni	4,297	4,485	78.5%	82.1%	9,152	9,547	69.6%	72.8%	
Narina	212	203	58.1%	55.6%	909	844	31.1%	28.9%	
Nyathi	2,800		69.7%		7,352		62.9%		
Spekboom	1,525	1,507	83.6%	82.6%	2,955	2,890	81.0%	79.2%	
CAMDEBOO	910	1,014	62.3%	69.5%	1,744	1,934	59.7%	66.3%	
KAROO	9,376	10,289	73.0%	76.7%	22,513	25,240	48.1%	51.9%	
MOUNTAIN ZEBRA	8,217	7,136	81.4%	85.0%	21,622	18,884	48.9%	48.9%	
GARDEN ROUTE	32,460	31,420	62.3%	60.7%	74,670	73,093	50.2%	49.3%	
Tsitsikamma Section	22,408	22,142	68.8%	68.7%	51,804	51,502	58.3%	58.4%	
Natures Valley	2,016	1,720	47.6%	39.3%	3,960	3,429	43.1%	36.1%	
Storms River Mouth	20,392	20,422	72.0%	73.3%	47,844	48,073	60.0%	61.0%	
Knysna Section	615	584	33.8%	32.3%	1,568	1,467	22.3%	20.3%	
Wilderness Section	9,437	8,694	53.3%	49.1%	2,298	20,124	40.4%	38.1%	
<b>CLUSTER TOTAL</b>	<b>82,321</b>	<b>78,620</b>	<b>73.0%</b>	<b>73.4%</b>	<b>192,189</b>	<b>183,385</b>	<b>55.9%</b>	<b>55.9%</b>	
<b>TOTAL PARKS</b>	<b>177,655</b>	<b>174,311</b>	<b>61.0%</b>	<b>61.3%</b>	<b>410,911</b>	<b>402,122</b>	<b>47.4%</b>	<b>47.5%</b>	
<b>DIFFERENCE</b>	<b>1.9%</b>		<b>-0.3%</b>		<b>2.2%</b>		<b>-0.1%</b>		

	CAMPING						GUESTS TO PARK/ CLUSTER	Previous year	TOTAL ACTIVITIES	Previous year
	SITE NIGHTS SOLD	Previous year	CAMP SITE OCC	Previous year	PERSON NIGHTS SOLD	Previous year				
	-1.1%		2.4%		1.5%		4.1%		-3.6%	
							43,811	35,407		
	2,479	2,418	26.7%	22.1%	6,907	6,536	21,929	21,901		
							3,469,076	3,294,714	1,382	1,528
							2,282,841	2,139,271		
							1,186,235	1,155,443		
	1,219	1,320	24.1%	26.2%	3,082	3,304	5,763	5,904		
	1,219	1,320	24.1%	26.2%	3,082	3,304				
							309,476	340,918	1,293	1,246
	3,698	3,738	25.8%	23.4%	9,989	9,840	3,850,055	3,698,844	2,675	2,774
	10.2%		3.5%		12.9%		8.8%		3.4%	
	10,439	10,346	86.7%	85.9%	27,537	26,486	305,510	265,585	33,772	36,368
	10,439	10,346	86.7%	85.9%	27,537	26,486				
	2,398	2,355	43.8%	43.0%	5,645	5,379	43,543	41,432		
	6,572	6,717	60.0%	61.4%	15,779	16,106	37,012	39,678	785	1,347
	5,304	4,910	58.1%	53.8%	12,954	11,601	31,210	27,965	2,902	2,113
	27,947	23,453	23.8%	19.7%	82,049	67,995	528,619	494,632	15,286	14,525
	15,135	13,231	23.6%	20.5%	44,666	38,300	384,877	336,562	7,715	6,740
	4,024	2,911	17.3%	12.3%	11,948	8,445				
	11,111	10,320	27.2%	25.2%	32,718	29,855				
	493	437	22.5%	20.0%	1,186	1,022	35,622	50,416	4,743	5,125
	12,319	9,785	24.1%	18.7%	36,197	28,673	108,120	107,654	2,828	2,660
	52,660	47,781	34.0%	30.5%	143,964	127,567	945,894	869,292	52,745	50,990
	108,794	100,598	37.0%	34.1%	302,168	273,086	5,074,402	4,847,272	91,451	87,946
	8.1%		2.9%		10.6%		4.7%		4.0%	

**Table 25: SUMMARY OF VISITOR STATISTICS FOR THE TWELVE MONTHS ENDED MARCH 2018 FOR PARKS**

	ACCOMMODATION (EXCL CAMPING)								
	UNIT NIGHTS SOLD	Previous year	UNIT OCC	Previous year	BED NIGHTS SOLD	Previous year	BED OCC	Previous year	
<b>ARID</b>	<b>-1.7%</b>		<b>-1.8%</b>		<b>-2.3%</b>		<b>-1.8%</b>		
AUGRABIES	9,344	8,953	42.7%	41.4%	19,028	18,710	37.8%	37.6%	
KGALAGADI	29,969	31,251	85.1%	89.8%	68,105	71,417	65.3%	69.6%	
Bitterpan	1,125	1,291	87.6%	92.0%	2,201	2,518	85.7%	89.7%	
Gharaghab	1,286	1,140	88.1%	89.6%	2,506	2,226	85.8%	87.5%	
Grootkolk	1,353	1,292	92.7%	96.4%	2,628	2,509	90.0%	93.6%	
Kalahari Tent Camp	4,549	4 699	83.1%	85.8%	9,693	10,227	69.9%	73.7%	
Kieliekrankie	1,338	1,451	84.8%	91.8%	2,599	2,823	82.4%	89.3%	
Mata Mata	4,878	4,563	89.3%	92.1%	12,801	11,910	70.3%	73.6%	
Nossob	5,584	5,611	83.1%	89.5%	12,774	12,989	69.4%	74.6%	
Twee Rivieren	8,117	9,656	81.5%	88.3%	19,518	23,228	50.5%	56.8%	
Urikaruus	1,739	1,548	95.3%	97.7%	3,385	2,987	92.7%	94.3%	
NAMAQUA	874	911	48.3%	51.4%	1,965	2,034	30.1%	31.7%	
RICHTERSVELD	1,879	2,032	28.7%	31.2%	4,112	4,394	25.7%	27.6%	
De Hoop									
Ganakouriep	213	255	14.6%	17.5%	416	500	14.2%	17.2%	
Kokerboomkloof									
Potjiespram									
Richtersberg									
Sendelingsdrif	1,154	1,248	31.8%	34.7%	2,691	2,862	26.5%	28.4%	
Tatasberg	512	529	35.1%	36.2%	1,005	1,032	34.4%	35.3%	
MOKALA	7,162	6,917	65.5%	63.5%	15,559	14,828	50.9%	48.0%	
Haak en Steek	327	312	91.6%	85.5%	969	961	67.9%	65.8%	
Lilydale Lodge	3,032	2,822	69.2%	64.4%	7,278	6,751	46.4%	43.0%	
Motswedi									
Mosu Lodge	3,803	3,783	61.4%	61.5%	7,312	7,116	54.5%	51.8%	
<b>CLUSTER TOTAL</b>	<b>49,228</b>	<b>50,064</b>	<b>64.4%</b>	<b>66.2%</b>	<b>108,769</b>	<b>111,383</b>	<b>52.4%</b>	<b>54.2%</b>	
<b>NORTHERN</b>	<b>0.2%</b>		<b>-0.1%</b>		<b>1.3%</b>		<b>0.4%</b>		
GOLDEN GATE	21,082	22,328	38.9%	41.4%	46,353	48,025	29.8%	30.9%	
Basotho Cultural Village	1,623	1,511	18.9%	18.0%	3,566	3,503	13.9%	13.9%	
Golden Gate Hotel	12,690	13,943	40.9%	44.9%	25,746	26,955	29.6%	30.8%	
Glen Reenen	4,803	4,867	42.5%	43.2%	11,730	12,182	36.6%	38.2%	
Highlands Retreat	1,789	1,870	61.3%	64.6%	4,586	4,858	52.4%	56.1%	
Noord-Brabant	177	137	48.6%	37.7%	725	527	33.2%	24.2%	
MARAKELE	4,823	4,578	63.6%	60.0%	10,941	10,536	46.0%	43.9%	
Bontle	1,863	1,691	51.8%	46.4%	4,238	3,789	42.2%	37.1%	
Tlopi	2,960	2,887	74.3%	72.5%	6,703	6,747	48.8%	49.0%	
MAPUNGUBWE	6,685	5,621	57.3%	48.7%	14,732	12,510	53.2%	45.6%	
Leokwe	4,460	3,951	67.9%	61.1%	9,478	8,409	64.9%	58.5%	
Limpopo Forest Tented	1,076	759	36.8%	26.0%	1,999	1,469	34.2%	25.2%	
Tshugulu	488	418	67.0%	57.7%	1,996	1,715	45.7%	39.5%	
Vhembe	661	493	45.4%	34.1%	1,259	917	43.2%	31.7%	
<b>CLUSTER TOTAL</b>	<b>32,590</b>	<b>32,527</b>	<b>44.4%</b>	<b>44.5%</b>	<b>72,026</b>	<b>71,071</b>	<b>34.8%</b>	<b>34.3%</b>	



	CAMPING						GUESTS TO PARK/ CLUSTER	Previous year	TOTAL ACTIVITIES	Previous year
	SITE NIGHTS SOLD	Previous year	CAMP SITE OCC	Previous year	PERSON NIGHTS SOLD	Previous year				
	7.3%		1.9%		10.0%		-2.1%		14.6%	
	5,112	4,814	28.0%	26.4%	14,376	12,914	66,237	68,131	1,395	1,294
	25,292	23,174	78.3%	78.4%	71,482	64,864	52,463	48,221	5,825	4,973
	6,884	6,936	75.4%	76.0%	19,801	19,549			1,209	1,452
	9,335	7,272	78.7%	79.7%	26,511	20,789			1,962	963
	9,073	8,966	80.2%	79.2%	25,170	24,526			2,654	2,558
	3,458	3,078	21.3%	18.5%	11,094	9,197	12,072	18,542		
	3,898	4,024	19.1%	19.7%	12,456	12,224	6,022	6,635	16	67
	1,828	1,805	41.7%	41.2%	6,044	5,537				
	434	497	14.9%	17.0%	1,314	1,554				
	534	653	8.1%	9.9%	1,679	1,992				
	581	601	26.6%	27.4%	1,833	1,804				
	521	468	11.9%	10.7%	1,586	1,337				
	1,918	1,900	47.8%	47.3%	4,932	4,725	19,080	17,691	1,111	952
	81	94	4.4%	5.2%	216	285				
	1,837	1,806	83.9%	82.5%	4,716	4,440				
	39,678	36,990	43.5%	41.6%	114,340	103,924	155,874	159,220	8,347	7,286
	5.5%		2.0%		6.7%		2.2%		17.6%	
	5,058	4,688	30.8%	28.5%	13,695	12,548	58,946	58,795	2,897	884
	5,058	4,688	30.8%	28.5%	13,695	12,548				
	5,079	5,304	38.7%	40.4%	13,360	13,828	26,383	23,165	2,257	2,017
	5,079	5,304	38.7%	40.4%	13,360	13,828				
	2,621	2,097	71.8%	57.5%	6,820	5,379	37,250	37,956	22,530	20,632
	12,758	12,089	38.4%	36.4%	33,875	31,755	122,579	119,916	27,684	23,533

Guests to Parks

Compared with the previous year, Guests to Parks in 2017/18 increased by 5.1% from 6,664,996 to 7,007,152 with Kruger National Park increasing by 6.3% from 1,817,724 to 1,932,750 and Parks by 4.7% from 4,847,272 to 5,074,402.

TABLE 26: TOP FIVE PARKS: GUESTS TO PARKS 2017/18: NUMBERS OF GUESTS; PERCENTAGE CHANGES FROM THE PREVIOUS YEAR










Position		Park	Guests to park Previous year & change in brackets	% of total Previous year in brackets
1		Table Mountain	3,469,076 (3,294,714 +5.3%)	49.5% (49.4%)
2		Kruger	1,932 ,50 (1,817,724 +6.3%)	27.6% (27.3%)
3		Garden Route	528,619 (494,632 +6.9%)	7.5% (7.4%)
4		West Coast	309,476 (340,918 -9.2%)	4.4% (5.1%)
5		Addo	305,510 (265,585 +15.0%)	4.4% (4.0%)
Total				93.4% (93.2%)

TABLE 27: TOP FIVE PARKS SHOWING THE LARGEST GROWTH IN 2017/18; NUMBERS OF GUESTS; PERCENTAGE GROWTH YEAR-ON-YEAR

Position		Park	Guests to park Previous year & change in brackets	% of total Previous year in brackets
1		Agulhas	43,811 (35,407 +23.7%)	0.6% (0.5%)
2		Addo	305,510 (265,585 +15.0%)	4.4% (4.0%)
3		Marakele	26,383 (23,165 +13.9%)	0.4% (0.3%)
4		Mountain Zebra	31,210 (27,965 +11.6%)	0.4% (0.4%)
5		Kgalagadi	52,463 (48,221 +8.8%)	0.7% (0.7%)
Total				6.6% (6.0%)

## Unit Occupancy

Average unit occupancy in 2017/18 was 75.2%. This was 1.2% higher than the 74.0% of the previous year. At 61%, Parks Division was lower by 0.3% than in 2016/17. Kruger National Park was higher by 2.3%, at 83.7%.

## Bed Occupancy

Overall bed occupancy in 2017/18 was 58.2% compared with 57.1% in 2016/17, an increase of 1.1%. In the Parks Division, the occupancy rate was 47.4%, down by 0.1% from the 47.5% of the previous year; and in Kruger National Park 64.5%, an increase of 2.0% from 62.5% in 2016/17. Top 3 bed occupancies were Urikaruus (92.7%), Grootkolk (90%), Gharagab (85.8%)

## Camping

Person Nights Sold was up by 9.1% from the previous year, from 683,147 to 745,113. Parks Division Person Nights Sold were up by 10.6%, from 273,086 to 302,168 and Kruger Division by 8.0% from 410,061 to 442,945. Site Nights Sold increased by 7.2% from 255,747 to 274,108. Parks Division Site Nights Sold increased by 8.1% from 100,598 to 108,794 and for Kruger Division by 6.6% from 155,149 to 165,314.

The average number of persons per site sold was 2.72 (previous year 2.67). In the case of Parks Division the figure was 2.78 (previous year 2.71) and for Kruger Division 2.68 (previous year 2.64).

Camp Site Occupancy (sites occupied as a proportion of sites available) increased by 3.2 percentage points from 48.5% to 51.7%. Parks Division, Camp Site Occupancy increased by 2.9 percentage points from 34.1% to 37.0% and in Kruger Division by 3.3 percentage points from 66.5% to 69.8%.

## Demographics

Table Mountain National Park and West Coast National Park were excluded from reporting of Blackguests below, as demographic information is not captured in those parks. Guests' country and province of residence are not captured at the Golden Gate Hotel and Chalets.

## BlackGuests

The transformation of the South African guest profile to reflect the broader society is a priority for SANParks. Central to this is marketing towards emerging markets to promote the parks' offerings and to underline the importance of the country's natural and cultural heritage.

The number of BlackSouth African guests increased by 4.6% in 2017/18 from 608,537 to 636,371. There were 577,823 day visitors, an increase of 2.9% from the previous year, while overnight guests increased by 11.0% from 52,737 to 58,548 guests.

Blackguests made up 36.6% of South African day visitors, compared with 35.7% in 2016/17 and 11.5% of South African overnight guests, an increase from 10.6% in the previous year. BlackSouth African guests (day visitor and overnight) made up to 30.5% of the total South African guests, compared with 29.6% in 2016/17.

At 72% of its total, Mapungubwe received by far the largest percentage of BlackSouth African guests. This was followed by Kruger National Park (36.1%), Golden Gate (33.6%), Agulhas (30.8%) and Augrabies (27.3%).

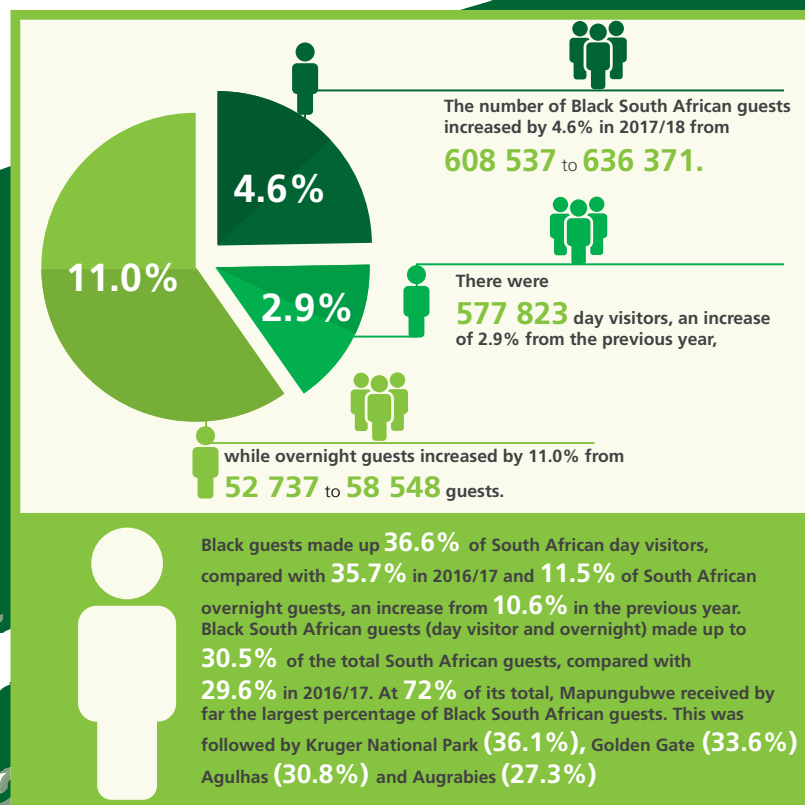




TABLE 28: SOURCE MARKETS OF VISTORS TO SANPARKS

Source markets		Q4 2017/18 Year	Q4 2016/17 Year	% change
SA	Number	2,086,840	2,053,142	+1.6%
	% of total	64.6%	67.8%	-3.2
SADC	Number	53,070	51,032	+4.0%
	% of total	1.6%	1.7%	-0.1
Other countries	Number	1,088,690	925,193	+17.7%
	% of total	33.7%	30.5%	+3.2

TABLE 29: COMPOSITION OF SOUTH AFRICAN VISITORS TO PARKS

Rank	Province	Guest numbers (12 months) Previous year & change in brackets	% of total SA guests (12 months) Previous year & change in brackets
1	Gauteng	557,546 (573,518) -2.8%	26.9 (28.2) -1.3
2	Mpumalanga	464,336 (454,298) +2.2%	22.4 (22.3) +0.1
3	Western Cape	332,721 (317,858) +4.7%	16.1 (15.6) +0.5
4	Limpopo	274,090 (284,864) -3.8%	13.2 (14.0) -0.8
5	Eastern Cape	206,226 (186,203) +10.8%	10.0 (9.2) +0.8
6	KwaZulu-Natal	97,854 (86,571) +13.0%	4.7 (4.3) +0.4
7	Free State	67,127 (57,187) +17.4%	3.2 (2.8) +0.4
8	Northern Cape	42,104 (43,448) -3.1%	2.0 (2.1) -0.1
9	North-West	29,110 (29,911) -2.7%	1.4 (1.5) -0.1

TABLE 30: TOP FIVE NATIONALITIES OF INTERNATIONAL VISITORS TO PARKS

Rank	Country	% of foreign guests (12 months) Previous year & change in brackets	Number of guests Previous year & change in brackets
1	Germany	38.9% (37.9%) +1.0	443,645 (368,999) +20.2%
2	France	8.5% (8.2%) +0.3	96,472 (80,049) +20.5%
3	Netherlands	7.9% (8.0%) -0.1	89,746 (77,658) +15.6%
4	United Kingdom	7.2% (8.2%) -1.0	82,303 (79,403) +3.7%
5	United States	5.3% (5.6%) -0.3	60,442 (54,375) +11.1%

## Business Development

The Business Development Unit implements and manages a range of public-private partnerships (PPPs) to maximise SANParks' financial independence from the state whilst enabling socio-economic development.

Through its commercialisation strategy, the unit's objectives are to:

- Generate revenue to fund conservation and build SANParks' constituency.
- Create jobs and alleviate poverty. In 2017/18, R75 million was spent on goods and services provided by small, medium and micro enterprises.
- Help to transform the economy so that it includes more Black-owned enterprises. Each of SANParks' PPPs includes a broad-based Blackeconomic empowerment (B-BBEE) scorecard which captures information about subcontracting to and procurement from enterprises owned by Black people in general and by Blackwomen in particular.
- Optimise the value of underperforming assets. The restaurant and retail facilities previously managed by SANParks and now managed by the private sector have over the years resulted in improved customer service and satisfaction, often moving from loss to profit making status.

- Reduce the cost of delivery.
- Improve service levels by focusing on SANParks' core business.
- Bring in private capital and expertise to expand and improve SANParks' tourism products.

SANParks' commercialisation strategy dates from 2000. Since then, private operator concession arrangements have been put in place for lodges, retail and restaurants and for other services including the operation of the Table Mountain Aerial Cableway Company as well as Skukuza Airport. By the end of the reporting period, there were 50 active PPPs.

Commercialisation within SANParks is governed and guided by the organisation's Responsible Tourism Strategy 2022, the National Tourism Sector Strategy, the National Minimum Standards for Responsible Tourism (SANS1162) and the National Development Plan (NDP).

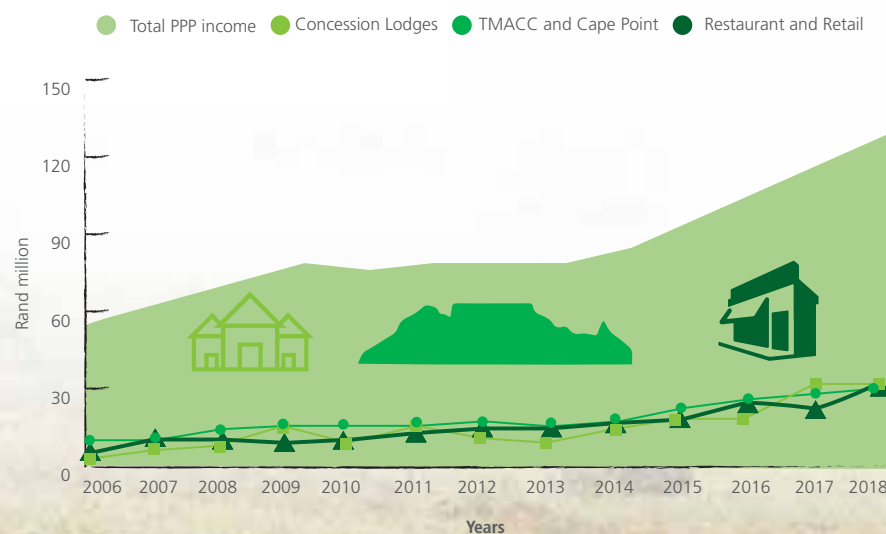
As well as the PPPs, the Business Development Unit manages the grant-funded tourism product development that plays a crucial role in increasing SANParks' revenue. As is the case with PPPs, these are carefully assessed for feasibility and for alignment with the organisation's priorities. During the reporting period, the Business Development Unit achieved the following:

- Project management of the construction of Skukuza Safari Lodge has seen significant progress, with the lodge expected to open in December 2018.
- Commissioning of the environmental impact assessments of the Phalaborwa Activity Hub and the Shangani Gate project. The Record of Decision (ROD) is expected in August 2018.
- Project management resulting in the completion of eight chalets in the Mountain Zebra National Park, five cottages at Elandsberg, staff accommodation in Tankwa National Park and ten chalets at the Nossob Rest Camp in the Kgalagadi Transfrontier Park.
- PPPs were put in place to operate:
  - ▲ The Phalaborwa Bush Braai in Kruger National Park
  - ▲ Knysna water-based activities in the Garden Route National Park
  - ▲ The Luxury Beach Camp in Namaqua National Park
  - ▲ The Nkuhlu Picnic Site and Accommodation in Kruger National Park
  - ▲ The Addo Pop-up Healing and Wellness Experience Activity in Addo Elephant National Park
  - ▲ The Geelbek Restaurant in West Coast National Park.

**Graph 10: % OF TOTAL PPP INCOME 2017/18 SANParks**  
PPP Income Multiple Years



**Graph 11: SANParks PPP income multiple years**





## Tourism Marketing

SANParks currently depends substantially on a loyal but static market base largely made up of White middle-to-high income visitors aged 40 or older. For sustainability, SANParks needs to find a balance between attracting new and growing markets and retaining current loyal ones. In line with the social and economic composition of the country's population, the growth market has to be younger and more racially diverse.

This can only be achieved by making national parks more desirable to these growth markets as holiday and leisure destinations. Research shows that awareness of SANParks' product offerings and pricing points is low in these markets; there therefore needs to be greater brand strategic focus to attract their interest. The aim of all the organisation's marketing-related activities is therefore to:

- Position SANParks' properties as desirable and affordable holiday and leisure destinations
- Break down negative myths about the SANParks offering
- Showcase the activities and experiences on offer
- Promote packages and special offers
- Communicate the lifestyle of travelling to nature destinations.

## Advertising

2017/18 saw SANParks undertake its largest print advertising and consumer brand awareness campaign in recent years through Media 24 magazines Drum, Move, Kuier, You and Huisegenoot. The campaign, which gave SANParks reach to over 6 million readers nationally, was targeted primarily at Black and Coloured middle-class adults. Through a mix of advertorials, advertisements and

educational content, the campaign aimed to raise the profile of low-occupancy parks by highlighting their attributes and the unique tourism experiences that they offer. Between July 2017 and February 2018, eight tourism advertorials were published, featuring the following parks:

- Mapungubwe National Park
- Golden Gate Highlands National Park
- Marakele National Park
- Bontebok National Park
- Agulhas National Park
- Mokala National Park
- Mopani Camp in the Kruger National Park
- Garden Route National Park.

Agulhas National Park

Bontebok National Park

Golden Gate Highlands National Park

Mapungubwe National Park

Marakele National Park

Namaqua National Park

**Discover more than Easter eggs this holiday**

#LiveYourWild

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[www.sanparks.org/promotions/you.php](http://www.sanparks.org/promotions/you.php)

South African NATIONAL PARKS

Easter Promotion: YOU Magazine, 29 March 2018



FEATURE | SANPARKS



# PARADISE ON THE CAPE WEST COAST

Peace and quiet await on the West Coast – and thanks to a wide variety of accommodation choices, there's no reason to visit only once.



THE West Coast National Park near Langebaan in the Western Cape is the perfect relaxing hideaway. Enjoy the peace of the unspoilt natural environment here, where every evening offers the spectacle of a gorgeous sunset over the Langebaan Lagoon and Atlantic Ocean. Enjoy a leisurely drive through the park's 33 500 hectares, home to a variety of wild animals, and take in the surrounding beauty of kilometres of indigenous vegetation, white sand dunes and azure water.

## ACCOMMODATION

The park offers various comfortable, affordable accommodation options in a choice of locations. Each chalet offers privacy as there aren't any direct neighbours.

Park access is strictly monitored and no one is allowed to enter or leave the park between 6pm and 7am. To keep things

peaceful, no pets, loud music or generators are allowed in the West Coast National Park.

◆ **ABRAHAMSKRAAL COTTAGE** This cottage near the water has two bedrooms, each with its own bathroom. An indoor fireplace keeps the cold at bay during the winter months, and the large patio offers braai facilities for those lazy summer's evenings. The fridge, geyser and stove in the fully equipped kitchen are all gas-powered, and lights are provided via solar panels. There are no plug points for electrical appliances or gadgets – the perfect excuse to "unplug" for a day or two. The cottage is wheelchair-friendly.

◆ **VAN BREDA COTTAGE** This farmhouse was recently renovated and is situated a stone's throw from the popular Geelbek Restaurant. It has a large stoep for whiling away the hours in the company of friends, three bedrooms and an open-plan kitchen and dining room. Though it does have plug points, there's no television.

◆ **STEYTLER COTTAGE** This self-catering

unit is a smaller, cosier accommodation option and sleeps two people – perfect for a romantic getaway.

◆ **GEELBEK STABLES** These are specifically designed to accommodate large groups of people, like school groups, and offer 62 beds. Facilities include bathrooms with hot and cold water, as well as a kitchen with a fridge, stove, microwave oven and freezer. Groups need to bring their own cutlery, tableware, pots and pans, as well as bedding. There's an outside braai area but firewood isn't provided.

◆ **JO ANNE'S BEACH COTTAGE** This exclusive unit is within walking distance of the lagoon. It has three bedrooms, an open-plan living area, a kitchen and an outside braai area. Each bedroom has an en-suite bathroom with a toilet and shower.

◆ **JO ANNE'S B COTTAGE** This cottage has a large living area, a fully equipped kitchen and a large patio for entertaining. The cottage sleeps four people.

◆ **DURNEPOS CHALETs** There are 11 of these self-catering units near the beach,

*West Coast Magazines Advertorial*

Although mainly intended for adults, aspects of the Media 24 campaign aimed at reaching the 'tweens' market segment (below 13 years of age) and in this way grow brand affinity with future clients. The approach for this segment of the market was educational. In partnership with SANParks Scientific Services and using cartoons and infographics, Tourism Marketing produced compelling and accessible material about the various biomes in the national parks.



DRUM Magazine Advertisement, April 2018

## Travel Trade

Thirty per cent of SANParks' tourism revenue is derived from the travel trade (SANParks' satellite offices and tour operators) which provides the organisation with a vital part of its guest portfolio. Satellite offices are extensions of SANParks' reservation centres and, particularly during peak booking times, provide a crucial service. Tour operators are key to SANParks' access to major international source markets. To sustain tourism revenue and optimise the yield from accommodation, in 2016-17 SANParks changed the terms of its relationship with these strategic partners by revising its travel trade commission. The principles underpinning the changes were to:

- Reduce travel trade commissions at high occupancy establishments.
- Maintain contracted commissions at average occupancy establishments.
- Increase travel trade commissions at low occupancy establishments.

The new regime allows SANParks to achieve average rates as close as possible to rack in its high demand-high occupancy parks and camps, and to attract increased travel trade support for low-demand, low-occupancy parks. Engagements with the travel trade show that there has been little awareness, and therefore appreciation, of these parks. An aggressive educational and familiarisation programme has therefore been put in place to inform the travel trade about these hidden gems. In the period under review, nine educational/familiarisation trips with SANParks' trade partners took place, resulting in increased bookings:

- Nyathi Restcamp at Addo National Park (June 2017): local trade market
- Kruger National Park (May 2017): post-Tourism Indaba tour
- Addo National Park (September 2017): Indian trade market

- Garden Route National Park (January 2018): local trade market
- Golden Gate National Park (February 2018): meetings with African international buyers
- Wilderness National Park (October 2017): local trade market
- Mountain Zebra National Park (January 2018): local trade market

There have also been more frequent sales calls to key accounts in the travel trade. As part of the pitching process, these calls discuss product attributes in detail and therefore also act as product training platforms.



Influencer Marketing

Word of mouth is known to be one of the most effective marketing tactics in travel and tourism, with research consistently demonstrating that consumers are likely to make travel choices based on recommendations from peers and trusted sources. The ability to share travel experiences digitally has increased the speed and frequency of peer recommendations and has become a key marketing lever in the industry.

Influencer marketing is not a new marketing concept but has become widespread in the social media era which allows individuals - by design or default - to establish themselves as thought and opinion leaders in certain spheres and thereby attract large numbers of followers. Such people can reach large peer audiences and “affect decisions of others because of their (real or perceived) authority, knowledge, position, or relationship” (Businessdictionary.com, 2017). This makes them highly attractive to marketers.

It is against this background that SANParks Tourism Marketing selected ten social media influencers from backgrounds and age groups aligned with the identified target demographic and with followings, profiles and personal values aligned with the SANParks ethos. They were provided with authentic and diverse tourism experiences in various parks which they shared with their followers on social media platforms.

This initiative was a resounding success and led to increased social media engagements (shares, comments) on SANParks’ platforms and on the influencers’ SANParks-related posts.

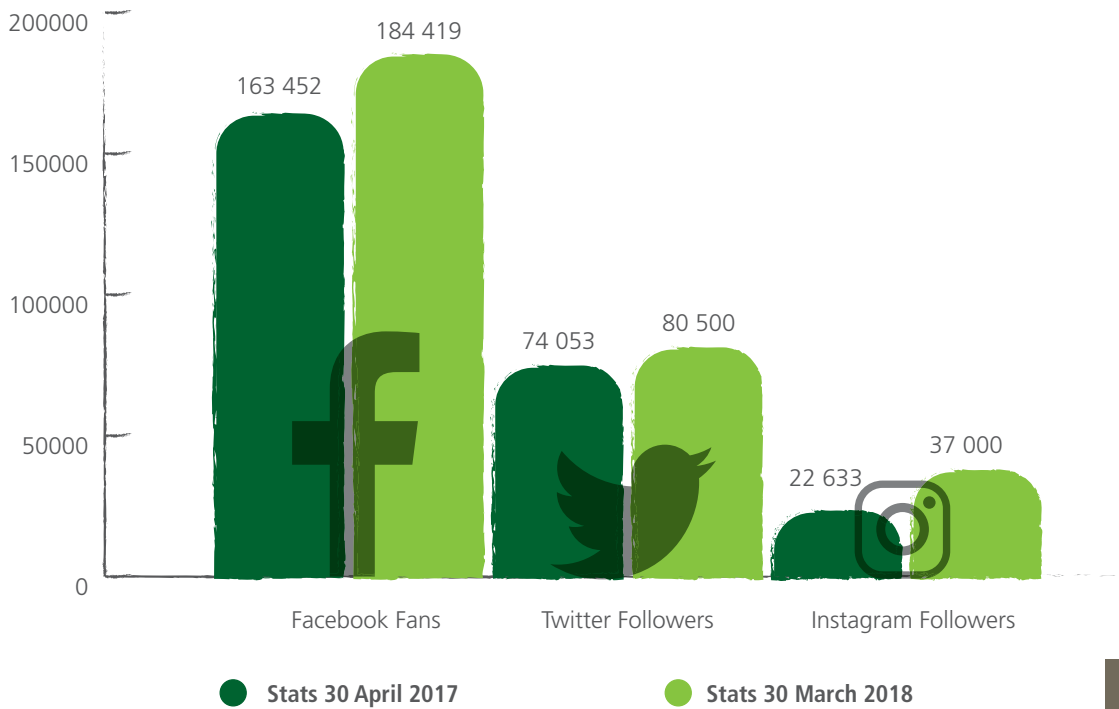
Social Media

Sustained focus on digital marketing has resulted in steady growth in SANParks’ social media presence and this has been used successfully to promote lesser known parks.



Social Media growth YoY, April 2017-March 2018.

Graph 12: Social Media YoY growth





## Visitor Services: Visitor Interpretation

It is widely recognised in the world of eco-tourism and conservation that increased knowledge influences visitors' respect and support for conservation. Using various forms of communication, Visitor Services therefore provides information that helps visitors to enjoy and learn about the sites that they travel to.

## SANParks Podcasts

In partnership with the Communications Unit, Visitor Services launched a SANParks podcast site in June 2017. The podcasts include sound recordings by internal and external experts about wildlife topics such as birding, trees, mammals and reptiles; panel discussions on

issues relating to SANParks; audio tours and profiles of parks and their locations; interviews with SANParks staff; visitor information; Ranger stories; and information about walks and game drives.

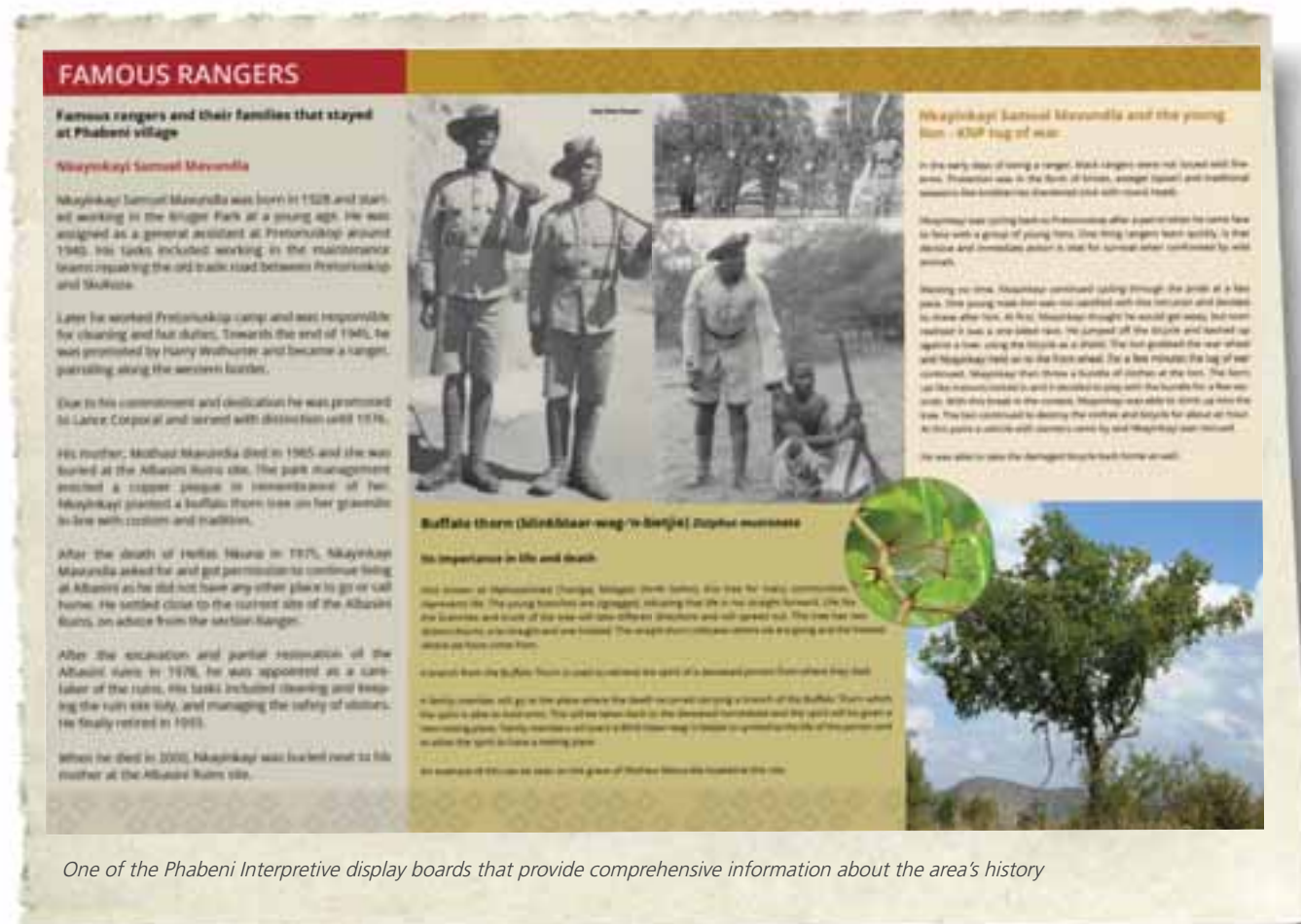
Originally intended to provide audio descriptive material to make SANParks more accessible to visually impaired people, the podcasts are also useful for and popular with sighted people. The following podcasts were recorded during the year and uploaded onto the SANParks website:

- Kruger National Park Visitor Rules
- School learners with disabilities visit Kruger National Park
- Unprecedented Quelea Swarms erupt in Kruger
- Game viewing at Engelhardt Dam
- The Letaba Elephant Hall

- The return of African Skimmers to Kruger after an 80-year absence
- Using the BirdLasser Smart Phone App to record birds in SANParks and contribute to citizen science and conservation.

## Phabeni Interpretation Site

The development of Phabeni Interpretation Site in Kruger National Park, officially opened on 16 May 2017, was made possible by funds raised by the Honorary Rangers, with research and design carried out through a collaboration between SANParks officials and the Honorary Rangers. Guests at the opening included representatives of SANParks, Honorary Rangers and members of the community. The event was particularly honoured by the presence of Willie Nkuna who served in Kruger National Park for most of his working life; part of his story is on display at Phabeni.





*The Letaba Elephant Hall received a major overhaul through close collaboration between the University of the Sunshine Coast (Queensland, Australia), the Honorary Rangers and SANParks.*



### Cultural Interpretation Sites in Kruger National Park

Research and content work on cultural heritage in Kruger National Park took place through collaboration between North-West University; SANParks Honorary Rangers: East Rand Region; the People and Conservation departments of Kruger National Park and SANParks; and Kruger Section Rangers.

Existing interpretive displays were excitingly refurbished and new interpretation sites and storylines, drawing on oral history research in the local communities to create fully inclusive narratives, were developed. In the new financial year, similar work will be carried out at Mount Shikumbu, the Chief Mattafin Grave site and the Rabelais and Campbell huts in Kruger National Park.

### Siyaya Television series

A Memorandum of Understanding was signed to develop a new Siyaya television series using the same theme as the hugely successful prequel Siyaya – Come Wild with Us. Siyaya Africa is a co-production partnership between FOP Films and SANParks and has conceptualised the series to inspire young people to explore, nurture and protect the environment. The original series has been translated into French and is currently being shown in 80 countries and on three international airlines. Future episodes will feature the Richtersveld, Table Mountain, Kgalagadi and Golden Gate National Parks, all selected because of their World Heritage status. Filming, including marketing clips of tourism facilities, has been completed in three of the parks.



*Oompie (Francois Odendaal) with the team of young actors, who explore the Golden Gate Highlands National Park in an episode of Siyaya Africa. The children were selected from communities neighbouring the park.*



## Kgalagadi Interpretation Centres

The interpretive displays in the Kgalagadi rest camps have become outdated and need revitalisation. The Predator Centre at Nossob has an interesting photographic display but, like all such galleries, needs to be refreshed and the dioramas containing taxidermed animals replaced. At Mata Mata, the outdated wildlife murals are often closed to the public and used as a store room.

A previous collaboration between SANParks and Australia's University of the Sunshine Coast resulted in the dramatic redevelopment of the Letaba Elephant Hall. Kgalagadi's two northern camps, Nossob and Mata Mata, are being used to extend the same partnership and are being powered to create an exciting new set of interpretive displays in these camps.

## Park Interpretation Plans

Interpretation is not simply about providing information but about creating awareness among visitors of the importance of caring for and taking responsibility for parks. It is about ensuring that parks are properly utilised and promoting public support for the continued conservation of their assets. Individual park plans allow parks' management to document what is unique about each park and to work to a plan to manage the park and the visitor experience. Plans provide for soft visitor management by influencing enjoyment, attitudes and values through interpretive displays, signage, brochures, websites and podcasts; and hard visitor management through regulating human impact and through physical facilities such as trails, boardwalks and bird hides. The Garden Route, Mokala, Richtersveld, Mapungubwe and Kruger National Park Interpretation Plans have been workshopped, researched and written. The Marakele Interpretation Plan has been reviewed and updated to address current priorities such as the need for interpretation displays at the Lenong view point.

## Guide training

A project proposal to the National Department of Tourism secured R210,643 in funding for guide training at Mapungubwe National Park. During the reporting period, four Field Guides and four Museum Guides received accredited training in Cultural Heritage Site Guiding and Customer Care.

Eighty-six Kruger National Park Guides were trained in interpretation skills by three international experts from the University of Queensland, Australia. An element of SANParks' partnership with the University, the training was provided at no cost.

## National Department of Tourism-funded Signage

The National Department of Tourism provided R600,000 to upgrade signage in the Kgalagadi, Golden Gate and Garden Route National Parks.

## Tourism Research

2017/18 was the final year of implementation of the wide-ranging three-year Tourism Research Agenda 2015-2018 which guided the direction and development of new projects and research questions over the period.

In 2015/16, most projects related to Market and Product Development, Sales, Marketing and Branding. Relatively few addressed Operations, Visitor Management and Interpretation or Biodiversity. A Visitor Segmentation Programme was then designed, and the initial phase implemented in 2016.

The research outcomes from this programme have provided insights into visitors' varying needs, preferences and interests relating to nature-based tourism experiences. This information will be used to strengthen marketing and product development strategies. The first phase of the programme investigated the needs of camping guests;

the focus in 2018/19 will be on the needs of overnight visitors and in 2019/20 on those of day visitors.

The number of research related Memorandums of Understanding increased from two in 2015/16 to eight in 2017/18, held with the following tertiary institutions: Nelson Mandela University; North-West University; Queensland University; Stellenbosch University; Tshwane University of Technology; University of Johannesburg; University of Pretoria and the University of the Sunshine Coast.

The expansion in partnerships with research institutions has allowed for diversity in themes and topics over the past three financial years. In 2016/17 and 2017/18, there was an increased focus on topics related to Responsible Tourism, Sustainable Practices, Community Beneficiation and Cultural Heritage Tourism.

The researchers' fields of study included Tourism and Hospitality Management, Business and Economics, Conservation and Environmental Management and Environmental and Geographical Sciences. Cross-disciplinary research is an important generator of solutions to complex issues such as Responsible Tourism and enables a holistic approach to putting these solutions in place.



Figure 5: Visitor Services 2015/16 - 2017/18



The table below shows the themes and sub-themes of the Tourism Research Agenda and some of the key projects that have been implemented over the past three financial years. These are already contributing, or will shortly contribute, to management decision-making.

TABLE 31: THEMES AND SUB-THEMES OF THE TOURISM RESEARCH AGENDA 2015 - 2018

Theme	Key projects registered 2015 – 2018
Cultural Heritage Tourism	The Potential for Geotourism for Social Sustainability at Kruger National Park (University of Johannesburg).
Tourism benefiting communities	
Responsible Tourism	Understanding sustainable tourism development and responsible tourism practices in Kruger National Park: (University of Pretoria, North-West University and Edith Cowen University, Australia). Sustainable Event Tourism and Conservation in National Parks: Planning Potential and Barriers (North-West University).
Market and Product Development and Sales, Marketing & Branding	South Africa's national parks as a tourist destination from the perspective of the non-traditional market (MarkData & Consumer Conversations). Camping product diversification in national parks (SANParks). A market and competitive analysis for Golden Gate Highlands National Park (North-West University).
Visitor Management & Interpretation	Kruger National Park Traffic Management Stakeholder Perception study: determining solutions for alleviating tourist traffic in the Southern region of Kruger National Park (University of Queensland). The role of wildlife apps in the visitor's authentic nature experience in the Kruger National Park (Tshwane University of Technology). Exploring the potential of astrotourism as a low impact income generating opportunity in SANParks (University of the Free State).
Tourism and Biodiversity Conservation	The impact of poaching on tourism (University of Pretoria). A comparison of place attachment as a cultural ecosystem service in South African National Parks (University of South Africa).
Operations	Developing a Visitor Satisfaction Index for National Parks (University of Johannesburg).

A particular aim of the Visitor Services Unit is to increase the number of studies of stakeholder views and opinions. This information can then be used to address concerns and to co-develop solutions to various management challenges.

One example of such co-development is the Traffic Management Stakeholder Perception study that the University of Queensland's School of Business conducted for Kruger National Park. Participants from nine stakeholder groups took part in a focus group consultative process to reach consensus on perceptions of, and solutions to, the traffic congestions problems in the southern section of the park. Over two weeks in November 2017, 125 participants took part in discussions held in Pretoria, Nelspruit and Kruger National Park. Suggestions and preferences emerging from these discussions about how to solve the traffic management problems were discussed and organised into themes.

The outcome of the meetings showed remarkable stakeholder agreement about where traffic management improvement is required and about the issues that need to be addressed. The consolidated list of the suggestions proposed was used as the starting point of an iterative Delphi consultative process with a larger cohort of visitors conducted online. The Delphi technique is a well-established method of collecting information and arriving at consensus among experts on issues under consideration. After two rounds of the Delphi process, analysis of the over 390 responses to the online questionnaire identified clear actions, supported by all stakeholder groups, that park management could undertake to address the traffic management problems.

There is an encouraging increase in understanding of some themes but there are still critical knowledge gaps. The Visitor Services unit will continue to target these by strengthening research partnerships and, in the new financial year, engaging with multiple stakeholders to reflect on and renew the themes and topics to be researched in 2018-2021.



*Focus group discussion with Kruger National Park stakeholders at SANParks' head office in Groenkloof, Pretoria.*



*Focus group discussion with taxi associations and taxi operators at the Phabeni Environmental Education Centre in Kruger National Park.*



## Visitor Management

### Park Visitor Management Plans

Visitor Management deals with how visitor movement and behaviors are enabled and regulated. It balances nature conservation and visitor satisfaction, which must be visitor orientated, nature-based, provide a good quality of experience and be sustainable and pro-active. Park-specific visitor management plans provide all involved with visitor management with best-practice action plans and templates. These ensure a standardised approach, across all parks, to coordinating, managing, developing, implementing and monitoring visitor management. Each park's plan is researched and workshopped in the context of the overall organisational framework.

### Universal Access

With people with disabilities making up close to 20% of SANParks' visitors, the aim of SANParks' Universal Access (UA) policies is to ensure that parks' visitor-accessible areas are accessible to all, regardless of their physical, sensory or cognitive ability.

This can involve regulating the constructed physical environment and may require staff training and attitudinal shifts. In 2015, SANParks adopted a Universal Access in Tourism protocol as part of its responsible tourism policy and strategy. SANParks is also a signatory to the National Department of Tourism's Declaration on Universal Access in Tourism, signed at the Tourism Indaba in Durban in 2013.

In line with SANParks' UA policies, during the period under review:

- Work was carried out to ensure that one of the new rock cottages in the Mountain Zebra Park complies with required UA standards.
- To attract mobility-impaired visitors, accessibility of the Garden of Eden (Garden Route National Park), Bitterpan Wilderness Camp (Kgalagadi Transfrontier Park), Table Mountain Cableway and the Phabeni Interpretive Displays (Kruger National Park) were profiled in the publication Rolling Inspiration. The RI annual A-Z Guide 2018 for people with disabilities features SANParks in the sections on leisure, travel and accommodation.

- For the fourth consecutive year, SANParks Honorary Rangers (Pretoria Region) carried out their UA project and, in conjunction with staff from Kruger National Park, hosted a group of learners from New Hope School. In previous years, the hosted learners have had cognitive, visual and hearing disabilities; New Hope focuses on education for children with physical and cognitive disabilities, which presented some fresh challenges.

Park staff and the Honorary Rangers excelled themselves and treated the group to visits to the Kruger Canine Unit and Rhino Bomas and some excellent game viewing. The gratitude expressed by the school on the learner's return to Pretoria was an indication of the ongoing success of this initiative, one that could easily be replicated in all parks by all Honorary Ranger regions.



*A learner with physical and cognitive disabilities at the Kruger K9 Dog unit.*

## Corporate Communications

Corporate Communications is SANParks' voice internally to employees and externally to stakeholders. Through its communications strategy, the unit implement plans in the regions where the national parks are located. It contributes to SANParks' reputation in the public sphere, advises on various issues that relate to the mandate of the organisation, manages crises and carries out outreach activities and events in support of SANParks' three strategic focus areas: conservation, eco-tourism and socio-economic development.

### Media Relations

Managing and tracking the organisation's reputation amongst key stakeholders is a key deliverable of the unit's Annual Performance Plan. The organisational target of a 95% positive/neutral reputation rating is monitored by an independent media monitoring company. Substantial effort is expended on proactive media and stakeholder engagements. These include strategic activities such as media excursions and briefings to various parks for product launches or on particular issues of concern. Through press releases, media interviews, opinion pieces and live Facebook chats, the unit works to neutralise potentially contentious issues, correct inaccurate facts and share critical information.

**TABLE 32 : SOUTH AFRICAN NATIONAL PARKS MEDIA REPUTATION RATINGS**

Number of media clips and rating 1 April - 27 MArch 2018		Advertising Value of media Coverage 1 April - 27 March 2018	
Positive	2,883	108,198,908	15%
Negative	1,273	29,514,183	7%
Neutral	14,503	633,079,391	78%
Mixed	1	2,951	0%
	18,660	770,795,434	

## Media Reputation Rating

For the reporting period, SANParks achieved a reputational rating of 93% positive/neutral against its target of 95%. The year's 18,660 media clips had an impressive advertising value equivalence of R770,795,434 and included 2,883 positive clips, 1,273 negative clips and 14,499 neutral clips.

In line with meeting the strategic objectives of effectively managing ecosystems, species and cultural heritage and promoting enhanced tourism awareness and stakeholder engagement, the Communications unit conducted a range of activities:

- Media familiarisation trips to increase awareness and use of national parks, especially those with low occupancy
- Media excursions to showcase SANParks' work in the fight against wildlife crime
- Niche marketing events highlighting SANParks' tourism infrastructure and the activities, such as cultural and musical events, that it is able to host
- Exposure to investment opportunities to indicate SANParks' business partnerships potential
- Corporate social investment activities, including launches of school libraries, to position SANParks as an organisation that cares for the communities neighbouring its parks
- Conservation-related activities such as showcasing the success of the Wild Dog programme in the Kruger National Park which has led to growth in its population.

A five-year partnership with Caxton Media group to produce the quarterly newspaper SANParks came to an end during the financial year. Plans are afoot to look at the continuation of the publication which has become a staple for many park visitors. SANParks continues to enjoy coverage in other Caxton-owned publications.

## Events and Brand Management

Events create awareness and promote tourism, herald conservation efforts and drive messaging about socio-economic development projects with local communities adjacent to the nineteen national parks. Highlights included:

- **SANParks Tourism Investment Summit:** The inaugural summit aimed to present new investment opportunities, attract developers and financiers and profile South Africa's national parks as viable investment destinations.
- **SANParks Wild Cultural Lecture Series:** Held in Mapungubwe National Park, the lectures focussed on the national parks' cultural heritage and its historic and spiritual significance.
- **Delisting of the Cape Mountain Zebra at Mountain Zebra National Park:** Following the successful petition to delist the Cape Mountain zebra from the endangered species list, an event was held to celebrate this conservation success.

- **Khomani San event held in the Northern Cape:** This event was held in celebration of the addition of the Khomani Cultural Landscape to the prestigious United Nations Educational, Scientific and Cultural Organization (UNESCO) list of sites. It is the ninth World Heritage Site in South Africa.
- **South African National Parks Week:** This week is designed to create awareness of the national parks and during the reporting year was celebrated in Golden Gate Highlands National Park. More detail is given below.
- **Kudu Awards:** This ceremony recognises the work of employees and partners in achieving the organisation's mandate and celebrates the natural history and resources of the nineteen national parks. More detail is given below.
- **Golden Classics:** At Golden Gate Highlands National Parks, the park and its tourism offerings were marketed through a classical and jazz music concert.
- **Anti-poaching media excursions and briefings:** These events were held to report successes and raise awareness of SANParks' work to combat wildlife crime, particularly in Kruger National Park.

### South African National Parks Week

This annual campaign, aimed at creating awareness of the national parks, is particularly directed towards Blackvisitors and those who ordinarily would not have the opportunity to visit parks or who are not aware of their cultural and historical significance and the natural heritage and habitats that they preserve. The campaign is in line with SANParks' mandate to educate the public about the parks' facilities, tourism infrastructure, conservation milestones and the social development programme that it champions. With the exception of the Boulders section of Table Mountain National Park and the Namaqua National Park, entrance to all of national parks is free during the week.

Hosted in partnership with Total South Africa and First National Bank, National Parks Week received

extensive media coverage with features on all the national parks on Morning Live on SABC 2, commercial, regional and community radio stations and in publications in the Independent Media, Caxton Media and Media 24 stables. Over 73,500 people took advantage of the free entry to parks, exceeding the previous year's total of 53,000.

### Kudu Awards

The South African National Parks Kudu Awards event was hosted for the 14th consecutive year in partnership with First National Bank and Total South Africa. The ceremony honours and celebrates people whose conservation efforts and national pride are exemplary.

Two major strategic partners of SANParks, First National Bank and Total South Africa have many years of participation in the work of the national parks, including job creation, skills development, training initiatives, empowerment of rural communities neighbouring the parks and assisting all South Africans to access their rich natural heritage.

The awards categories include:

- Corporate
- Non-governmental Organisations
- Media Contribution to Conservation and Eco-Tourism
- Community Contribution to Conservation
- Environmental Education
- Individual Contribution to Conservation
- Professional Stakeholders
- Associated Partners
- Women in Conservation
- Youth in Conservation
- Innovation

## Government Relations and Stakeholder Engagements

Strategic alliances with SANParks' Honorary Rangers, NGOs such as the Peace Parks Foundation, African Parks and various government departments and communities continue to yield benefits for the national parks.

Through Working Group 12 of the Department of Environmental Affairs, SANParks plays a key role in provincial and national government initiatives. The Working Group's activities include planning and hosting events such as:

- World Ranger Day
- International Rhino Day
- World Environment Day
- World Water Day
- International Ranger Day
- World Cheetah Day.

### Social Media





The online space is changing how SANParks interacts with its audiences and user-generated content is driving the online conversation. Social media sites have become a platform of choice for people to engage and transact. Through the SANParks social media strategy, the unit conducted campaigns to encourage occupancy in parks, with day to day engagements. Use of Instagram, the fastest growing of the social media platforms for SANParks, increased followers on the platform by 38% from 22,633 to 36,351. 32,000 people engaged SANParks on its online forum platform. Through Facebook, the organisation shared information, managed issues management and carried out live chats and promotional activities with over 183,000 people while Twitter followers grew by 8% from 73,053 to 80,087.





*The FNB Golden Classics 2017 at Golden Gate Highlands National Park*

TABLE 33: SOCIAL MEDIA STATISTICS: APRIL 2017-MARCH 2018

Network	31 March 2017	27 March 2018	Increase by:	Percentage Increase
	30,846	32,351	1,505	4.5%
	162,452	183,440	19,988	11%
	73,053	80,087	6,034	8%
	22,633	36,351	13,718	38%

Network	Quarter 1 (Apr-June 2017)	Quarter 2 (Jul-Sep 2017)	Quarter 3 (Oct-Dec 2017)	Quarter 4 (Jan-Mar 2018)	Increase by:	Percentage %:
Forum Members	April 2017 30,846	July 2017 31,222	October 2017 31,714	January 2018 31,931		
	May 2017 30,961	August 2017 31,398	November 2017 31,794	February 2018 32,169		
	June 2017 31,074	September 2017 31,545	December 2017 31,931	March 2018 32,351		
<b>Total Growth</b>	<b>+ 228</b> <b>.74% growth</b>	<b>+ 323</b> <b>1.1% growth</b>	<b>+217</b> <b>.68% growth</b>	<b>+420</b> <b>1.5% growth</b>	<b>1,505</b>	<b>4.5%</b>
Facebook Fans	April 2017 163,452	July 2017 168,855	October 2017 173,956	January 2018 178,788		
	May 2017 165,961	August 2017 170,823	November 2017 175,180	February 2018 181,336		
	June 2017 167,558	September 2017 172,774	December 2017 176,425	March 2018 183,440		
<b>Total Growth</b>	<b>+4,106</b> <b>2.51% growth</b>	<b>+ 3,919</b> <b>2.3% growth</b>	<b>+2,469</b> <b>1.42% growth</b>	<b>+4,652</b> <b>2.5% growth</b>	<b>19,988</b>	<b>11%</b>
Twitter Followers	April 2017 74,053	July 2017 77,198	October 2017 79,121	January 2018 79,766		
	May 2017 74,721	August 2017 78,214	November 2017 79,392	February 2018 79,867		
	June 2017 75,612	September 2017 78,670	December 2017 79,654	March 2018 80,087		
<b>Total Growth</b>	<b>+1,559</b> <b>2.11% growth</b>	<b>+ 1,472</b> <b>2% growth</b>	<b>+ 533</b> <b>.67% growth</b>	<b>+321</b> <b>0.5% increase</b>	<b>6,034</b>	<b>8%</b>
Instagram Followers	April 2017 22,633	July 2017 26,554	October 2017 30,271	January 2018 34,032		
	May 2017 23,840	August 2017 27,968	November 2017 31,006	February 2018 35,063		
	June 2017 24,933	September 2017 29,064	December 2017 32,500	March 2018 36,351		
<b>Total Growth</b>	<b>+2,300</b> <b>10.16% growth</b>	<b>+ 2,510</b> <b>9.5% growth</b>	<b>+ 2,229</b> <b>7.36% growth</b>	<b>+2,319</b> <b>68% growth</b>	<b>13,718</b>	<b>38%</b>







## Wild Card Programme



The Wild Card is a loyalty membership programme that brings together Southern Africa's premier national parks and nature reserves. The partner parks are SANParks, Big Game Parks of Swaziland, Ezemvelo KZN Wildlife, CapeNature and Msinsi Resorts and Game Reserves. The Wild Card programme is one of the largest conservation networks with a unified approach to conservation-based eco-tourism, making it the biggest recreational programme of its kind in Southern Africa.

Wild Card membership allows access to more than 80 parks and reserves and is valid for 365 days from the date of purchase. Additional benefits include the award-winning Wild quarterly magazine, e-newsletters, website and social media carrying insightful information about nature, and Wild Events.

## Membership and Revenue

Wild Card Programme revenue increased by 14% to R105,453,000 in the financial year, the first year in which turnover exceeded R100 million. Since 2007/08, it has grown by an impressive 199.4% from R35,224,820. Various initiatives contributed to the revenue increase, most notably the Green Friday campaign on 24 November 2017.

There are now over 88,000 Wild Card members, 2% more than in the previous financial year. The 22,350 Wild Cards issued in 2017/18 included new cards and renewals. The requirement for the Wild Card Service Centre to comply with the Payment Card Industry (PCI) Data Security Standard led to stricter payment processes and negatively affected telephonic transactions which as a result declined by 38% y-o-y.

About two-thirds of Wild Card members are male, mainly aged 50 and older. At around a quarter of the total, Gauteng is the province with the highest membership. Just under 16% of the total are international. In terms of ethnicity, about 35% of members are White and just under 30% are Black(African/Black, Coloured, Indian/Asian and other). Approximately one-third of members choose not to disclose their ethnicity.

## Wild Card Programme Highlights

Wild magazine, the Wild Card Programme's official publication, again excelled at the 2017 SA Publication Forum Awards, winning the Best External Magazine (Category A for large

circulation) for the fifth year in a row. The magazine was also the runner-up for Best Corporate Publication overall. The bi-monthly Wild e-newsletter won the award for Best Electronic Newsletter.

The Wild Card Programme continued to extend its digital footprint, ending the year with 165,515 subscribers to the Wild e-newsletter, an increase y-o-y of 13%. The newsletter has an average opening rate of 26.8%, well above the industry average rate of 15.9%. There were an average of 40, 000 monthly visits to the [www.wildcard.co.za](http://www.wildcard.co.za) website and the programme had 19,073 Facebook followers, 9,659 Twitter followers and 2,050 Instagram followers.

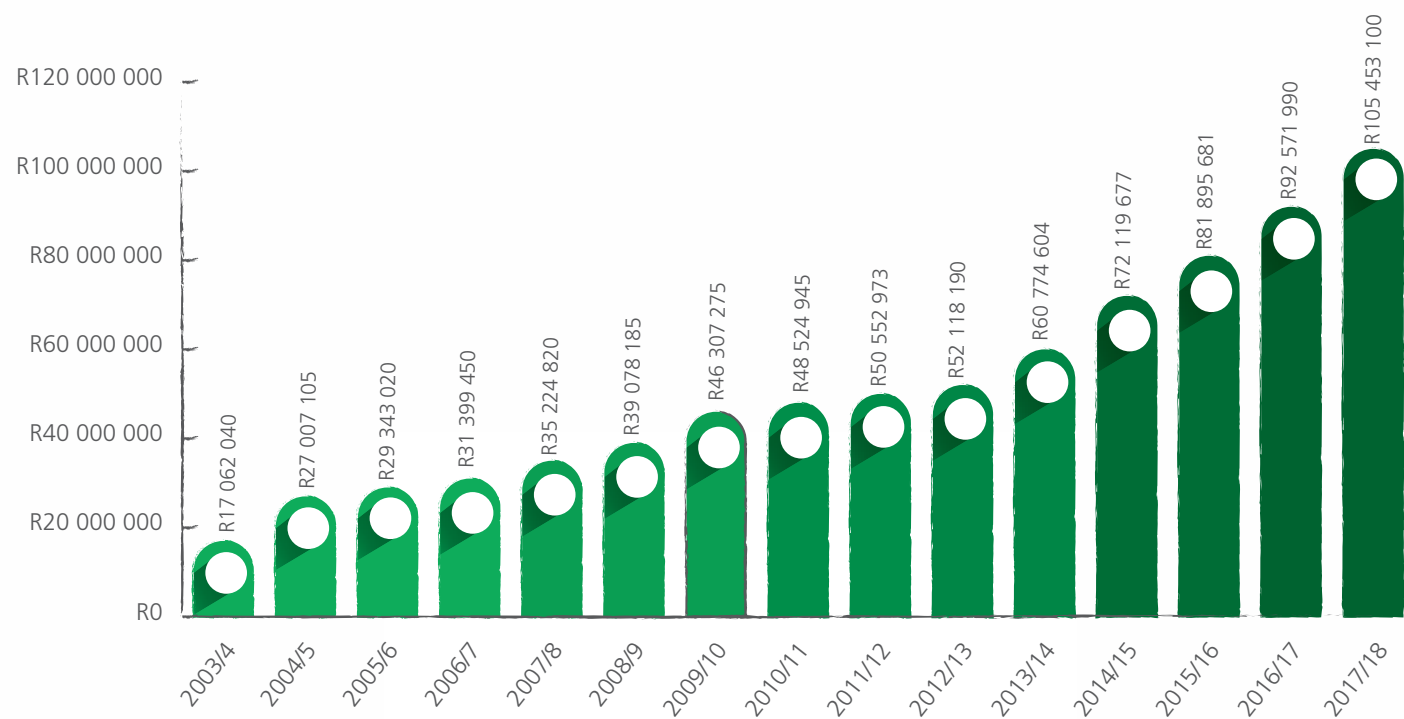
A major event with which the Wild Card Programme was officially involved during the financial year was the launch in September of the Mapungubwe Lecture Series.

SANParks' mandate includes not only protection of the country's flora and fauna but also the nation's spiritual and cultural heritage. To make this important aspect of its mandate better known, SANParks organises a series of annual cultural and spiritual experiences that celebrate the diversity of South Africa's heritage.

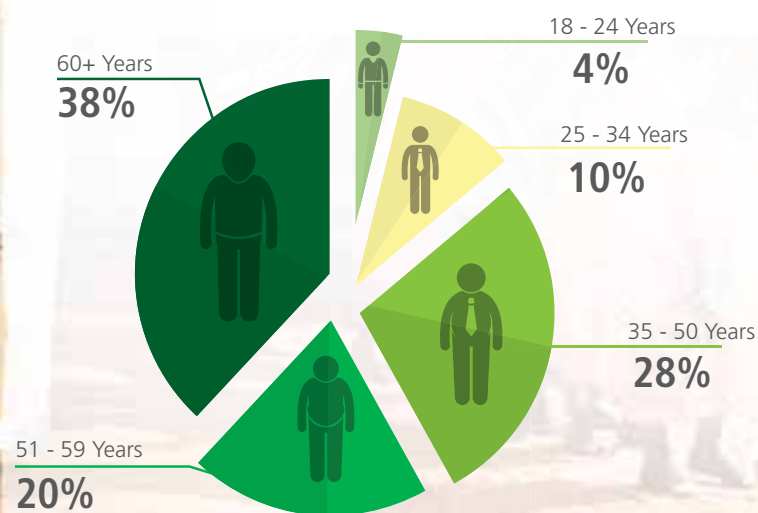
The aim of the Mapungubwe Lecture Series, is to increase understanding and appreciation of Mapungubwe's significance as a heritage site and to bring together leading academics in the field of cultural heritage, anthropology and history.



Graph 13: Wild Card Sales 2003/14 - 2017/18

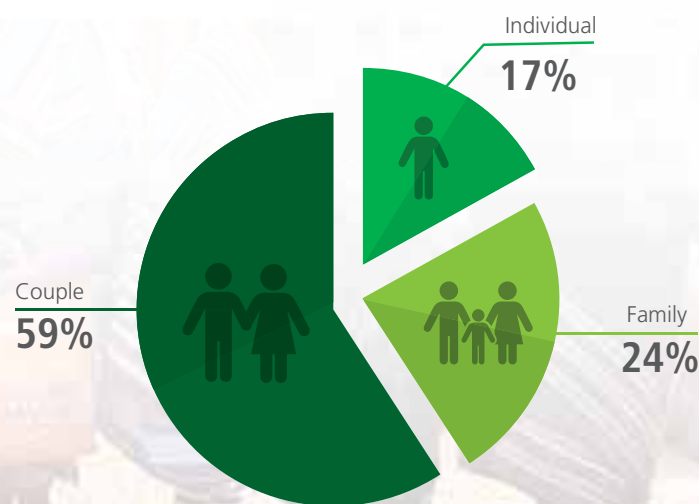


Graph 14: Wild Card Membership Categories



2017/18 Membership Age

Graph 15: Wild Card Membership Age Group



2017/18 Membership Age





# SANParks' role extends beyond nature conservation.

**That's why ours extends beyond banking.**

SANParks does a lot more than manage over 19 national parks across South Africa. They promote responsible tourism, ensuring that as many South Africans as possible benefit both socially and economically from our country's natural assets. So when they looked for a banking partner, they needed more than functional banking solutions. They needed a bank that partners with them in job creation, skills development and training initiatives. A bank that helps them empower the rural communities adjacent to their parks. A bank that actively helps all South Africans access their rich natural heritage. That bank is FNB.

**It's more than just banking to us. That's why we help.**  
Email [publicsectorbanking@fnb.co.za](mailto:publicsectorbanking@fnb.co.za) and switch to FNB.





# The world we give to the next generation must have something left in it



At **TOTAL** South Africa, we believe that our natural heritage is one of our greatest assets. We've made it a priority to instil a culture of pride and responsibility to protect it. That's why we fully support **SA National Parks Week**. From **10 –14 September**, all South Africans will be able to spend a day at a national park of their choice, free of charge.

[total.co.za](http://total.co.za) [sanparks.org](http://sanparks.org)



# News Highlights from Tourism and Marketing

## A Recipe for Success

### Singita Community Culinary School

As a core part of the Singita Concession's Community Partnership Programme, Singita operates the Singita Community Culinary School (SCCS) at Singita Kruger National Park (Kruger National Park). The aim of this school is to give talented young people from the Mnisi and Amashangana Trust areas the opportunity to work towards a career as a chef.

The SCCS opened its doors in 2007 and today offers a rigorous, Singita-crafted professional cookery course, producing 10 commis chefs of the highest caliber each year. Fewer than 3% of applicants can be accepted into this competitive programme but for those who are, a very bright future awaits.

The Community Culinary School is a unique programme that serves to fulfil a real need in the community, at Singita and in the hospitality industry. Graduates from local communities that surround Singita Kruger National Park emerge with highly sought-after skills and a bright future, while kitchens at Singita lodges and elsewhere benefit from a pool of expertly-trained young chefs, ready to climb the ranks.

Students spend time learning the basics in the demo studio which operates as a fully-functioning practical and theory classroom, followed by hands-on experience in the five Singita lodge kitchens in South Africa. Each of the kitchens at Singita Lebombo, Sweni, Boulders and Ebony Lodges and Singita Castleton has its own signature style which helps to cultivate

versatility in the young chefs. This invaluable real-world training combined with their new culinary skills gives graduates the knowledge and confidence to apply for a commis chef position in any professional kitchen. Some are offered positions at Singita while others are snapped up by other lodges in the region. Approximately 60 chefs have found new careers since the start of the programme in 2007, of whom 95% are currently employed.

2017 is a significant milestone, being the school's 10th year of operation. Internationally acclaimed chef Liam Tomlin left his mark on the programme by combining the grounding of the theory with intensive practical training, a significant portion of which took place in Singita's world-class lodge kitchens.

2018 marks the year where Singita's new state-of-the-art SCCS facility was completed. Previously it was located a short drive from the main lodge, whereas now it is situated between the Singita Lebombo Lodge kitchen and dining room and has been constructed in the style of a demonstration studio.

Recently, Tsakane Khoza, aka "TK" ex-student of SCCS, was hand selected due to her passionate dedication and drive, to represent Singita Kruger National Park in the United States for four months. She will have the unique opportunity to work alongside top chefs at the world class Blue Hill at Stone Barns Restaurant outside New York as an intern. This followed only 3 months after TK completed her internship at SCCS.

The SCCS is a significant step towards achieving Singita's long-term, broad community development goal, which is to assist the families who live in and around the reserves to thrive, both economically and socially.



## Universal Access in SANParks – a 2018 reflection

Universal Access (UA) is difficult to quantify with precision. For readers not familiar with the term universal access pertains to creating environments that are accessible to everyone, regardless of physical, sensory or cognitive ability. Sometimes this works easily – for example a ramped boardwalk with kick-plates and guide rail, and easy to understand interpretative signage, is inclusive for most users. But in other instances more focussed adaptation is required, particularly when it comes to accommodation. Also it is not always about physical facilities, but often about staff attitude and awareness.

SANParks has a very sound commitment to providing universal access in our tourism facilities. SANParks has excellent industry compliant protocols on the provision of facilities, there is a genuine commitment from senior management to provide UA, and there are a large number of accommodation, ablution and general use facilities across every park that are created with the intention of being universally accessible.

Visitor's needs vary and SANParks is working toward meeting the specific needs which involve the provision of designated UA units that comply with national and international specifications, and that are accessible and correctly assembled. An example is ensuring toilets are accessible with prescribed grab-rails provided to enable wheelchair users to transfer between wheelchair and toilet, ensuring that unsteady persons balance themselves while seated, or enable frail, injured or pregnant persons to pull themselves into an upright position.

SANParks is in no way unique when it comes to UA, as the tourism sector in general is working towards ensuring accessibility of facilities and accommodation. However such a task is not only for the tourism division to ensure compliance, but also a task that needs to be understood and executed at park level. To persons not acquainted with the intricacies around accessibility, it is very easy to assume facilities are correct or up to standard. Maintenance is another key factor as enabling facilities can often be damaged through age or misuse. But these are challenges SANParks actively works with our guests and experts in the disability sector to address and as an organisation SANParks will continue to champion universal access, and ensure it is an ongoing target.

The most significant SANParks' Accessibility Highlight of 2017-18 was one primarily for staff with mobility impairment. The SANParks' head office in Groenkloof, Pretoria had a lift constructed linking the three levels of the building. This initiative, was under discussion for over two decades and has made a mass different in the organisation central office.





## SOCIO ECONOMIC DEVELOPMENT

SANParks **donated five disease-free buffaloes** to the Matsila Community Development Trust in Limpopo.

**139,668 young people** and their teachers participated in initiatives supported by the **Environmental Education and Awareness** programme.

Six communities signed **settlement agreements** with the Department of Environmental Affairs, the Department of Rural Development and Land Reform and the Commission on Restitution of Land Rights for the settlement of their **land claim** inside Kruger National Park.









## Socio-Economic Development

SANParks' responsibilities include not only conservation and tourism but, through social and economic programme, assisting with the development of communities neighbouring the national parks. The parks' strategic locations in rural areas means that they can play a critical role as catalysts and drivers of local economic development.

SANParks socio-economic development programme are:

- Biodiversity Economy
- Social Legacy
- Enterprise Development
- Environmental Education and Awareness
- Land Claims.

## Biodiversity Economy Programme

The aim of the Biodiversity Economy programme is that historically disadvantaged communities and individuals should benefit from the wildlife and plants found inside and outside national parks. The two main parts of the programme are Wildlife Economy and Bio-prospecting.

Wildlife Economy facilitates access to and ownership of game by communities and emerging game farmers, providing them with opportunities to participate in game and wildlife farming with a focus on stocking, breeding, trading and related eco-tourism. Bio-prospecting supports communities and individuals in deriving economic benefits from selected natural plant species.

## Wildlife donation to Matsila Community Development Trust, Limpopo

In May 2017, SANParks donated five disease-free buffaloes to the Matsila Community Development Trust in Limpopo. The animals are doing well in the boma and will be released into a larger area which will enable their improved management and development when fencing has been completed.



*In May 2017, SANParks donated five disease-free buffaloes to the Matsila Community Development Trust in Limpopo.*





*Game Donation to Khomani San, Northern Cape.*

### **Game Donation to Khomani San, Northern Cape**

During the year, 101 head of plains game, including 47 ostrich, 20 gemsbok, nine Hartman zebra in two family groups and seven red hartebeest were donated to the Khomani San Communal Property Association. The Association received a further 18 red hartebeest at the official launch of the Wildlife Economy programme on 4 October, attended by the Hon. Minister of Environmental Affairs, Dr Edna Molewa.

### **Bioprospecting Programme**

Three Bioprospecting projects, at different stages of implementation, are under way.



### **Lefika Herbarium and Nursery, Free State**

The Lefika Herbarium and Nursery project is a medicinal plant enterprise in the Phuthaditjaba area near Golden Gate Highlands National Park. The project involves propagating and processing medicinal plants at a commercial level on a fenced 15 hectares of land provided by the Tribal Authority. The project is expected to make a profit from its second year (2020) of production. Medicinal species key to the projects are pelargonium and hypoxis, and at least a further six plants will be harvested and/or propagated and processed. Given the prices for processed medicinal plants, the financial benefits from the project are projected to be 75% higher than if the plant material was sold unprocessed.

The project is funded through SANParks' partnership funding with Total South Africa. Evaluation of bids for fencing, storage and shade tunnels was completed in March 2018 and work will start at the beginning of 2019. The budget for the current phase is R1.2 million.

### **Covie Honey Bush Tea Project, Western Cape**

Covie lies within the Eden District and Bitou Local municipalities in Western Cape Province. It is a small rural community of about 70 people and 17 households. Following dispossession in the 1970s, through restitution claims members of the community have regained access to the land. This consists of community land and of privately owned stands of about two hectares per household. Site assessment for the project, to propagate, harvest and sell honeybush tea, has been completed and a draft plan will be finalised in 2018/19. The project is endorsed by the Eden District Municipality.

### Harkerville Medicinal Plant Nursery, Western Cape

Harkerville is located between the towns of Knysna and Plettenberg Bay, within Eden District and Knysna local municipalities in Western Cape Province. Harkerville Medicinal Plant Nursery, aimed mainly at biodiversity conservation, is a community project with 11 beneficiaries. SANParks initiated the project in 2013 after an increase in illegal harvesting of medicinal plants, particularly Rooiwortel, became apparent.

Site assessment of the project has been completed and a draft plan will be finalised and ready for implementation in 2018/19.

### Biodiversity Economy Indaba

In March 2018, SANParks participated in the 3rd Biodiversity Economy Indaba (BEI) in East London in the Eastern Cape.

Thirteen emerging game farmers and various communities involved with biodiversity enterprises were sponsored to attend the

event. In line with the theme of the Indaba, 'Entrepreneurs meet investors', for a thriving and inclusive biodiversity economy, the event provided them with an opportunity to interact with potential investors in wildlife and bio-prospecting and bio-trade beneficiation through conservation and through localisation of wildlife-based industries.

### Social Legacy Programme

Through this programme, which is in line with Government's social development mandate, SANParks provides much-needed facilities to communities adjacent to national parks. 1% of tourism income is set aside for this purpose. This is a special SANParks levy that is then channelled to the Social Legacy programme for community beneficiation.

The focus has primarily been on providing school science laboratories, and the objectives of the programme are being fully realised. The laboratory donated to Sibusisiwe High School, Matsulu, Mpumalanga, in 2015/16 has significantly improved the fortunes of this school which, in 2017, achieved an 80.5% pass rate in physical sciences with one learner

obtaining 100% in mathematics and 99% in physical sciences. The school is the best performing in its circuit and among the top five in the province.

Social Legacy projects initiated in 2017/18 include:

### Multi-Purpose Playground at Welkom Primary School, Northern Cape

In November 2017, a playground for Grade R learners was donated to Welkom Primary school adjacent to Kgalagadi Transfrontier National Park in the Northern Cape. The only playground in the area, it is a contribution to the socialisation and wellbeing of the 120 learners who are benefitting from the project. Its impact was felt almost immediately. This is the third Social Legacy facility donated by SANParks Kgalagadi National Park.



*Multipurpose playground donated by SANParks.*



## Science Laboratories

Three science laboratories are nearing completion at Mbuyane Secondary School in Mpumalanga near Kruger National Park Numbi Gate, Mtiti Secondary School near the same park's Punda Maria gate and Limpopo and Albert Myburgh Secondary School near Agulhas National Park in the Western Cape.

## SMME Enterprise Development Programme

This programme contributes to the development of viable local enterprises through the provision of relevant skills training, coaching, mentorship and support. Plans for the implementation of the Enterprise Development Programme, a partnership between SANParks and FNB, are being finalised. The programme incubates new businesses and provides formal training sessions as well as one year coaching and mentorship for emerging enterprises.

## Eagle Dough Buddies

The Eagle Dough Buddies are a group of five young entrepreneurs from Cork village close to Mkhuhlu in Mpumalanga on the borders of the Kruger National Park. They approached the Kruger National Park Community Investment and Development Unit for support in providing confectionery products to the park's facilities. They were assisted to develop a company profile and were trained on product quality improvement, brand analysis and packaging. The CEO of Tourvest provided market related coaching. The Buddies visited Pretoria and Johannesburg where they visited confectionery and coffee shops, equipment suppliers and bulk buying outlets such as Aroma (Pretoria), Café Dulce, Wiesenhof and FNB. The aim, through exposure to established companies, was to help them to understand product diversification and market segmentation. Their products were exhibited to SANParks ExCo members at the Groenkloof headquarters. The next step is to provide the enterprise with space to exhibit and sell their products, in SANParks outlets where possible.



*Sipho Mabunda and Ramson Mavundla of Eagle Dough Buddies tasting coffee at Foghound in Midrand.*



### Sethuwamajoe Vegetable Enterprise

The Sethuwamajoe Vegetable Enterprise is a development project in Phuthaditjhaba, close to the Golden Gate National Park. It operates on eight hectares of land leased from the Tribal Authority. While it showed potential to develop into a viable enterprise producing vegetables for supply to the local community and to supermarkets, its dependence on rain water meant it was unable to maintain a constant supply. Funding was therefore sourced from Total South Africa for irrigation as well as training in business management skills. The first phase of the project, which included fencing and provision of storage facilities, has been completed. The second phase will provide irrigation. The tendering process for this infrastructure has been completed and work will begin in the new financial year.



*Participants of Kids in Parks programme.*

### Environmental Education and Awareness Programme

In 2017/18, 139,668 young people and their teachers participated in initiatives supported by the Environmental Education and Awareness programme.

#### Kids in Parks Programme

The Kids in Parks programme is a collaboration between SANParks, the Department of Environmental Affairs, the Department of Basic Education and Pick n Pay. The programme provides learners from communities close to the national parks with the opportunity to visit their nearest park for three days of experiential learning.

#### Kudu Green School Initiative

A teacher workshop at Roodeplaat Nature Reserve in April 2017 was attended by 27 teachers from 14 schools who took the opportunity to share skills, improve their understanding of the connections between the environment and the national curriculum and

network with partners who support school-based environmental activities. At Golden Gate Highlands National Park, ten school teachers and pupils from Black, previously-disadvantaged communities in Ekurhuleni, Tshwane and Johannesburg Metropolitan Municipalities took part in the programme.

#### Junior Rangers

Operating in the Agulhas, Karoo and Table Mountain National Parks, Junior Rangers is a programme for young people interested in conservation. The Junior Rangers meet every month in their respective national parks for lessons and experiential training in conservation and once a year attend a camp. The 2017 Agulhas National Park Junior Ranger Level 2 Winter Camp was held at Potberg in the De Hoop Nature Reserve from 12 to 14 July. Table Mountain Junior Rangers had their frogging weekend in August at the Sunbird Environmental Education Centre. The Agulhas National Park Junior Ranger end of

year camp was held from 7 to 9 December at Bosheuwel. Activities included a visit to the Nuwejaars Wetland Special Management Area with talks on conservation and the buffalo breeding programme, sustainable food use and the impact of agricultural production on the environment. Other focus areas included climate change, food gardens, dune fields and middens, Soetendalsvlei and the impact of plastic on the oceans. There were also inputs towards initiating a food garden at Albert Myburgh Secondary School as a Junior Ranger project.



*Junior Rangers in action*

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## Science Unlimited

The People and Conservation Officer at SANParks headquarters attended the Science Unlimited Exhibition, an annual education and awareness project aimed at Grade 5 to 12 learners. The exhibition included curriculum-aligned science, mathematics and technology shows, workshops, demonstrations and science-related career options. Learners from the Hammanskraal area took part in the Science Unlimited Exhibition hosted at Kwalata Lodge in Dinokeng Game reserve during from 23 to 25 May 2018.

## Walk and Learn on the Wildside

Walk and Learn on the Wild Side is a partnership project between SANParks and Total South Africa. It aims to educate Grade 10 and 11 learners in schools adjacent to parks about tourism, exposing them to the many facets of the industry, including job opportunities, as well as getting to know the conservation, cultural and economic advantages of national parks.

The programme included presentations by lecturers from further education colleges and universities and engagement with parks' tourism personnel. During game drives, the learners were exposed to flora and fauna. They also took part in guided walks to tourism touch points such as reception, reservations, activity bookings, filling stations, park curio shops, restaurants and accommodation facilities.



*People and Conservation Officers at SANParks engaging learners.*

The learners and their teachers were expected to provide feedback. Some of their comments were:

**Raphurele High School:**

"We have learned so many things in tourism such as housekeeping, hospitality and also learned that in tourism there's no 'I DON'T KNOW' as an answer. We thank Total SA in conjunction with SANParks for giving this wonderful opportunity to experience nature and be exposed to potential tourism activities and careers."

**Tshomankane Secondary School:**

"We are very thankful to SANParks for affording us the opportunity to come and learn a lot of things that we theoretically learn in class but there we see in reality. We have gained a lot of information that we are going to share with other learners when we go back to school."

**Sedibelo High School:**

"We enjoyed and learned a lot from day one. Marakele staff: thank you very much. Once again we are so grateful and wish the programme to continue to help as many learners as possible because through this programme some learners are pursuing tourism degrees and courses at different universities and colleges. So indeed the programme is yielding good results. We are going to use this park for our conservation club outing."

**Groenvlei High School:**

"It was my first time to set my foot in a National Park. I didn't know that even if you not a ranger you can work in the park doing maybe Human Resources or so."

**Partners- Lephalale Tvet:** "I thought I know tourism until I arrive in Marakele Park, where we learned more."

## Environmental Calendar: Celebrations

**World Environment Day:** the theme of World Environment Day which took place on 5 June 2017 was 'Connecting people to nature'. The day was observed in most of the national parks and staff from Headquarters and from the Department of Environmental Affairs collaborated in marking the day.

**International Day of Biodiversity:**

Richtersveld Transfrontier Park celebrated the day on 20 May with learners and educators from Alexander Bay High School. Kgalagadi Transfrontier Park celebrated the day on

23 and 24 May at Askham Private School and Lutheran Kindergarten; and Golden Gate Highlands National Park took part in the celebrations at Free State National Botanical Garden on 22 May.

**International Museum Day:** the purpose of this day is to raise awareness of the importance of museums. Mapungubwe National Park celebrated the day with Azwifarwi Secondary School on 27 May at Mapungubwe Golden Rhino Auditorium, and Kgalagadi National Park on 18 May at Welkom Primary School.

**Clean Up Campaigns:** in July, Kruger National Park carried out clean-up campaigns in four neighboring communities: Lilydale, Nkambeni, Cock and Ka Masuku.

**World Habitat Day:** this day encourages reflection about the state of our cities and towns now and in the future and about the basic human right to adequate shelter. In 2017, it was observed at Mapungubwe National park and Kgalagadi Transfrontier Park. At Mapungubwe, the celebrations took place at Madimbo Community Hall on 16 November and at Kgalagadi at Welkom Primary School and Twee Rivier Hall from 16 to 18 October.



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**Marine Week:** on 12 October, Addo National Park celebrated Marine Week at Toise Primary School with a presentation to learners about marine conservation. It highlighted the importance of the marine environment, the threats that it faces and marine career opportunities.

**Weed Buster Week:** the aim of the week is to increase awareness of invasive alien plants and promote community initiatives to manage and contain them. Augrabies Falls National Park celebrated the week by welcoming school groups to the park on 2 and 5 October. During these visits, the learners were made aware of invasive plants in their area and the impact that they have on the environment.

**World Wetlands Day:** staff from Table Mountain National Park and the SANParks Biodiversity Special Projects Unit collaborated with the City of Cape Town, the Department of Agriculture and Fisheries and community leaders in a Wetlands Day outreach programme in Masiphumelele, Cape Town, Western Cape, on 2 February 2018. Forty young people participated.

In partnership with the Department of Environmental Affairs and the Department of the Environment, Northern Cape, the Namaqua National Park Working for Wetlands teams marked the day at the Paulshoek Methodist Primary school on 9 February. The focus was on wetlands as a resource vital to a region where drought makes education about water essential. Biodiversity Special Unit teams organised a poster competition for the learners.

## Land Claims Programme

A number of communities have lodged claims for parcels of land within national parks. Some of the claims are still being verified; in other cases, the process has been completed and settlements effected. As part of the settlement agreements, SANParks has committed to develop and implement a programme that will enable claimant communities to receive

specified benefits. Settlements of claims differ between national parks depending on the nature of the claim and the negotiated agreement. Progress on land claims in 2017/18 was as follows:

### Kruger National Park Land Claims

In May 2016, six communities signed settlement agreements with the Department of Environmental Affairs, the Department of Rural Development and Land Reform and the Commission on Restitution of Land Rights for the settlement of their land claim inside Kruger National Park. The settlement consisted of two phases: monetary compensation (first phase) and development and implementation of a beneficiation scheme (second phase).

Substantial progress has been made in implementing the first phase, with 98% of the claimants in Limpopo Province having been paid. Due to fraud in the verification process, one community in Mpumalanga has not yet been paid; pending the claimants forming a legal entity and the appointment of a fund manager, the equitable redress amount (the land value of the claim) has been lodged in six accounts forming a holding account.

Development of the second phase (the beneficiation scheme) requires ensuring that all parties are in agreement with its context and contents. The scheme is defined as the claimants' acquisition of direct and indirect benefits from potential opportunities. The relationship between SANParks and the flow of benefits from Kruger National Park to the claimants will be through an agreed individual and community joint legal entity or entities. The communities agreed to place their development funds in an interest-bearing account at ABSA bank before individually and jointly deciding on a preferred fund manager or managers.

A legal firm provided *pro bono* training on different types of legal entities and their benefits and risks, and has offered assistance with the registration of the community legal entities.

Ngirivane, Ndindani, Muyexe and Madonsi, four of the six communities, are now ready to sign the beneficiation scheme with SANParks. The benefits include share equity from the affected concessionaires. Mhlanganisweni and Mahashi, the other two communities, have requested a review of the settlement agreement to include their rights and benefits; this request is being considered.

The process of developing an agreement on a global beneficiation scheme acceptable to SANParks and claimants has also started. It is anticipated that the agreement will be reviewed every ten years in line with the Park Management Plan.



## Establishment of the Project Management Unit

Section 6 of the settlement agreements calls for all of the parties and the management authority to establish a project management mechanism to oversee the development and implementation of the beneficiation scheme in respect of the land claims lodged against the Kruger National Park. A Project Management Unit has now been established with all claimants actively participating.

## Golden Gate Highlands National Park

The SANParks Board approved the settlement model for claims relating to this park; this included de-proclamation of 1,800ha. In exchange, the Department of Rural

Development and Land Reform will transfer two properties to the National Department of Public Works for use by SANParks. The Department of Land and Rural Development has submitted a letter to the CEO of SANParks confirming the claimants' agreement with this model. Submission will be made to the Minister of Environmental Affairs to initiate a Cabinet process to de-proclaim the agreed land.

## Namaqualand National Park

In December 1998, the Hondeklipbay community lodged a claim for restitution of land rights with the Northern Cape Regional Land Claims Commission. The claim was for various properties within the Namaqua National Park consisting of land owned by SANParks and De Beers Consolidated Mines.

The claim was accepted as valid by the Regional Land Claims Commission and 54 households were verified as having lost rights to the land. SANParks' Board has approved endowing the claimants with a portion of the farm Graskom. They are to be registered as a legal entity before the donation process can be finalised. Confirmation by the claimants, which will lead to the conclusion of this process, is pending.



*Chief Ndindani and Chief Nwadezekudzeku discussing the role of Traditional Authorities.*



*Madonsi Community Executive leader with the rest of the beneficiaries.*



*Information sharing workshop with leaders of the community beneficiaries.*





FLOWER SEASON IN NAMAQUA NATIONAL PARK



# News Highlight from Socio-Economic Development



KIDS IN NATURE

## FIRST impressions

For a group of learners from rural schools, a first trip to Kruger is full of memorable moments and, hopefully, life-changing lessons about conservation.

By Joël Roberg

SANParks' Arthur Maseru leads a group of kids in an adventure in the Kruger National Park.

**T**he duck took 30 paces of feet settled behind the youngsters as they raced across the soccer field, laughing and running. At first they had looked nervously at the pile of elephant dung on the sidelines of the dry field and peered anxiously into the meadow wild for the subjects. A few minutes into the first of many games though, and these learners from Pieneka School in Limpopo relaxed enough to really start having fun.

An armed ranger was nearby in case an elephant did wander past the field on the edge of the Letaba staff village in Kruger National Park but Environmental Education officer Athan Mkhomo confirmed it happens rarely. "The noise of the kids generally keeps them away."

For most of the children in the field, it would be their second ever sighting of an elephant, despite living within 30 kilometres of the park. Their first had been the previous day on their drive into Kruger. They also saw wild dogs, hyenas, buffaloes, impalas and giraffes, they quickly confirmed around the breakfast tables in the camp's day visitors area, before piling into the Kala in Parks bus for the short drive to the field.

"It's important to physically engage the children in learning," said Athan, who was hosting this group along with Eunice Bakos. Together they have about 20 years of experience teaching youngsters about conservation. Soon, some of the girls were trying to build a pyramid of bits, while two boys attacked their efforts with a ball. "This is nature, constantly being attacked by humans," explained Eunice as the girls tried to stack the parts of the pyramid in the right order, starting with things such as soil and water and ending with apex predators at the top. Then it was the boys' turn to try and make sense of biodiversity and the connections between plants, mammals, birds, fish, insects and reptiles.

"When children begin to see, through their interaction with the environment, how conservation works, abstract ideas like biodiversity and sustainability become more concrete and easier to understand," said Maria Moko, SANParks' Manager for Environmental Education. "If you've never been to a national park, why should you care about it? This is a very real question in communities living close to protected areas."

For some of the children, it's a life-changing experience.

SUMMER 2015/16 WILD PS

WILD STORY COURTESY OF TIP AFRICA PUBLISHING.

## KIDS IN PARKS

ates, so he returned from their day-to-day lives that it makes a huge impression on them. Learning about the pyramid of life was Maitsoha Maitsoha's favourite activity. "I will tell people back home that Kruger is a conservation area. It protects wildlife and natural resources. I wish that one day I will become a ranger in order to fight against poaching."

"I loved the scavenger hunt around the camp," said a grinning Hlengiwe Ntshweni. "And I really like that I learnt that elephants have no sets of teeth to chew food," clearly impressed by her visit to the renowned Loteni Elephant Hall.

"We encourage their excitement by giving the learners a certain amount of freedom and making learning fun. We want their experience of Kruger to be positive, so the seed is planted for future environmental education," explained Kirsty Radman, interpretive officer for Kruger's Nsanetseni Region.

"This is a partnership programme that has been running for more than 10 years now and has inspired a lot of inspiration," said Maitso. It mainly caters for learners who have never had the chance to visit protected areas, despite living adjacent to them. "In certain instances,

some of the schools or communities were involved in environmental education programmes but rarely got the chance to stay overnight," she explained.

A typical Kids in Parks programme includes game drives, cultural heritage components and the kind of creative, monthly themed games that the Pretoria learners, mostly from grades five to seven, have been enjoying. "We also get some of our most heart-warming feedback about the experience of staying in a tent with their own bed and getting those bush meals a day," Kirsty added.

"The underlying motivation is the urgent need to ensure that communities adjacent to national parks can access and benefit from them, while internalising conservation values. With this in mind, the Kids in Parks programme also equips educators with a guide linked to the national curriculum that they can use in their classrooms. "In Kruger, we put a big emphasis on educating teachers. If we can get the teacher to understand how the environment can be brought into the curriculum so that they can carry it on at a school level, I feel we have done a good job. We have met amazingly dedicated teachers along the way," said Kirsty. ■

### Parks for the people

In the 2015/16 financial year, 215 388 learners took part in park-based environmental education and awareness programmes. They got to see elephants in Kruger, learn about the intricate web of life in the Kgalagadi and hike through Golden Gate's spectacular landscape.

In addition to the Kids in Parks programme, SANParks offers environmental education to groups of schools, churches and communities through overnight stays, a day-visit, or a three-day visit to a national park.

Some of the initiatives that are contributing to the SANParks' Environmental Education Programme are Kulu Green School Initiative and Kids in Parks. During school holidays, when there is a higher influx of learners to the national parks, an Environmental Education Programme targets not only scholars, but also the general public. The Indwepi Youth Project aims to promote indigenous cultural knowledge and takes the form of wilderness camps led by wise elders from local communities.

*Sponsored: The Kids in Parks programme teaches environmental principles through fun at Kruger.*

04 Wild Stories & Journeys



A group of girls is trying to build a pyramid of life. "This is nature, constantly being attacked by humans."

WILD STORY COURTESY OF TIP AFRICA PUBLISHING.



A person with short dark hair, wearing a blue long-sleeved shirt, is seen from the back, standing in front of a dark grey chalkboard. A large, expressive white chalk stroke is drawn across the board, partially obscuring the text. The scene is set in a room with wooden furniture, including a table and a chair, visible in the foreground and background.

# PART C

## HUMAN CAPITAL MANAGEMENT





The support provided by Human Capital Management division is aligned to the SANParks Strategic Plan, and responds to Strategic Objective 9: Adequately skilled, transformed and diverse human capital and Strategic Objective 10: Conducive working environment.

The division provides support to the organisation through five the following five functional units:

- Talent Management
- Benefits Administration and Organisational Design
- Learning & Development and Performance Management
- Labour Relations and Transformation
- Employee Wellness and Occupational Health and Safety

The Human Capital Management Strategic Plan which was developed and approved in the period under review, ensured that the basic systems in terms of Human Capital Management are in place and those existing are enhanced. The strategy also seeks to enhance the function of Learning and Development.

## Organisational Redesign

During the period under review, SANParks' organisational design underwent a major review to ensure that it is aligned with a strategy that is affordable and fit for purpose. A service provider was appointed to assist with this process which is the continuation of the Organisational Design (OD) Review Phase 1 that was finalised in the previous financial year, and focused particularly on ensuring compliance with labour legislation. Further developments that form part of Organisational Design Phase 2, are expected to have the following outcomes:

- An organisational design that supports implementation of the organisational strategy and is supported by operational systems

- An overarching organogram and an establishment table
- A change management and implementation plan
- The following have been achieved:
  - ✦ A situational analysis has been conducted
  - ✦ A draft macro structure has been finalised and approved
  - ✦ Process mapping and analysis have been conducted for Human Capital management (HCM), Supply Chain Management (SCM), Call Centre, Wild Card, Customer Care, Tourism Standards, Internal Communication, Hospitality Services and Golden Gate Hotel.

## Learning and Development

Through capacity building, SANParks aims to ensure that the organisation's employees are not only appropriately qualified but are continuously developed further. During the reporting period, SANParks spent R13.4 million, or 1.4% of payroll, on skills development programme. SANParks achieved 72% of training planned compared with the

legislated target of 60%. This is reflected by the 1695 staff members who took part in technical and non-technical short learning programme, workshops, seminars, on the job training and seminars.

Fifty dependents of staff members were provided with financial assistance towards learning and training, and 76 staff members received bursaries to enable them to study. During the year, through Memoranda of Understanding (MOUs) SANParks formalised its partnerships with higher education institutions (HEIs) including Tshwane University of Technology, University of Mpumalanga and the South African College of Tourism. These arrangements enable students from the HEIs to take part in work-integrated learning in various parks.

One of the core components of the SANParks Skills Development Programme is Ranger Corps training which includes:

- Environmental Monitoring Inspector Training
- Firearms Training
- Diploma in Basic Traffic Management.



*Graduate Internship Mentor - Mentee Programme.*



## Leadership Development

SANParks' success depends on effective, strategic and diverse leadership and the organisation is committed to building leadership that will adapt to changes in the globally competitive environment. During the year, 54 middle managers on the Paterson D3-D5 bands from various divisions took part in a customised Management Leadership Development Programme (MLDP) provided in partnership with the Business School of the University of the Witwatersrand.

Delegates attended lectures in block release at the Kruger and Wilderness National Parks in two cohorts; topics included Analytical Skills, Decision Making, People and Change Management, Accounting and Finance, Strategic Management, Communication Skills and Service Management. The programme included syndicate-based action learning projects focusing on organisational challenges and devising solutions which were shared with ExCo during the final week of the programme.

SANParks also benefited from an initiative by the Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority (CATHSSETA), through collaboration with the University of Pretoria's Gordon Institute of Business Science through a Global Executive Development Programme, three of SANParks' senior managers were awarded this opportunity.

## Internship Programme / Work Integrated Learning Programme

The division has reviewed SANParks' internship and learner numbers. The learner pipeline has been increased to 125 people (3% of total employees) from 60 (1.5% of the total). This larger output will be achieved through signed partnerships with higher learning institutions. In 2017/18 interns and their mentors attended a mentor/mentee training programme. This was beneficial for both groups and provided valuable input into the internship programme for the future.

## Growing and grooming the science function in SANParks

The Grow & Groom initiative was developed within SANParks' Scientific Services to promote reflective learning about, and ongoing improvement of, the performance of SANParks' in-house science function. Growing refers to nurturing individuals so that they can achieve their full potential while grooming refers to learning from and with each other so that individual talents are blended into a cohesive capability.

During this reporting period, duplicate events offered the scientists the choice of Skukuza, in Kruger National Park, or Rondevlei in the Garden Route, as geographic location. This was the first time that they have been divided into two geographically separate groups. Some preferred the smaller group's agility while others preferred a greater mix of voices. The events took place in January and February 2018 and included reflections on the past year, horizon scanning and identifying broad research themes to help inform the development of a research strategy for SANParks.



*Management Leader Development Programme Graduates.*



As has become characteristic of Grow & Groom events, these opportunities for face-to-face meeting resulted not only in stimulating discussions and knowledge sharing but also valuable socialising during game drives or beach walks.

The term 'deep work' was introduced, referring to the time and immersion necessary for productive thought rather than dwelling on the surface, with the instant access to distractions that are so familiar. It was suggested that tourism, a vital component of SANParks' business, should embrace research that examines biodiversity trade-offs, costs and benefits and evaluates risks using approaches similar to natural resource use.

## Employee Wellness Programme (EWP)

The workplace provides opportunities to improve the quality of life and well-being of employees, their families and their communities. Through a partnership with Metropolitan Health, 428 employees participated in SANParks' employee wellness programme. Analysis of the reasons why employees seek the assistance of the Wellness programme shows that the single largest factor (30%) is family-related issues followed by stress (15%) and psychological issues (14%).

Wellness events, held across SANParks, aimed to educate, share information and communicate with employees about healthy lifestyle choices and changes. The healthy living programme

presented were:

- Health Screening
- Breast and Prostate Cancer Awareness
- Condom/STI Awareness Week
- Financial Awareness
- Retirement Preparation
- Anti-Stress Relief
- Sick Leave Awareness
- Men's Health
- Tax Filing
- Blood Donation Drive
- Mental Health Awareness
- World Aids Day and HIV & AIDS testing
- 16 Days of Activism against Children and Women Abuse
- Burnout out Workshop for Ranger Wellness
- Candlelight ceremony and HIV & AIDS testing
- Malaria Screening
- TB Awareness and Screening
- Substance Abuse Workshop

Despite the fact that SANParks employs more men than women, 57% of those making use of the programme were female and 43% male. It is, however, the norm that more women than men make use of employee wellness programme.

## Salaries and Condition of Service Negotiations

The 2017/18 joint salaries and conditions of employment negotiations with the Health and Other Service Personnel Trade Union of South Africa (HOSEPRSA) and the National Education Health and Allied Workers Union (NEHAWU) after seven days' strike action yielded positive results.

Issues agreed included:

- 7.1% across-the-board increase for all employees in service before 1 April 2017, inclusive of 1% pay progression
- 0.4% ex gratia payment to employees whose salaries were at the maximum on their salary scales
- 6% adjustment of allowances such as danger, dog handler, night shift and special danger
- Extension of the bargaining unit to include C Band employees.

## Trade union membership in SANParks

There are four recognised unions in SANParks. The following table lists them and their memberships. Despite short-lived strike action by HOSPERSA, SANParks maintained a healthy relationship with the unions. The stability and labour peace are evident in the meetings between shop stewards and management that enable management to engage with the employees through their representatives. Sixty-one of the 75 constituencies in the various parks are active, with meetings taking place regularly. This encourages dialogue, democratises the workplace and reduces grievances by attending proactively to employee concerns.

To strengthen the relationship with the trade unions, 72 shop stewards attended accredited shop steward training aimed at capacitating them in understanding their role. This should assist SANParks and its employees in future engagements.



TABLE 34: RECOGNISED UNIONS IN SANPARKS:

Trade Unions	Total Membership	% of the total staff complement
Health and Other Personnel Trade Union of South Africa	1,984	50%
National Education, Health and Allied Workers Union	949	20%
South African Commercial, Catering and Allied Workers Union	25	1%
National Union of Public Service and Allied Workers Union	103	3%

TABLE 35: HUMAN RESOURCES OVERSIGHT STATISTICS

Objective Programme / activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	No. of employees	Average personnel cost per employee (R'000)
	R997,684,474.30	100.00%	4,258	R234,308.24

The table below shows the financial amounts processed through the Sage VIP system. These include subsistence and travel and kilometre claims. The total in 2017/18 was R88,244,066.29 more than the R909,440,408.01 for 2016/17 for the following reasons:

- Annual salary increment (6% increase for employees on A to C Paterson grades and 5% for employees on D to F Paterson grades)
- 6% tool of trade increment
- 1% increase for pay progression
- Ex gratia and annual leave payments due to voluntary early retirement
- Housing allowance increase for A band employees from R1,550.64 to R1 794.40.

TABLE 36: PERSONNEL COST BY SALARY BAND

Occupational Level	Personnel Expenditure	% of Personnel Expenditure to total personnel costs	Number Of Employees	Average personnel
F - Top Management	R12,697,611.11	1.27%	8	R1,587,201.39
E - Senior Management	R64,575,336.99	6.47%	59	R1,094,497.24
D - Middle Management	R209,229,170.88	20.97%	315	R664,219.59
C - Junior Management	R169,758,779.91	17.02%	593	R286,271.13
B - Semi Skilled	R332,332,673.78	33.31%	1,855	R179,155.08
A - Unskilled	R209,090,901.63	20.96%	1,428	R146,422.20
Grand Total	R997,684,474.30	100.00%	4,258	R234,308.24

TABLE 37: PERFORMANCE REWARDS

Programme //activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	R772,374.28	R12,697,611.11	0.06%
Senior Management	R1,250,989.08	R64,575,336.99	0.02%
Professional qualified	R4,685,275.95	R209,229,170.88	0.03%
Skilled	R2,611,465.65	R169,758,779.91	0.02%
<b>Total</b>	<b>R10,267,649.19</b>	<b>R456,260,898.90</b>	<b>0.13%</b>

TABLE 38: TRAINING COSTS

Programme / activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg. training cost per employee
Skills programme	R 997,684,474.30	R 13,449 939.90	1.48%	1695	R 7,935.06

TABLE 39: EMPLOYMENT AND VACANCIES

Occupational Level	2017/18 number of employees	2017/18 approved Posts	2017/18 number of employees (filled posts)	2017/18 vacancies	% vacancies
F - Top Management	7	8	7	1	12.50%
E - Senior Management	51	55	51	4	7.27%
D - Middle Management	298	347	298	49	14.12%
C - Junior Management	548	638	548	90	14.11%
B - Semi Skilled	1,736	1,895	1,736	159	8.39%
A - Unskilled	1,358	1,456	1,358	98	6.73%
<b>Total</b>	<b>3,998</b>	<b>4,399</b>	<b>3,998</b>	<b>401</b>	<b>9.12%</b>

TABLE 40: EMPLOYMENT CHANGES, 2017/18

Salary Band	Employment at beginning of period (31 March 2017)	Appointments	Terminations	Employment at end of the period (31 March 2018)
F - Top Management	6	2	0	7
E - Senior Management	50	5	8	51
D - Middle Management	304	10	18	298
C - Junior Management	549	20	37	548
B - Semi Skilled	1,793	75	112	1,736
A - Unskilled	1,365	90	89	1,358
<b>Total</b>	<b>4,067</b>	<b>202</b>	<b>264</b>	<b>3,998</b>



TABLE 41: REASONS FOR STAFF LEAVING THE ORGANISATION, 2017/18

SANParks is in the process of reviewing its organisational design; only critical positions vacated have been filled.

Reason	Number	% of total no. of staff leaving
Death	24	9.1%
Resignation	62	23.5%
Dismissal	54	15.9%
Retirement	123	46.6%
Ill health	12	4.5%
Expiry of contract	0	0.0%
Other - Absconded	1	0.4%
Total	264	100.0%

TABLE 42: LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

NATURE OF DISCIPLINARY ACTION	Number
Verbal Warnings	22
Written Warnings	365
Second Written Warnings	07
Final Written Warnings	99
Dismissals	54
Total	548

TABLE 43: EQUITY TARGETS AND EMPLOYMENT EQUITY STATUS: MALE, 2017/18

	African		Coloured		Indian		White	
Levels	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	4	1	0	0	0	1	1	2
Senior Management	11	16	5	6	1	1	15	16
Professional qualified	74	86	24	22	5	7	76	80
Skilled	195	202	58	53	1	4	36	40
Semi-skilled	999	959	253	292	1	1	14	22
Unskilled	657	740	49	54	0	0	1	1
Total	1,940	2,004	389	427	8	14	143	161

TABLE 44: EQUITY TARGETS AND EMPLOYMENT EQUITY STATUS: FEMALE

	African		Coloured		Indian		White	
Levels	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	2	0	1	0	0	1	1
Senior Management	10	10	3	2	2	0	4	4
Professional qualified	51	56	16	19	3	8	46	47
Skilled	176	163	40	45	2	8	40	53
Semi-skilled	334	306	114	128	2	9	18	29
Unskilled	571	573	79	108	0	4	1	2
Total	1,143	1,110	252	303	9	29	110	136

TABLE 45: EQUITY TARGETS AND EMPLOYMENT EQUITY STATUS: COMBINED

	Male		Female	
Levels	Current	Target	Current	Target
Top Management	5	4	2	4
Senior Management	32	39	19	16
Professional qualified	179	198	116	130
Skilled	290	299	258	270
Semi-skilled	1,267	1,274	468	473
Unskilled	707	795	651	687
Total	2,480	2,609	1,514	1,580

TABLE 46: TARGET VARIANCE EXPLANATION

Occupational Level	Male	Female
Top Management	Target met	Target not met due to non retention of top management
Senior Management	Target not met due to non retention of senior management	Target met
Professionally Qualified	Retention of Black staff - focussed recruitment to achieve targets	Retention of Black female staff – focussed recruitment to achieve targets
Skilled	Retention of Black staff - focussed recruitment to achieve targets	Retention of Black female staff – focussed recruitment to achieve targets
Semi-skilled	Not met	Not met
Unskilled	Not met	Not met

## SANParks Women's Forum

SANParks is an employer of choice, an organisation that promotes transformation and diversity as an integral part of its business strategy. One of the most fundamental components of diversity is the advancement and equitable representation of women at all management levels, especially at decision-making levels. As a consequence, the SANParks Women's Forum was officially launched on 8th March 2016 at the Pretoria Botanical Gardens. This historic milestone was well attended by women employees from across SANParks.

The main function of the forum is to identify and develop strategies that can be adopted by the organisation; to implement interventions which will advance women's course in the workplace; and to accelerate gender transformation in order to achieve gender equality throughout the organisation.

The forum upholds the principles of open dialogue, fairness, mutual respect, honesty, sensitivity to women's dual role and ensuring that women are empowered and participate meaningfully in SANParks activities and decisions.

The Women's Forum is a voluntary structure that is established with members who participate voluntarily based on their interest in and passion for women's issues and transformation in general. Women's fora have also been established in Kruger National Park and in most parks regions.

The Chief Executive Officer of SANParks signed a statement in support of the Women's Forum Pledge towards #PressForProgress on International Women's Day.

## People living with Disability Forum

In December 2016, SANParks officially launched its People living with Disability Forum. The forum was launched in line with the International Day for People living with Disability celebrations which is celebrated

annually on 3rd December around the world. The launch emphasised SANParks' seriousness in recognising and respecting the rights of its employees living with disabilities thereby creating an environment that is inclusive, accessible and nurturing for all employees.

The Forum is tasked with a mandate of actively promoting the rights of persons with disabilities in employment, identifying and managing barriers to equal access to opportunities, career advancement and retention and ultimately creating a non-discriminatory and inclusive workplace culture.

The People living with Disability Forum in collaboration with the Central Employment Equity and Skills Development Forum, with the support of the Managing Executive Parks, contributed significantly to the successful installation and current operation of an elevator at head office.







WEST COAST NATIONAL PARK



# PART D

CORPORATE GOVERNANCE

## Board of South African National Parks

The governance principles and the main duties of the Chairperson, committees and Chief Executive Officer are clearly documented. The Board has adopted a Board charter and charters for its committees. A governance framework is in place to ensure compliance with the principles of good governance.

The Board provides leadership and strategic oversight, and oversees the internal control environment. To support it in carrying out its oversight role, it has delegated certain responsibilities to appropriate Board committees.

The Board subscribes to the principle of effective management of conflicts of interest and believes that fundamental conflicts should be avoided. To prevent a member's personal interests taking precedence over those of SANParks, at each Board and committee meeting members declare any interests they may have regarding any agenda item. They also fill out a declaration of interest form. Those who have personal interests in a matter under discussion disclose their interests and recuse themselves from the meeting. For the period covered by this Annual Report, no Board member declared having interests regarding any of the agenda items tabled at Board or committee meetings.

The Board Secretary is responsible for advising the Board on corporate governance issues and for monitoring compliance with the Public Finance Management Act (PFMA), No. 1 of 1999, relevant sections of the National Environmental Management: Protected Areas Act (NEM:PAA) and other applicable legislation. All Board members have access to her services and guidance.

TABLE 47: BOARD OF SOUTH AFRICAN NATIONAL PARKS

Member	Meetings Attended	Appointment Date	Termination Date
Ms Joanne Yawitch (Chairperson)	3/5	01 April 2015	31 July 2018
Ms Khungeka Njobe	5/5	01 April 2015	31 July 2018
Dr Crispian Olver	5/5	01 April 2015	31 July 2018
Ms Beryl Ferguson	3/5	01 April 2015	31 July 2018
Mr Mongezi India	3/5	01 April 2015	31 July 2018
Ms Fikile Futwa	5/5	01 April 2015	31 July 2018
Mr Langa Zita	4/5	01 April 2015	31 July 2018
Dr Matlotleng Matlou	3/5	01 April 2015	31 July 2018
Dr Nomakwezi Mzilikazi	3/5	01 April 2015	31 July 2018
Ms Thembeke Semane	4/5	01 April 2015	31 July 2018
Mr Fundisile Mketeni	5/5	01 April 2015	N/A



Mr Shonisani Munzhedzi	2/5	18 November 2016	31 July 2018
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## Audit and Risk Committee

The Committee's functions cover internal audit, risk management as well as statutory reporting and are described in the Audit and Risk Committee Report in the audited annual financial statements.

**TABLE 48: AUDIT AND RISK COMMITTEE**

Member	Meetings Attended	Appointment Date	Termination Date
Dr Crispian Olver (Chairperson)	5/5	01 April 2015	31 July 2018
Ms Fikile Futwa	5/5	01 April 2015	31 July 2018
Mr Langa Zita	5/5	01 April 2015	31 July 2018
Ms Thembeke Semane	2/5	01 April 2015	31 July 2018
Ms Zimasa Silevu	5/5	16 May 2017	31 July 2018
Mr Charl de Kock	3/5	16 May 2017	31 July 2018
Mr Fundisile Mketeni	4/5	01 April 2015	N/A

## Conservation, Tourism and Socio-economic Development Committee

The Committee oversees the implementation of approved conservation, tourism and socio-economic development strategies. It has adopted a formal charter and discharges its responsibilities in accordance with the charter's provisions.

**TABLE 49: CONSERVATION, TOURISM AND SOCIO-ECONOMIC DEVELOPMENT COMMITTEE**

Members	Meetings Attended	Appointment Date	Termination Date
Ms Khungeka Njobe (Chairperson)	5/5	01 April 2015	31 July 2018
Mr Mongezi India	2/4	01 April 2015	31 July 2018
Mr Langa Zita	4/4	01 April 2015	31 July 2018
Dr Matlotleng Matlou	2/4	01 April 2015	31 July 2018
Dr Nomakwezi Mzilikazi	4/4	01 April 2015	31 July 2018
Mr Fundisile Mketeni	3/4	01 April 2015	N/A

## Human Capital Management Committee

The Committee oversees implementation of human resources and transformation and it ensures that ethical conduct is embedded within SANParks. The Committee further adopted a formal charter and discharged its responsibilities in accordance with the charter.

TABLE 50: The following are the Human Capital Management Committee Members:

	Executive or Non-Executive Member	Appointment Date	Termination Date
Ms Beryl Ferguson (Chairperson)	5/5	01 April 2015	31 July 2018
Ms Khungeka Njobe	5/5	01 April 2015	31 July 2018
Ms Thembeke Semane	3/5	01 April 2015	31 July 2018
Dr Matlotleng Matlou	2/5	01 April 2015	31 July 2018
Mr Fundisile Mketeni	5/5	01 April 2015	N/A

TABLE 51: Board and board sub-committee meetings held, and attendance by members are as follows:

	Board	Conservation, tourism and socioeconomic development committee	Audit and risk committee	Human capital and management committee
Total no. of meetings	5	4	5	5
Ms J Yawitch	3	-	-	-
Ms K Njobe	5	4	-	5
Dr CG Olver	5	-	5	-
Ms F Futwa	5	-	5	-
Ms B Ferguson	3	-	-	5
Mr M India	3	2	-	-
Mr L Zita	4	4	5	-
Dr M Matlou	3	2	-	2
Ms T Semane	4	-	2	3
Dr N Mzilikazi	3	4	-	-
Ms H Schoeman	-	-	-	-
Mr S Munzhedzi	2	-	-	-
Ms Z Silevu	-	-	5	-
Mr C De Kock	-	-	3	-
Mr F Mketeni (CEO)	5	3	4	5





# Report of the Auditor-General to Parliament on South African National Parks

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of South African National Parks set out on pages 184 to 269, which comprise the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of South African National Parks as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### Material provision for impairment

7. As disclosed in note 4 to the financial statements, a material impairment of R90,141,000 was accounted for as a result of a provision for impairment against a non-exchange receivable.

### Restatement of corresponding figures

8. As disclosed in note 38 to the financial statements, the corresponding figures for 31 March 2018 have been restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2017.

### Responsibilities of the accounting authority for the financial statements

9. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

10. In preparing the financial statements, the accounting authority is responsible for assessing the public entity’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the public entity or to cease operations, or there is no realistic alternative but to do so.

**Auditor-general’s responsibilities for the audit of the financial statements**

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor’s report.

**Report on the audit of the annual performance report**

**Introduction and scope**

13. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
14. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the public entity for the year ended 31 March 2018:

Objectives	Pages in the annual performance report
Objective 1 – improved representative conservation estate	26 – 29
Objective 2 – effectively managed eco-system, species and cultural heritage assets	30 – 37
Objective 4 – enhanced tourism returns	39 – 40
Objective 6 – optimised contribution to the green and blue economy	42 – 44
Objective 7 – enhanced awareness and skills	45

16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

17. The material findings in respect of the usefulness and reliability of the selected objectives are as follows:

Objective 4 – enhanced tourism returns

Various indicators

18. The systems and processes to enable reliable reporting of the achievement against the indicators were not adequately designed and implemented. As a result, I was unable to obtain sufficient appropriate audit evidence for the variances and the reported achievements of the indicators listed below due to these limitations placed on the scope of my work. I was unable to confirm the reasons for the variances and the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reasons for the variances and to the reported achievements in the annual performance report.

Indicator description	Reported achievement
% Growth in Total Number of local Black Visitors	4.w6% Increase
% Growth in Over Night Local Black Visitors	11% Increase

19. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following objectives:

- Objective 1 – improved representative conservation estate
- Objective 2 – effectively managed eco-system, species and cultural heritage assets
- Objective 6 – optimised contribution to the green and blue economy
- Objective 7 – enhanced awareness and skills

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. Refer to the annual performance report on pages 26 to 51 for information on the achievement of planned targets for the year and explanations provided for the over achievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 18 of this report.

Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Objective 1 – Improved representative conservation estate, Objective 2 – Effectively managed ecosystem, species and cultural heritage assets, Objective 4 – Enhanced tourism returns as well as Objective 7 – Enhanced awareness and skills. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the public entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.



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24. The material finding on compliance with specific matters in key legislation is as follows:

#### **Expenditure management**

25. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R6,164,000 as disclosed in note 30 to the annual financial statements as required by section 51(1)(b)(ii) of the PFMA.

#### **Other information**

26. The accounting authority is responsible for the other information. The other information does not include the financial statements, the auditor's report thereon and those selected objectives presented in the annual performance report that have been specifically reported on in the auditor's report.

27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

29. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

#### **Internal control deficiencies**

30. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

#### **Financial and performance management**

31. Management did not review and monitor compliance to ensure compliance with all applicable laws and regulations in relation to the entity's failure to prevent irregular expenditure.

32. Management did not in all instances design and implement formal controls over information technology systems to ensure the reliability of the systems and the availability, accuracy and protection of information.

33. In some instances, the findings on the annual performance report required significant adjustments as audit findings were raised on the reliability and reasons for variances of performance, indicators and targets. This was as a result of the entity not having independent review processes to ensure the timeous validation, detection and correction of errors.

## Other reports

34. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

## Investigations

35. A number of investigations were undertaken by the entity during the year into allegations of supply chain and contract management irregularities, covering the period 2015 to 2018. These investigations were concluded during the period, and resulted in disciplinary proceedings against three employees. These proceedings had been finalised at the date of this auditor's report.
36. Independent consultants investigated allegations of the possible misappropriation of conservation and operational assets at the request of the public entity, covering the period 2015 to 2017. These investigations had not all been concluded at the time of my report, and the dates on which the outcomes of some of these investigations will be available are not yet known.
37. An independent consultant investigated allegations of a material breach of contract relating to private donor funding for the implementation of a special project. The report was finalised after year-end and the accounting authority is considering the recommendations made in the report, which could result in disciplinary or legal proceedings against the parties concerned.

Auditor General

Pretoria  
23 August 2018



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

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## **Annexure – Auditor-general’s responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the public entity’s compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity’s internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by accounting authority.
  - conclude on the appropriateness of the, accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the South African National Parks ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a public entity to cease continuing as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### **Communication with those charged with governance**

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



# PART E

## ANNUAL FINANCIAL REPORT







## General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	In terms of the National Environmental Management: Protected Areas Act, 57 of 2003, SANParks mandate is to conserve, protect, control, and manage national parks and other pre-defined protected areas and their biological diversity (bio-diversity).
Registered office	643 Leyds Street Muckleneuk Pretoria South Africa 0002
Business address	643 Leyds Street Muckleneuk Pretoria South Africa 0002
Postal address	PO Box 787 Pretoria 0001
Controlling entity	Department of Environmental Affairs (DEA) 473 Steve Biko Road Arcadia Pretoria 0083
Bankers	First National Bank 1 First Place 7th Floor Bank City Johannesburg 2000
Auditors	Auditor-General of South Africa (AGSA) 300 Middel Street New Muckleneuk Pretoria 0002
Secretary	Ms M Mathabathe





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GRAP Generally Recognised Accounting Practice



## Corporate Governance Report

SANParks is a Schedule 3A Public Entity, and therefore fully adheres to the rules and regulations as set out in the Public Finance Management Act (PFMA) 1 of 1999 and applicable Treasury Regulations. In addition to this SANParks subscribes and is committed to comply, where applicable, to the principles and standards of integrity and accountability as contained in the recommendations of the King IV Report on Corporate Governance.

### 1. Board of South African National Parks

Governance principles and the main duties of the Chairperson, committees and Chief Executive Officer are clearly documented. The Board adopted a Board charter as well charters for its committees.

A governance framework is in place to ensure compliance with principles of good governance.

The Board provides leadership and strategic oversight, and oversees the internal control environment. It has delegated certain responsibilities to appropriate Board committees to support it in its oversight responsibility.

The Board subscribes to the principle of effective management of conflicts of interest and that fundamental conflicts should be avoided. At each Board and committee meeting, Board members declare their interests regarding any agenda item to prevent personal interests of a member taking precedence over those of SANParks. In addition, members fill out a declaration of interest form. Board members who have personal interests in a matter under discussion disclose their interests and recuse themselves from the meeting. For the period under assessment Board members declared that they had no interests regarding any of the agenda items tabled at either the Board or committee meetings.

The Board Secretary is responsible for advising the Board on corporate governance issues, and monitoring compliance with the Public Finance Management Act, no. 1 of 1999 (PFMA), relevant sections of the NEMPA Act and other relevant legislation. All directors have access to her services and guidance.

The following are Board members:

Member	Executive/Non-Executive	Appointment Date	Termination Date
Ms J Yawitch (Chairperson)	Non-Executive	01 April 2015	N/A
Ms K Njobe	Non-Executive	01 April 2015	N/A
Dr CG Olver	Non-Executive	01 April 2015	N/A
Ms F Futwa	Non-Executive	01 April 2015	N/A
Ms BD Ferguson	Non-Executive	01 April 2015	N/A
Mr M India	Non-Executive	01 April 2015	N/A
Mr L Zita	Non-Executive	01 April 2015	N/A
Dr M Matlou	Non-Executive	01 April 2015	N/A
Dr N Mzilikazi	Non-Executive	01 April 2015	N/A
Ms T Semane	Non-Executive	01 April 2015	N/A
Mr S Munzhedzi	Non-Executive	18 November 2016	N/A
Mr F Mketeni (CEO)	Executive	01 April 2015	N/A



2. Audit and Risk Committee

The Committee’s functions cover internal audit, risk management and statutory reporting and are clearly outlined in the Audit and Risk Committee Report in the audited annual financial statements.

The following are members of the Audit and Risk committee:

Member	Executive/Non-Executive	Appointment Date	Termination Date
Dr CG Olver (Chairperson)	Non-Executive	01 April 2015	N/A
Ms F Futwa	Non-Executive	01 April 2015	N/A
Mr L Zita	Non-Executive	01 April 2015	N/A
Ms T Semane	Non-Executive	01 April 2015	N/A
Ms Z Silevu	Non-Executive	16 May 2017	N/A
Mr C De Kock	Non-Executive	16 May 2017	N/A
Mr F Mketeni (CEO)	Executive	01 April 2015	N/A

3. Conservation, Tourism and Socio-Economic Development Committee

The object of the Committee is to oversee the implementation of approved conservation, tourism and socio-economic development strategies. The Committee further adopted a formal charter and discharged its responsibilities in accordance with the charter.

The following are the Conservation, Tourism and Socio-Economic Development Committee Members:

Member	Executive/Non-Executive	Appointment Date	Termination Date
Ms K Njobe (Chairperson)	Non-Executive	01 April 2015	N/A
Mr M India	Non-Executive	01 April 2015	N/A
Mr L Zita	Non-Executive	01 April 2012	N/A
Dr M Matlou	Non-Executive	01 April 2015	N/A
Dr N Mzilikazi	Non-Executive	01 April 2015	N/A
Mr F Mketeni (CEO)	Executive	01 April 2015	N/A

4. Human Capital Management Committee

The Committee oversees implementation of human resources and transformation and it ensures that ethical conduct is embedded within SANParks. The Committee further adopted a formal charter and discharged its responsibilities in accordance with the charter.

The following are the Human Capital Management Committee Members:

Member	Executive/Non-Executive	Appointment Date	Termination Date
Ms B Ferguson (Chairperson)	Non-Executive	01 April 2015	N/A
Ms K Njobe	Non-Executive	01 April 2015	N/A
Dr M Matlou	Non-Executive	01 April 2015	N/A
Ms T Semane	Non-Executive	01 April 2015	N/A
Mr F Mketeni (CEO)	Executive	01 April 2015	N/A





Annual Financial Statements for the year ended 31 March 2018

Board and board sub-committee meetings held, and attendance by members are as follows:

	Board	Conservation, tourism and socio-economic development committee	Audit and risk committee	Human capital and management committee
Total no. of meetings	5	4	5	5
Ms J Yawitch	3	–	–	–
Ms K Njobe	5	4	–	5
Dr CG Olver	5	–	5	–
Ms F Futwa	5	–	5	–
Ms B Ferguson	3	–	–	5
Mr M India	3	2	–	–
Mr L Zita	4	4	5	–
Dr M Matlou	3	2	–	2
Ms T Semane	4	–	2	3
Dr N Mzilikazi	3	4	–	–
Ms H Schoeman	–	–	–	–
Mr S Munzhedzi	2	–	–	–
Ms Z Silevu	–	–	5	–
Mr C De Kock	–	–	3	–
Mr F Mketeni (CEO)	5	3	4	5



## Statement of responsibility and confirmation of accuracy of the annual report

The Board is responsible and accountable for the integrity of the Financial Statements of the organisation and the objectivity of other information presented in the Annual Report.

To the best of the Boards' knowledge and belief, we confirm the following:

- All information and amounts disclosed in this Annual Report are consistent with the Annual Financial Statements to be audited by the AGSA. The report is complete, accurate and free of omissions.
- The Annual Report has been prepared in accordance with the guidelines as issued by National Treasury and the Annual Financial Statements were prepared in accordance with the PFMA, and Generally Recognised Accounting Practice (GRAP).
- The going concern basis has been adopted in preparing the Financial Statements. The Board, after having reviewed management's assessment of SANParks ability to operate as a going concern, has a reasonable expectation that the organisation will have adequate resources to continue its operations as a going concern for the foreseeable future.
- Management and employees operated within a framework requiring compliance with all applicable laws and maintenance of the highest integrity in the conduct of all aspects of the business, except where indicated otherwise in the Annual Report.

The AGSA is responsible for expressing an independent opinion on the Annual Financial Statements of SANParks.

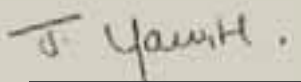
The Board is well versed of its responsibilities as stipulated in the PFMA. Those responsibilities include, but are not limited to the following:

- establishing and maintaining an effective, efficient and transparent systems of financial, risk management and internal controls;
- managing, including the safe-guarding of assets and for the management of the revenue, expenditure and liabilities of SANParks;
- taking effective and appropriate steps to prevent irregular, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of SANParks;
- taking effective and appropriate disciplinary steps against any employee(s) of SANParks who contravenes or fails to comply with a provision of the PFMA; or commits an act which undermines the financial management and internal control system of SANParks; or makes or permits an irregular expenditure or a fruitless and wasteful expenditure to be incurred;
- keeping full and proper records of the financial affairs of SANParks; and
- preparation of financial statements for each financial year, in accordance with GRAP.

In the Board's opinion, the Annual Report and Financial Statements fairly presents in all material respects, the state of affairs of SANParks, its business, its financial results, its performance against predetermined objectives for the year ended 31 March 2018 and its financial position as at 31 March 2018.



**Mr F Mketeni**  
Chief Executive Officer



**Ms J Yawitch**  
Chairperson

Pretoria  
31 June 2018



## Audit and Risk Committee Report

### 1. Introduction

This is a report to the Board on how the Audit and Risk Committee has discharged its duties, has been prepared in accordance with good governance principles.

### 2. Composition

The Audit and Risk Committee comprises six non-executive board members as well as the CEO. The Committee has complied with its responsibilities arising from Treasury Regulations and the PFMA, and further adopted a formal charter and discharged its responsibilities in accordance with the charter.

### 3. Internal Audit and the effectiveness of internal controls

The Accounting Authority is obliged, in terms of the PFMA, to ensure that the entity maintains an effective, efficient and transparent system of financial and risk management and internal control.

In line with the PFMA and the King Code on Corporate Governance requirements, Internal Audit is expected to provide the Audit and Risk Committee as well as Management with assurance that the internal controls are appropriate and effective. This is to be achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to controls and processes.

SANParks outsourced internal audit services to Grant Thornton, however the Chief Audit Executive oversees the outsourced internal audit services, as per the provisions of National Treasury Regulations. The Audit and Risk Committee approves the charter, audit plan and budget of internal audit and the Committee is satisfied that Internal Audit performed its duties in accordance with the audit plan and charter. Internal Audit attends and presents its findings to the Audit and Risk Committee. Internal Audit expressed general satisfaction with the effectiveness of internal controls but highlighted areas that require improvement. The Committee constantly monitors progress on how management resolves issues raised by Internal Audit.

### 4. Governance of risk

The Committee is responsible for the oversight of the risk management process. The Committee considered the risk register every quarter during the financial year. A GM: Risk Management was appointed during the financial year whose main function is to ensure that a comprehensive enterprise risk management process is in place.

### 5. Quality of management and quarterly reports submitted in terms of the PFMA

The Committee is satisfied:

- With the content and quality of management and quarterly reports prepared and issued by SANParks during the year under review.
- That the finance function is adequately skilled, resourced and experience.
- That the Chief Financial Officer has the appropriate skill and experience to discharge his responsibilities.

### 6. Quality of budgets submitted in terms of the PFMA

The Committee is satisfied that budgets were carefully and diligently considered and managed by SANParks during the financial year.





## 7. Evaluation of the annual financial statements

The committee is satisfied that it has considered and discharged its responsibilities in accordance with its mandate and terms of reference during the year under review.

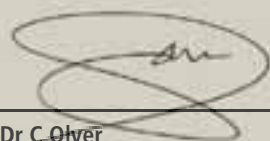
The Committee performed a review on the annual financial statements focusing on:

- Significant financial reporting judgments and estimates contained in the annual financial statements;
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context;
- Quality and acceptability of, and any changes in, accounting policies and practices;
- Compliance with accounting standards and legal requirements;
- Significant adjustments and/or unadjusted differences resulting from the audit;
- Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted;
- Reasons for major year-on-year fluctuations;
- Asset valuations and revaluations;
- Calculation and levels of general and specific provisions;
- Write-offs and reserve transfers; and
- The basis for the going concern assumption.

## 8. Auditors General's report

The external audit function, performed by the Auditor-General of SA, is independent of SANParks.

The Committee concurs with and accepts the conclusions of the Auditor-General on the annual financial statements and is of the view that the audited financial statements be accepted and read together with the report of the Auditor-General. The Committee has met with the Auditor-General to ensure that there are no unresolved issues.



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**Dr C. Oliver**  
Chairperson  
Pretoria  
31 July 2018



## Statement of Financial Position as at 31 March 2018

	Note(s)	2018 R '000	2017 R '000
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	2	39,579	28,067
Receivables from exchange transactions	3	39,912	36,473
Receivables from non-exchange transactions	4	–	90,141
Cash and cash equivalents	5	1,776,646	1,376,597
		<b>1,856,137</b>	<b>1,531,278</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	6	2,075,231	1,770,945
Intangible assets	7	45,982	58,790
Heritage assets	8	540,721	541,695
Receivables from exchange transactions	3&13	245,366	210,114
		<b>2,907,300</b>	<b>2,581,544</b>
<b>Total Assets</b>		<b>4,763,437</b>	<b>4,112,822</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other financial liabilities	9	5,541	6,451
Finance lease obligation	10	50,144	2,065
Trade and other payables from exchange transactions	11	240,887	209,136
Unspent conditional grants and receipts	12	814,410	721,140
Provisions	13	58,909	55,164
Reservation deposits	14	353,370	324,079
		<b>1,523,261</b>	<b>1,318,035</b>
<b>Non-Current Liabilities</b>			
Other financial liabilities	9	-	5,541
Finance lease obligation	10	158,853	1,006
Employee benefit obligation	15	552,228	496,532
Provisions	3&13	245,366	210,114
		<b>956,447</b>	<b>713,193</b>
<b>Total Liabilities</b>		<b>2,479,708</b>	<b>2,031,228</b>
<b>Net Assets</b>		<b>2,283,729</b>	<b>2,081,594</b>
Accumulated surplus		2,283,729	2,081,594

## Statement of Financial Performance

	Note(s)	2018 R '000	2017 R '000
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Tourism, Retail, Concession and Other	16	1,900,669	1,695,744
Sales – fauna and flora	17	17,634	42,127
Other operating income	18	33,653	36,269
Interest and royalties received	19	59,585	47,230
<b>Total revenue from exchange transactions</b>		<b>2,011,541</b>	<b>1,821,370</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants and other funding	20	558,288	600,669
Donations	21	12,445	9,602
<b>Total revenue from non-exchange transactions</b>		<b>570,733</b>	<b>610,271</b>
<b>Total revenue</b>		<b>2,582,274</b>	<b>2,431,641</b>
<b>Expenditure</b>			
Employee related costs	22	(1,098,501)	(1,005,305)
Depreciation and amortisation	23	(135,860)	(111,786)
Finance costs	24	(10,737)	(582)
Operating lease payments	28	(72,648)	(130,528)
Repairs and maintenance	25	(137,210)	(124,769)
Operating expenses	26	(915,780)	(797,758)
<b>Total expenditure</b>		<b>(2,370,736)</b>	<b>(2,170,728)</b>
<b>Operating surplus</b>		<b>211,538</b>	<b>260,913</b>
Loss on disposal of assets	29	(9,403)	(3,776)
<b>Surplus for the year</b>		<b>202,135</b>	<b>257,137</b>





Statement of Changes in Net Assets

	Accumulated surplus R '000
Opening balance as previously reported	1,771,780
Adjustments:	
Correction of errors	52,676
<b>Balance at 01 April 2016 as restated*</b>	<b>1,824,456</b>
Changes in net assets	
Surplus for the year	257,137
<b>Balance at 01 April 2017</b>	<b>2,081,594</b>
Changes in net assets	
Surplus for the year	202,135
<b>Balance at 31 March 2018</b>	<b>2,283,729</b>



## Cash Flow Statement

	Note(s)	2018 R '000	2017 R '000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Cash receipts from exchange transactions		1,948,516	1,774,346
Cash receipts from non-exchange transactions		754,144	855,109
Interest income		59,585	47,230
		2,762,245	2,676,685
<b>Payments</b>			
Employee costs		(1,042,805)	(994,969)
Suppliers		(1,026,370)	(991,092)
Finance costs		(10,737)	(582)
		(2,079,912)	(1,986,643)
<b>Net cash flows from operating activities</b>	32	<b>682,333</b>	<b>690,042</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(243,887)	(233,344)
Proceeds from sale of property, plant and equipment		38,281	728
Purchase of other intangible assets	7	(6,143)	(15,967)
Expenditure from conditional grants		(268,675)	(427,873)
Cash received from conditional grants		226,253	381,285
Purchases of heritage assets	8	–	(5,519)
<b>Net cash flows from investing activities</b>		<b>(254,171)</b>	<b>(300,690)</b>
<b>Cash flows from financing activities</b>			
Repayment of other financial liabilities		910	10,280
Finance lease payments		(29,023)	(4,587)
<b>Net cash flows from financing activities</b>		<b>(28,113)</b>	<b>5,693</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>400,049</b>	<b>395,045</b>
Cash and cash equivalents at the beginning of the year		1,376,597	981,552
<b>Cash and cash equivalents at the end of the year</b>	5	<b>1,776,646</b>	<b>1,376,597</b>



## Annual Financial Statements for the year ended 31 March 2018

## Statement of Comparison of Budget and Actual Amounts

	Approved budget R'000	Adjustments R'000	Final Budget R'000	Actual amounts on comparable basis R'000	Difference between final budget and actual R'000
<b>Statement of Financial Performance</b>					
<b>Revenue</b>					
<b>Revenue from exchange transactions</b>					
Tourism, Retail, Concession and Other	1,786,224	–	1,786,224	1,900,669	114,445
Sales – fauna and flora	21,000	–	21,000	17,634	(3,366)
Other operating income	26,632	–	26,632	33,653	7,021
Interest and royalties received	37,111	–	37,111	59,585	22,474
<b>Total revenue from exchange transactions</b>	<b>1,870,967</b>	<b>–</b>	<b>1,870,967</b>	<b>2,011,541</b>	<b>140,574</b>
<b>Revenue from non-exchange transactions</b>					
<b>Transfer revenue</b>					
Government grants and other funding	432,504	–	432,504	558,288	125,784
Donations	26,269	–	26,269	12,445	(13,824)
<b>Total revenue from non-exchange transactions</b>	<b>458,773</b>	<b>–</b>	<b>458,773</b>	<b>570,733</b>	<b>111,960</b>
<b>Total revenue</b>	<b>2,329,740</b>	<b>–</b>	<b>2,329,740</b>	<b>2,582,274</b>	<b>252,534</b>
<b>Expenditure</b>					
Employee related costs	(1,109,789)	–	(1,109,789)	(1,098,501)	11,288
Depreciation and amortisation	(111,824)	–	(111,824)	(135,860)	(24,036)
Finance costs	(934)	–	(934)	(10,737)	(9,803)
Operating lease payments	(122,704)	–	(122,704)	(72,648)	50,056
Repairs and maintenance	(152,937)	–	(152,937)	(137,210)	15,727
Operating expenses	(670,032)	–	(670,032)	(915,780)	(245,748)
<b>Total expenditure</b>	<b>(2,168,220)</b>	<b>–</b>	<b>(2,168,220)</b>	<b>(2,370,736)</b>	<b>(202,516)</b>
<b>Operating surplus</b>	<b>161,520</b>	<b>–</b>	<b>161,520</b>	<b>211,538</b>	<b>50,018</b>
Loss on disposal of assets	(5)	–	(5)	(9,403)	(9,398)
<b>Surplus for the year before extraordinary items</b>	<b>161,515</b>	<b>–</b>	<b>161,515</b>	<b>202,135</b>	<b>40,620</b>
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>161,515</b>	<b>–</b>	<b>161,515</b>	<b>202,135</b>	<b>40,620</b>



## Statement of Comparison of Budget and Actual Amounts

### Reconciliation between actual and budget statement of financial performance

#### Variances on budget

	R'000
Surplus as per the statement of financial performance	202,135
Revenue from exchange transactions is more than budget due to tourism tariff hikes and an increase in unit occupancy numbers. Interest received is also better than anticipated.	(140,574)
Revenue from non-exchange transactions variance is due to the following:	(111,960)
<ul style="list-style-type: none"> <li>Infrastructure grant income is over the budget as a result of more income realised than anticipated. Infrastructure grant income is realised in accordance with GRAP 23, which makes it challenging to accurately budget for the grant income that will qualify as revenue during the financial year.</li> </ul>	(4,506)
<ul style="list-style-type: none"> <li>Special projects income is included in revenue from non-exchange transactions, but is not budgeted for as it falls outside SANParks normal operations.</li> </ul>	(121,278)
<ul style="list-style-type: none"> <li>Donations received are below the budget, as they are influenced by individual donors, and they did not materialise as anticipated.</li> </ul>	13,824
Total expenditure variance results from the following:	202,516
<ul style="list-style-type: none"> <li>Employee related costs reflect a saving of R32,6 million because of vacant posts included in the budget, which are yet to be filled.</li> </ul>	(11,288)
<ul style="list-style-type: none"> <li>Depreciation and amortisation's overspending emanates from the insourcing of the vehicle fleet, which was previously rented through an operating lease.</li> </ul>	24,036
<ul style="list-style-type: none"> <li>Finance costs reflect an overspending due to the purchase of the new vehicle fleet on credit through a finance lease.</li> </ul>	9,803
<ul style="list-style-type: none"> <li>The saving in operating lease payments is as a result of the decision to insource the vehicle fleet.</li> </ul>	(50,056)
<ul style="list-style-type: none"> <li>Repairs and maintenance saving results from the long procurement processes.</li> </ul>	(15,727)
<ul style="list-style-type: none"> <li>Overspending on operating expenses emanates from the increase in the provision for bad debts of R92,5 million which was not budgeted for. Another contributing factor is the special projects operating expenditure of R139,5 million which is not part of the budget, as it falls outside SANParks operational expenditure. In addition the insourcing of the vehicle fleet resulted in increased operating costs of vehicles which was not budgeted for, but funded by the saving in operating leases.</li> </ul>	245,748
Loss on disposal of assets not budgeted for	9,398
<b>Net surplus/(deficit) per approved budget</b>	<b>161,515</b>



## Accounting Policies

### 1. Basis of preparation

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (Act No 1 of 1999).

The financial statements were prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies, applied in the preparation of these financial statements, are set out below.

#### 1.1 Underlying concepts and comparative figures

The financial statements are prepared on the going concern basis using accrual accounting.

Changes in accounting policies are accounted for in accordance with the transitional provisions in the standard. If no such guidance is given, they are applied retrospectively, unless it is impracticable to do so, in which case they are applied prospectively.

#### 1.2 Inventories

SANParks inventories include consumables, retail goods and fuel.

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to entity.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

## 1.2 Inventories (continued)

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to entity.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Inventories, which exclude fauna and flora, are stated at the lower of cost and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, adjusted for any selling expenses. Cost is determined by the first-in-first-out method.

## 1.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial asset is past due when a counterparty has failed to make a payment when contractually due. A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.





## Annual Financial Statements for the year ended 31 March 2018

**1.3 Financial instruments (continued)**

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

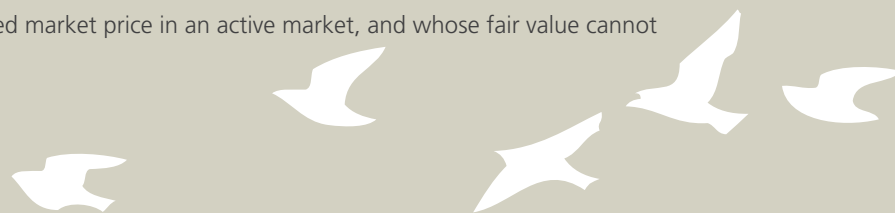
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- SANParks designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.



1.3 Financial instruments (continued)

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

SANParks has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at fair value
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost

SANParks has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Post retirement health benefit obligation	Financial liability measured at fair value
Long term borrowings	Financial liability measured at amortised cost
Long term liabilities from non-exchange transactions	Financial liability measured at cost
Trade and other payables from exchange transactions	Financial liability measured at cost
Short term portion of long term liabilities	Financial liability measured at amortised cost
Reservation deposits	Financial liability measured at cost
Current liabilities from non-exchange transactions	Financial liability measured at cost

The amortised cost of a financial asset or liability is the amount which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus cumulative amortisation, using the effective interest method of any difference that the initial amount and the maturity amount and minus any reduction (directly or through the use of an account) for impairment or uncollectability.

The fair value of a financial asset or a financial liability is the amount the asset could be exchanged and the liability settled, between knowledgeable willing parties in an arm’s length transaction.

Financial instruments at costs are financial assets and financial liabilities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

Initial recognition

SANParks recognises a financial asset or a financial liability in its statement of financial position when SANParks becomes a party to the contractual provisions of the instrument.



## Annual Financial Statements for the year ended 31 March 2018

**1.3 Financial instruments (continued)****Initial measurement of financial assets and financial liabilities**

SANParks measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**Subsequent measurement of financial assets and financial liabilities**

SANParks measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

**Fair value measurement considerations**

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, SANParks establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, SANParks calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

**Reclassification**

SANParks does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where SANParks cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, SANParks reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

**Gains and losses**

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.





### 1.3 Financial instruments (continued)

#### Impairment and uncollectibility of financial assets

SANParks assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

#### Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

#### Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

#### Derecognition

##### Financial assets

SANParks derecognises financial assets using trade date accounting.

SANParks derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- SANParks transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- SANParks, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, SANParks :
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If SANParks transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.



## Annual Financial Statements for the year ended 31 March 2018

**1.3 Financial instruments (continued)**

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because SANParks has retained substantially all the risks and rewards of ownership of the transferred asset, SANParks continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, SANParks recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

**Financial liabilities**

SANParks removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another SANParks by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

**Presentation**

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Distributions to holders of residual interests are recognised by SANParks directly in net assets. Transaction costs incurred on residual interests are accounted for as a deduction from net assets. Income tax [where applicable] relating to distributions to holders of residual interests and to transaction costs incurred on residual interests are accounted for in accordance with the International Accounting Standard on Income Taxes.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when SANParks currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, SANParks does not offset the transferred asset and the associated liability.



## 1.4 Property, plant and equipment

### Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one reporting period.

### Recognition

The cost of an item of property, plant and equipment is recognised as an asset if, and only if:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity, and
- the cost or fair value of the item can be measured reliably.

### Measurement at recognition

An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost shall be measured at its fair value as at the date of acquisition.

Property, plant and equipment in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees, direct materials, labour and overhead expenses. Interest costs on borrowings to finance the construction of infrastructure are capitalised during the period of time that is required to complete and prepare the infrastructure for its intended use, and form part of the cost of the asset.

### Elements of cost

The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates,
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

### Subsequent measurement

SANParks chose to use the cost model as its accounting policy, and applies this policy to the entire class of property, plant and equipment.

After initial recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

### Depreciation amount and depreciation period

The depreciable amount of an asset has been allocated on a systematic basis over its useful life.

The useful life and residual value of an asset has been reviewed at least annually whether there is any indication that the expectations of the asset have changed since the preceding reporting date. If any such indication exists, SANParks shall revise the expected useful life and/or residual value accordingly. The change(s) shall be accounted for as a change in an accounting estimate in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Where significant parts of an item have different useful lives, or pattern in which future economic benefits are expected to be consumed, to the item itself, these parts are depreciated over their estimated useful lives. The methods of depreciation, useful lives and residual values are reviewed annually.





Annual Financial Statements for the year ended 31 March 2018

1.4 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings and infrastructure	Straight line	5 to 50 years
Vehicles, machinery and mechanical equipment	Straight line	5 to 40 years
Aircraft	Straight line	2 to 20 years as componentised
Furniture & office equipment	Straight line	5 to 25 years

Depreciation of these assets commences when the assets are ready for their intended use. The depreciation method of each asset is reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Land is not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. If there is no reasonable certainty that SANParks will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of its lease term or useful life.

Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Impairment of property, plant and equipment

An impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

SANParks assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. No such indication existed at the end of the current financial reporting period.



## 1.5 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

### Recognition

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

SANParks assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

### Initial measurement

An intangible asset is measured initially at cost by SANParks. Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

### Subsequent measurement

An intangible asset is measured:

- After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment losses.
- Amortisation is calculated on a straight line basis, and the useful life varies between 3 and 5 years and is reviewed annually.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

### Impairment of Intangible Assets

An impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

SANParks assesses at each reporting date whether there is any indication that the computer software may be impaired. No such indication existed at the end of the current financial reporting period.



Annual Financial Statements for the year ended 31 March 2018

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**1.6 Heritage assets**

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

SANParks' classes of Heritage Assets include:

- Conservation areas such as National Parks. This land is reflected as a heritage asset of SANParks.
- Archeological sites
- Collections.
- Geological sites
- Graves of cultural significant
- Historical buildings
- Historical sites
- Landscapes and natural features of cultural significance
- Monuments
- Palaeontology sites
- Sacred sites (sites of spiritual or religious significance)

Characteristics often displayed by heritage assets include the following:

- Their value in cultural, environmental, educational and historical terms is unlikely to be fully reflected in monetary terms.
- Ethical, legal and/or statutory obligations may impose prohibitions or severe stipulations on disposal by sale.
- They are often irreplaceable.
- Their value may increase over time even if their physical condition deteriorates.
- They have an indefinite life and their value appreciates over time due to their cultural, environmental, educational, natural scientific, technological, artistic or historical significance.
- They are protected, kept unencumbered, cared for and preserved.

**Recognition**

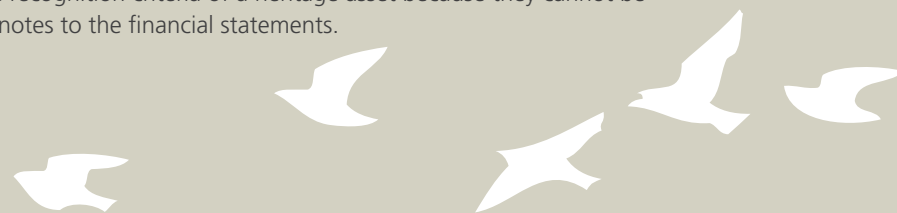
A heritage asset shall be recognised as an asset if, and only if:

- it is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

SANParks' classes of heritage assets include:

- Conservation areas such as National Parks. This land is reflected as a heritage asset of SANParks
- Archeological sites
- Collections.
- Geological sites
- Graves of cultural significant
- Historical buildings
- Historical sites
- Landscapes and natural features of cultural significance
- Monuments
- Palaeontology sites
- Sacred sites (sites of spiritual or religious significance)

SANParks does not recognise heritage assets which on initial recognition, do not meet the recognition criteria of a heritage asset because they cannot be reliably measured. Relevant and useful information about them has been disclosed in the notes to the financial statements.





## 1.6 Heritage assets (continued)

### Initial measurement

A heritage asset that qualifies for recognition as an asset shall be measured at its cost, and where it is acquired through a non-exchange transaction, at its fair value as at the date of acquisition.

### Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

### Impairment

SANParks assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, SANParks estimates the recoverable amount or the recoverable service amount of the heritage asset.

### Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset. The transfer will be made at the carrying value of the heritage asset.

### Derecognition

SANParks derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

## 1.7 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

The carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation and/or amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.



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**1.7 Impairment of cash-generating assets (continued)****Identification**

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

SANParks assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, SANParks estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, SANParks also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

**Value in use**

The value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, SANParks estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and SANParks applies the appropriate discount rate to those future cash flows.

**Basis for estimates of future cash flows**

In measuring value in use SANParks:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

**Recognition and measurement (individual asset)**

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, SANParks recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.



### 1.7 Impairment of cash-generating assets (continued)

#### Reversal of impairment loss

SANParks assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

#### Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

### 1.8 Impairment of non-cash generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation/amortisation.

The carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation and/or amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.





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**1.8 Impairment of non-cash generating assets (continued)**

The recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

At each reporting date a review is carried out to determine whether there are any indications that any non-cash generating assets and non-cash generating units may be impaired. If such indications exist, the recoverable amounts of the affected assets are determined.

Where the recoverable amount of an asset or non-cash-generating unit is lower than its carrying amount, an impairment loss is recognised in surplus or deficit in respect of assets at historic cost, and recognised in the revaluation reserve in respect of assets at revalued amounts.

**Identification**

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

SANParks assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, SANParks estimates the recoverable service amount of the asset.

**Value in use**

The value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

**Depreciated replacement cost approach**

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that SANParks would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides.

Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

**Recognition and measurement**

SANParks assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

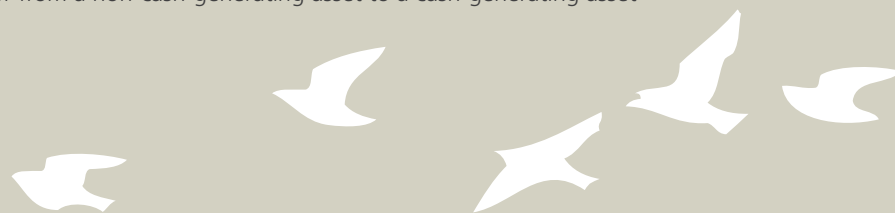
If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease. When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, SANParks recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation/amortisation charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

**Redesignation**

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.



## 1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases as per the GRAP 13 refers to a contract that transfers the risks, rewards, rights and obligations incident to ownership and is recorded as a purchase of equipment by means of long-term borrowings. All other leases are classified as operating leases.

### Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

A finance lease gives rise to a depreciation expense for depreciable assets as well as finance expense for each accounting period. The depreciation policy for depreciable leased assets shall be consistent with that for depreciable assets that are owned, and the depreciation recognised shall be calculated in accordance with the Standard of GRAP on Property, Plant and Equipment and on Intangible Assets. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

### Operating leases – lessee

Assets acquired under leases where all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term or another basis if more representative of the time pattern of the user's benefit. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

Where an operating lease is terminated before the lease expiry date, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

## 1.10 Provisions and contingencies

A provision is a liability of uncertain timing or amount.

### Recognition

Provisions are recognised when:

- SANParks has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.



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**1.10 Provisions and contingencies (continued)**

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if SANParks settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits. If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of SANParks

No obligation arises as a consequence of the sale or transfer of an operation until SANParks is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is:

- a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
  - the amount of the obligation cannot be measured with sufficient reliability.





### 1.10 Provisions and contingencies (continued)

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 36.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

SANParks recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by SANParks for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and SANParks considers that an outflow of economic resources is probable, SANParks recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

### 1.11 Employee benefits

Employee benefits are all forms of consideration given by SANParks in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of SANParks, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to SANParks' own creditors (even in liquidation) and cannot be paid to SANParks, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to SANParks to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- SANParks decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programme are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.



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**1.11 Employee benefits (continued)**

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, an entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

**Short-term employee benefits**

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

**Post-employment benefits**

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which entity provides post-employment benefits for one or more employees.

**Post-employment benefits: Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which the entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.



### 1.11 Employee benefits (continued)

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise of expense adjustments ( other than non-transferable financial instruments issued by the reporting entity) that are held by an entity ( a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits , are not available to the reporting entity's own creditors ( even in liquidation) and cannot be returned to the reporting entity, unless either:

- The remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity ; or
- The assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive( when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative( when existing benefits are changed so that the present value of the defined benefit obligation decreases) . In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets compromise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets , of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends and other revenue derived from the plan assets , together with realised and unrealised gains and losses on the plan assets, less any costs of administering the plan( other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay the employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- The present value of the defined benefit obligation at the reporting date;
- Minus the fair value at the reporting date of plan assets ( if any) out of which the obligations are to be settled directly;
- Plus any liability that may arise as a result of a minimum funding requirement





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**1.11 Employee benefits (continued)**

The amount determined as a defined benefit liability may be negative(an asset) .The entity measures the resulting asset at lower of:

- The amount determined above : and
- The present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Adjustments arising from the limit above are recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset.

- Current service cost
- Interest cost
- The expected return on any reimbursement right:
- Actuarial gains and losses
- Past service cost
- The effect of any curtailments or settlements ; and
- The effect of applying the limit on a defined benefit asset(negative defined benefit liability)

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit /years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years , an entity shall attribute benefit on a straight line basis from:

- The date when service by the employee first leads to benefits under the plan( whether or not the benefits are conditional on further service) ; or until
- The date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment and settlement occurs. The gain or loss on curtailment or settlement comprises:

- Any resulting change in the present value of the defined benefit obligation; and
- Any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measures the obligation (and the related plan asset, if any) using current actuarial assumptions (including current market interest rates and other current market prices).



### 1.11 Employee benefits (continued)

When it is virtually certain that another party will re-imburse some or all the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as planned assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net amount recognised for reimbursement.

The entity offsets an asset relating to one plan against the liability relating to another plan, when the entity has a legally enforceable right to use a surplus in one plan to settle the obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

#### Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability SANParks recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting SANParks) that are held by SANParks (a fund) that is legally separate from the reporting SANParks and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting SANParks own creditors (even in liquidation), and cannot be returned to the reporting SANParks, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or SANParks; or
- the assets are returned to SANParks to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from SANParks informal practices. Informal practices give rise to a constructive obligation where SANParks has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in SANParks informal practices would cause unacceptable damage to its relationship with employees.



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**1.11 Employee benefits (continued)**

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). SANParks measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

SANParks determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

SANParks recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

SANParks uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, SANParks shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, SANParks shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

SANParks recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, SANParks re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).





### 1.11 Employee benefits (continued)

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is not presented as the net of the amount recognised for a reimbursement.

SANParks offsets an asset relating to one plan against a liability relating to another plan when SANParks has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

#### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

#### Other post retirement obligations

SANParks provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

SANParks shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.



## Annual Financial Statements for the year ended 31 March 2018

**1.11 Employee benefits (continued)****Termination benefits**

SANParks recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

SANParks is demonstrably committed to a termination when the SANParks has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

**1.12 Service concession arrangements**

Service concession arrangements arise from the service concession agreements that SANParks has with different Public Private Partnerships (PPP). These arrangements give the operator the right to build and operate an infrastructure asset within the National Park. The operator also has to pay SANParks a concession fee as agreed upon in the specific PPP agreement. These transactions give rise to assets (infrastructure and other movable assets), liabilities and revenues that are accounted for in the manner outlined below:

**Assets****Recognition**

The grantor shall recognise an asset provided by the operator and an upgrade to an existing asset of the grantor as a service concession asset if:

- the grantor controls or regulates what services the operator must provide with the asset, to whom it must provide them and at what price.
- the grantor controls—through ownership, beneficial entitlement or otherwise—any significant residual interest in the asset at the end of the term of the arrangement.

**Initial Measurement**

The grantor shall initially measure a new service concession asset that meets the concession asset recognition criteria, at its fair value.

Where an existing asset meets the conditions of a concession asset, the grantor shall reclassify the asset as a concession asset. The reclassified service concession asset shall be initially measured and accounted for, in accordance with the Standards of GRAP on Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17), Intangible Assets (GRAP 31), or Heritage Assets (GRAP 103), as appropriate.

**Subsequent measurement**

After initial recognition or reclassification, service concession assets shall be initially measured and accounted for (in all respects), in accordance with the Standards of GRAP on Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17), Intangible Assets (GRAP 31), or Heritage Assets (GRAP 103), as appropriate.



### 1.12 Service concession arrangements (continued)

#### Liability

##### Recognition

Where the grantor recognises a service concession asset, the grantor shall also recognise a liability. The grantor shall not recognise a liability where an existing asset of the grantor is reclassified as a service concession asset, except in circumstances where additional consideration is provided by the operator.

##### Initial Measurement

Where the grantor has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, the grantor shall account for the liability recognised as a financial liability.

The liability arising from concession asset recognition shall be initially measured at the same amount as the service concession asset, adjusted by the amount of any other consideration (eg. cash) from the grantor to the operator, or from the operator to the grantor.

##### Subsequent Measurement

##### The Financial Liability Model

Subsequent to initial measurement, the Standard of GRAP on Financial Instruments (GRAP 104) applies to the financial liability recognised above.

The grantor shall allocate the payments to the operator and account for them according to their substance as a reduction in the liability recognised, a finance charge, and charges for services provided by the operator.

The finance charges and charges for services provided by the operator in a service concession arrangement shall be accounted for as expenses.

Where the asset and service components of a service concession arrangement are separately identifiable, the service components of payments from the grantor to the operator shall be allocated by reference to the relative fair values of the service concession asset and the services. Where the asset and service components are not separately identifiable, the service component of payments from the grantor to the operator is determined using estimation techniques.

##### Grant of a Right to the Operator Model

Where the grantor does not have an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, and grants the operator the right to earn revenue from third-party users or another revenue-generating asset, the grantor shall account for the liability, as the unearned portion of the revenue arising from the exchange of assets between the grantor and the operator.

The grantor shall recognise revenue and reduce the liability recognised, according to the substance of the services concession arrangement.

##### Other Liabilities

The grantor shall account for other liabilities, contingent liabilities, and contingent assets arising from a service concession arrangement in accordance with the Standard of GRAP on Provisions, Contingent Assets (GRAP 19) and Financial Instruments (GRAP 104).

##### Other Revenues

The grantor shall account for revenues from a service concession arrangement, other than those specified under Grant of a right to the operator model in accordance with the Standard of GRAP on Revenue from Exchange Transactions (GRAP 9).

Service concession arrangements is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the service concession arrangements will flow to the entity, and the cost or fair value of the service concession arrangements can be measured reliably.





Annual Financial Statements for the year ended 31 March 2018

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**1.12 Service concession arrangements (continued)****Derecognition**

Service concession arrangements are derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of service concession arrangements is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for service concession arrangements that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

**1.13 Revenue from exchange transactions**

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

**Applying the Probability Test on Initial Recognition of Revenue**

This Interpretation of the Standards of GRAP provides guidance on how an entity applies the probability test on initial recognition of revenue where credit is extended for the settlement of an exchange or non-exchange revenue transaction and uncertainty exists about the entity's ability to collect such revenue based on past history or because discretion about collectability is exercised subsequently.

This interpretation of Standards of GRAP is applicable to SANParks based on past experience where less than 100% of the revenue where credit is extended for the settlement of an exchange or non-exchange revenue transaction, is expected.

SANParks recognises the full amount of exchange and non-exchange revenue based on the terms of the arrangement with each debtor, notwithstanding its knowledge based on past experience.

Consideration is given to whether there is objective evidence that an impairment loss has been incurred when making the impairment assessment for subsequent measurement of the receivables at the reporting date.

SANParks derives revenue from exchange and non-exchange transactions. An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Examples of exchange transactions include:

- The rendering of services – revenue from tourism, retail and concession fees
- The sale of goods and services – the sales of fauna and flora
- Interest – from investment income

**Rendering of services**

Where the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to SANParks;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.



### 1.13 Revenue from exchange transactions (continued)

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

- Accommodation income is accrued on a daily basis.
- Conservation levies are recognised on a daily basis and other tourist related activities are recognised upon commencement of the activity.
- Wild Card sales are amortised over the validity period of the Wild Card.

#### **Sale of goods**

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- SANParks has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- SANParks retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales are recognised upon delivery of the products and customer acceptance.

#### **Interest and royalties received**

Revenue arising from the use by others of SANParks assets yielding interest is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity and
- the amount of revenue can be measured reliably.

Interest is recognised using the effective interest rate method on a time proportion basis.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

#### **Measurement of revenue from exchange transactions**

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

At the time of initial recognition it is inappropriate to assume that the collectability of amounts owing, to SANParks, by individual recipients of goods or services will not occur, because SANParks has an obligation to collect all revenue.

#### **Exchange transactions**

The following is included in revenue from exchange transactions:

- Tourism, retail, concession and other.

#### **Concession income**

Income from concessions granted to operators to build, operate and transfer lodges and from rental of facilities to operators is recognised as it accrues over the period of the agreement.

#### **Management fees**

Management fees for managing special projects are recognised on a monthly basis, based on the services performed.

#### **Rent received**

Rent received is accrued on a daily basis in accordance with the substance of the relevant agreements.

Revenue comprises gross inflows of economic benefits or service potential received and receivable by SANParks, which represents an increase in net assets, other than increases relating to contributions from owners.



Annual Financial Statements for the year ended 31 March 2018

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**1.14 Revenue from non-exchange transactions**

Revenue comprises gross inflows of economic benefits or service potential received and receivable by SANParks, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when SANParks can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an SANParks either receives value from another SANParks without directly giving approximately equal value in exchange, or gives value to another SANParks without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting SANParks.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

**Recognition**

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

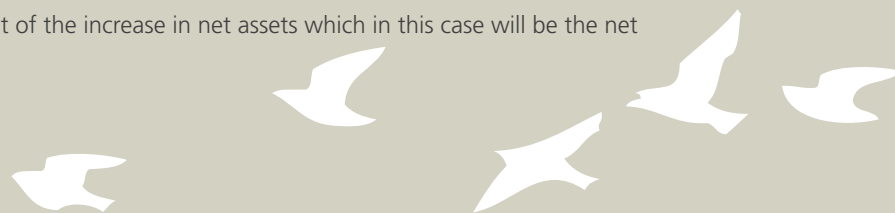
As SANParks satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

**Measurement**

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by SANParks.

The following are the major classes of revenue from non-exchange transactions, the basis on which the fair value of inflowing resources has been measured:

- **Operational grants received:** Revenue from operational grants received shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from DEA;
- **Land infrastructure grant:** Revenue from Land Infrastructure Grant shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from the DEA. If conditions are attached to the grant a liability will be recognised and shall be the best estimate of the amount required to settle the present obligation at the reporting date. When a liability is subsequently reduced because a condition is satisfied the amount of the reduction in the liability will be recognised as revenue;
- **Donations received:** Revenue from donations received shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from the various donors; and





### 1.14 Revenue from non-exchange transactions (continued)

- **Special projects grant:** Revenue from special projects grant shall be measured at the amount of the increase in net assets which in this case will be the net proceeds received from the DEA and other funders. If conditions are attached to the grant a liability will be recognised and shall be the best estimate of the amount required to settle the present obligation at the reporting date. When a liability is subsequently reduced because a condition is satisfied the amount of the reduction in the liability will be recognised as revenue.
- **Special projects grant (agent and principal arrangements):** Where SANParks is acting as the agent, the revenue, expenses and assets of the project are not recognised in the annual financial statements of SANParks as they are not for SANParks account. Rather SANParks recognises a liability based on the cash not spent on the projects, and the liability is recognised in the Statement of Financial Position. The project assets are not recognised, as they do not meet the definition and recognition criteria of assets of SANParks.

#### Assets arising from non-exchange transactions

##### Recognition

An inflow of resources arising from non-exchange transactions, other than services in kind, that meet the definition of an asset shall be recognised as an asset when and only when:

- it is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
- the fair value of the asset can be reliably measured. SANParks recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are:

##### Measurement

An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

##### Subsequent measurement

An asset acquired through a non-exchange transactions shall subsequently be measured in terms of the respective standard that the asset relates to.

#### Liabilities arising from non-exchange transactions

##### Recognition

A present obligation arising from a non-exchange transaction that meets the definition of a liability shall be recognised as a liability when, and only when:

- it is probable that an outflow of resources embodying future economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation. Apart from Services in kind, which are not recognised, SANParks recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

##### Measurement

The amount recognised as a liability shall be the best estimate of the amount required to settle the present obligation at the reporting date.

##### Subsequent Measurement

The liabilities arising from a non-exchange transaction are subsequently measured in terms of the respective standard that the liability relates to.

##### Stipulations

Assets may be transferred with the expectation and/or understanding that they will be used in a particular way and, therefore, that the recipient entity will act or perform in a particular way. Where laws, regulations or binding arrangements with external parties impose terms on the use of transferred assets by the recipient, these terms are stipulations as defined in this Standard of GRAP. A key feature of stipulations, as defined in this Standard, is that an entity cannot impose a stipulation on itself, whether directly or through an entity that it controls.



## Annual Financial Statements for the year ended 31 March 2018

**1.15 Revenue recognition**

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

**Applying the Probability Test on Initial Recognition of Revenue**

This Interpretation of the Standards of GRAP provides guidance on how an entity applies the probability test on initial recognition of revenue where credit is extended for the settlement of an exchange or non-exchange revenue transaction and uncertainty exists about the entity's ability to collect such revenue based on past history or because discretion about collectability is exercised subsequently.

This interpretation of Standards of GRAP is applicable to SANParks based on past experience where less than 100% of the revenue where credit is extended for the settlement of an exchange or non-exchange revenue transaction, is expected.

SANParks recognises the full amount of exchange and non-exchange revenue based on the terms of the arrangement with each debtor, notwithstanding its knowledge based on past experience.

Consideration is given to whether there is objective evidence that an impairment loss has been incurred when making the impairment assessment for subsequent measurement of the receivables at the reporting date.

**1.16 Irregular expenditure**

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including:

- this Act; or
- the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme /expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.



### 1.17 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the correction of error in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the correction of error.

### 1.18 Commitments

Commitments represent goods/services that have been ordered, but no delivery has taken place at the reporting date. These amounts are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance as the annual financial statements are prepared on the accrual basis and prior delivery, no accrual can be recognised. These items are, however, disclosed as part of the disclosure notes.

The commitments disclosed in the disclosure note are the aggregate amount of capital and current expenditure approved and contracted for at the reporting date, to the extent that the amount has not been recorded in the financial statements.

Material contracts entered into after the reporting date but prior to the approval of the financial statements will be disclosed under subsequent events in the report of the Accounting Authority. Other commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note if both the following criteria are met:

- non-cancellable contracts or only cancellable at significant cost contracts; and
- contracts that related to something other than the routine, steady, state business of the entity were taken into consideration.

In calculating commitments the following was taken into account pertaining to tenders awarded:

- the period of the tender awarded;
- amounts already paid pertaining to that tender/contract;
- amounts for which invoices have been received and which are therefore included in accruals should be deducted;
- commitments loaded on the procurement systems;
- commitments not loaded on the procurement system.

A distinction was made between capital and current commitments as well as between approved and contracted commitments and approved but not yet contracted for commitments.

Approved and contracted commitments are where the expenditure has been approved and the contract has been awarded at the reporting date.

Approved but not yet contracted commitments are where the expenditure has been approved and the contract is awaiting finalisation at the reporting date.

### 1.19 Taxation

#### Income Tax

No provision has been made for taxation, as the entity is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act No. 58 of 1962).

#### Value Added Tax (VAT)

SANParks accounts for VAT on the invoice basis as stipulated in Section 15 of the VAT Act regulating that every vendor shall account for VAT on the invoice basis unless differently approved by the SARS.





## Annual Financial Statements for the year ended 31 March 2018

**1.20 Accounting Policies, Estimates and Errors****Change in accounting estimate**

A change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of a period consumption of an asset, the results from the assessment of the present status of, and expected future benefits and obligations associated with assets and liabilities. Change in accounting estimate result from new information and new developments and are not correction of errors.

The effect of a change in accounting estimate shall be recognised prospectively by including it in surplus or deficit in:

- the period of the change, if the change affects that period only; or
- the period of the change and future periods, if the change affects both.

To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of net assets, it shall be recognised by adjusting the carrying amount of the related asset, liability or item of net assets in the period of the change.

**Prior period errors**

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use or misuse of, reliable information that:

- was available when financial statements for those period were authorised for issue; and
- could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

When it is impracticable to determine the period-specific effects of the error on comparative information for one or more prior periods presented, the entity shall restate the opening balances of the assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable (which may be the current period).

When it is impracticable to determine the cumulative effect, at the beginning of the current period, the entity shall restate the comparative information to correct the error prospectively from the earliest date practicable.

**Change in Accounting Policies**

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.

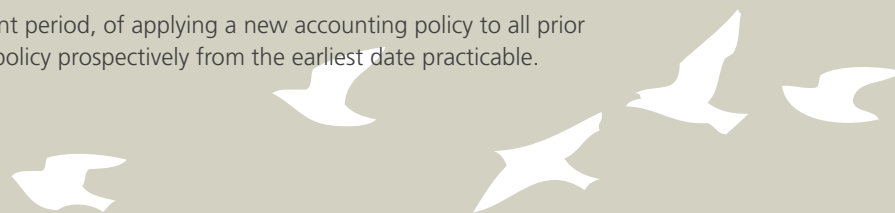
An entity shall change an accounting policy only if the change:

- is required by a standard of GRAP; or
- results in the financial statements providing reliable and more relevant information about the effects of the transactions, other events or conditions on the entity's financial position, financial performance or cash flows.

A change in accounting policy shall be applied retrospectively, except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the change.

When it is impracticable to determine the period-specific effects of changing an accounting policy on comparative information of one or more prior periods presented, the entity shall apply the new accounting policy to the carrying amounts of the assets and liabilities as at the beginning of the earliest period of which retrospective application is practicable, which may be the current period, and shall make a corresponding adjustment to the opening balance of each affected component of net assets for that period.

When it is impracticable to determine the cumulative effect, at the beginning of the current period, of applying a new accounting policy to all prior periods, the entity shall adjust the comparative information to apply the new accounting policy prospectively from the earliest date practicable.



### 1.21 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
  - has control or joint control over the reporting entity;
  - has significant influence over the reporting entity; or
  - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
  - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others), a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.
  - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
  - both entities are joint ventures of the same third party;
  - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
  - the entity is controlled or jointly controlled by a person identified above; and
  - a person identified as a related party has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

SANParks does not disclose the value of transactions with other public sector entities as the transactions were concluded within normal operating procedures and on terms that are no more or no less favourable than the terms it would use to conclude transactions with another entity or person.

### 1.22 Segment reporting

Consolidated Financial Statements (segment consolidation) provide an overview of assets, liabilities, revenues and costs of an entity. Public entities control significant public resources and provide a wide variety of goods and services in different geographic areas, with different socio-economic conditions. Segment reporting was thus introduced to enable users to have information about the different segments that make up the composite financial statements. The objective of segment reporting is therefore, to provide information about the specific operational objectives and major activities of an entity, as well as the resources devoted to and costs of these objectives and activities in the different socio-economic or geographical areas that the entity operates in.

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

SANParks shall therefore report separately, information about each segment that has been identified. SANParks shall disclose the geographical areas in which it operates, that are relevant for decision making purposes, as segments.



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**1.22 Segment reporting (continued)****Disclosure**

An entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the activities in which it engages and the economic environments in which it operates. To give effect to that principle, an entity shall disclose the following:

- general information;
- information about reported segment surplus or deficit, including specified revenues and expenses included in reported segment surplus or deficit, segment assets, segment liabilities and the basis of measurement; and
- reconciliations of the totals of segment revenues, reported segment surplus or deficit, segment assets, segment liabilities and other material segment items to corresponding entity amounts

**General Information**

An entity shall disclose the following general information:

- factors used to identify the entity's reportable segments, including the basis of organisation;
- whether segments have been aggregated and the basis of the aggregation; and
- types of goods and/or services delivered by each segment.
- Information about surplus or deficit, assets and liabilities

**Information about surplus or deficit, assets and liabilities**

An entity shall report a measure of assets and liabilities for each reportable segment if such an amount is regularly provided to management. An entity shall also disclose the following about each reportable segment if the specified amounts are included in the measure of segment surplus or deficit reviewed by management, or are otherwise regularly provided to management, even if not included in that measure of segment surplus or deficit:

- external revenue from non-exchange transactions;
- external revenue from exchange transactions;
- interest revenue;
- interest expense;
- depreciation and amortisation.

**Reconciliations**

An entity shall provide reconciliations of all of the following:

- The total of the reportable segments' revenues to the entity's revenue.
- The total of the reportable segments' measures of surplus or deficit to the entity's surplus or deficit before discontinued operations.
- The total of the reportable segments' assets to the entity's assets.
- The total of the reportable segments' liabilities to the entity's liabilities.
- The total of the reportable segments' amounts for every other material item of information disclosed to the corresponding amount for the entity.

Where the totals of such revenues, expenditures, surplus or deficits, segment assets and segment liabilities reported on the segments can be referenced to the exact amounts in the annual financial statements, performance of the above reconciliation will not be necessary.





### 1.23 New standards and interpretations

**There were no new standards and interpretations effective and adopted in the current year.**

**The following Standards of GRAP of Standards of GRAP approved, but for which the Minister of Finance has not yet determined an effective date, and that entities may consider in formulating an accounting policy. The impact of these standards on SANParks when they do become effective are as follows:**

GRAP 108: Statutory Receivables– Unlikely to have an impact on SANParks.

GRAP 109: Accounting by Principals and Agents – Likely to have an impact on SANParks in so far as SANParks acts as either a principal or agent, in principal-agent arrangements.

GRAP 110: Living and Non-Living Resources – Likely to have an impact on SANParks living resources controlled by the organisation.

**The following standards of GRAP and Interpretations were approved, but for which the Minister of Finance has not yet determined an effective date, and that SANParks has used in formulating an accounting policy are as follows:**

IGRAP 17: Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset – The potential impact is that concession assets may be recognised by SANParks once the standard becomes effective.

GRAP 32: Service concession arrangements: Grantor – Likely to have an impact on SANParks with regards to service concession agreements.

**Standards of GRAP not yet effective that SANParks has however used to disclose information in its financial statements:**

GRAP 20: Related parties – Likely to have an impact on SANParks with regards to directors emoluments.

**Directives approved by the Board, which are not yet effective, but can be early adopted, SANParks has not early adopted:**

Directive 12: The selection of an appropriate reporting framework by public entities – Unlikely to have an impact on SANParks as public entities that currently apply the standards of GRAP are exempt from this directive.



## Annual Financial Statements for the year ended 31 March 2018

## Notes to the Annual Financial Statements

	2018 R '000	2017 R '000
<b>2. Inventories</b>		
Consumable	12,981	12,109
Retail goods and fuel	26,598	15,958
	<b>39,579</b>	<b>28,067</b>
<b>3. Receivables from exchange transactions</b>		
<b>Current assets</b>		
Trade receivables	37,194	30,589
Prepayments	1,162	1,000
Debtors control – other	12,258	13,257
Provision for doubtful debts	(10,702)	(8,373)
	<b>39,912</b>	<b>36,473</b>
<b>Trade receivables age analysis</b>		
Current (0 – 30 days)	9,977	11,940
31 – 60 days	5,913	4,044
61 – 90 days	1,044	1,640
91 – 120 days	500	798
Over 120 days	19,760	12,167
	<b>37,194</b>	<b>30,589</b>
<b>Reconciliation of provision for doubtful debts</b>		
Opening balance	(8,373)	(2,975)
Provision for impairment	(2,329)	(5,398)
	<b>(10,702)</b>	<b>(8,373)</b>
<b>Non-current assets – Receivables from exchange transactions</b>		
Opening balance	210,114	163,644
Increase in provision	35,252	46,470
	<b>245,366</b>	<b>210,114</b>

In reference to note 13, SANParks only controls the right to receive service concession assets at the end of each of the service concession arrangements. This right to receive assets is the residual interest (i.e. receivable) in the concessionaire assets which is an exchange transaction. The value of the exchange receivable is equal to the provision in note 13 which is the residual value of the asset at the date of transfer.

	2018 R '000	2017 R '000
<b>4. Receivables from non-exchange transactions</b>		
<b>Special Projects and Expanded Public Works receivables Programme (EPWP) receivables</b>		
Special projects	–	90,141
<b>Expanded Public Works Programme (EPWP)</b>		
Opening balance	–	19,562
Opening balance transferred to note 12	–	(19,562)
	–	–
<b>Nature Conservation Trust Grant</b>		
Opening balance	90,141	–
Provision for impairment	(90,141)	(1,986)
Funds received	–	(2)
Funds utilised	–	92,129
	–	90,141

SANParks receives conditional grants from different funders. Normally SANParks has an agreement with the funder over the budget of the special project for which the grant has been afforded. For projects whose lifespan exceeds one reporting period, SANParks will contract with the funder to receive the funds in stages. It so happens that sometimes SANParks will incur the expenditure for the projects, and receive the funds/cash at a later stage. The closing balance for this account therefore represents cash receivable from the special projects for expenses incurred to date, which are within the allocated funds of the projects.

#### Receivables from non-exchange transactions impaired

As of 31 March 2018, receivables from non-exchange transactions of R 90,141 (2017: R 90,141) were impaired and provided for. These receivables from non-exchange transactions relate to the Nature Conservation Trust Grant where SANParks used its own funding to pay for some of the project's costs, however the costs incurred were never recovered from the project and have been outstanding for more than 2 years.

The amount of the provision is R 90,141 as of 31 March 2018 (2017: R -).

#### The ageing of this financial asset is as follows:

	2018 R '000	2017 R '000
Over 6 months	90,141	90,141

#### Reconciliation of provision for impairment of receivables from non-exchange transactions

	2018 R '000	2017 R '000
Opening balance	90,141	–
Provision for impairment	90,141	–





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	2018 R '000	2017 R '000
<b>5. Cash and cash equivalents</b>		
Cash on hand	276	292
Bank balances	1,438,402	1,063,779
Short term investments	337,968	312,526
	<b>1,776,646</b>	<b>1,376,597</b>
<b>Bank balances per institution</b>		
First National Bank	1,438,396	1,063,770
Standard Bank	6	9
	<b>1,438,402</b>	<b>1,063,779</b>
<b>Short term investments</b>		
Notice account: First National Bank	92,106	85,512
Notice account: Investec Bank	123,652	114,282
Notice account: ABSA Bank	108,335	99,699
Notice account: Standard Bank	13,875	13,033
	<b>337,968</b>	<b>312,526</b>

First National Bank was appointed as corporate bankers for SANParks by tender process and is used for all SANParks activities.

Standard Bank was appointed in accordance with the conditions of the Howard G Buffet Foundation Grant.



**6. Property, plant and equipment**

	2018 R '000			2017 R '000		
	Cost/Valuation R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000	Cost/Valuation R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000
Buildings and infrastructure	2,033,122	(384,447)	1,648,675	1,875,882	(344,942)	1,530,940
Vehicles and mechanical equipment	464,399	(172,574)	291,825	240,514	(136,095)	104,419
Furniture and office equipment	217,641	(140,305)	77,336	206,815	(137,379)	69,436
Aircraft	105,669	(48,274)	57,395	104,904	(38,754)	66,150
<b>Total</b>	<b>2,820,831</b>	<b>(745,600)</b>	<b>2,075,231</b>	<b>2,428,115</b>	<b>(657,170)</b>	<b>1,770,945</b>

**Reconciliation of property, plant and equipment – 2018**

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Buildings and infrastructure	1,530,940	187,276	(29,280)	(40,260)	1,648,675
Vehicles and mechanical equipment	104,419	258,639	(16,144)	(55,089)	291,825
Furniture and office equipment	69,436	30,193	(2,233)	(20,060)	77,336
Aircraft	66,150	811	(16)	(9,550)	57,395
	<b>1,770,945</b>	<b>476,919</b>	<b>(47,673)</b>	<b>(124,959)</b>	<b>2,075,231</b>

**Reconciliation of property, plant and equipment – 2017**

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Buildings and infrastructure	1,445,239	128,158	(3,346)	(39,111)	1,530,940
Vehicles and mechanical equipment	67,640	64,194	(293)	(27,122)	104,419
Furniture and office equipment	74,417	23,676	(864)	(27,793)	69,436
Aircraft	74,234	1,299	–	(9,383)	66,150
	<b>1,661,530</b>	<b>217,327</b>	<b>(4,503)</b>	<b>(103,409)</b>	<b>1,770,945</b>



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6. Property, plant and equipment (continued)

Included in movable assets are assets that are held under finance leases.:

Assets that serve as security under finance leases as detailed in note 10.

	2018 R '000	2017 R '000
Cost	313,780	23,452
Accumulated depreciation	(78,713)	(21,061)
	<b>235,067</b>	<b>2,391</b>
<b>Vehicles:</b>		
Cost	275,233	4,235
Accumulated depreciation	(62,737)	(3,777)
	<b>212,496</b>	<b>458</b>
<b>Furniture, Office equipment and Computer software:</b>		
Cost	38,547	19,217
Accumulated depreciation	(15,976)	(17,284)
	<b>22,571</b>	<b>1,933</b>
<b>Assets under construction</b>		
The closing balance of property, plant and equipment includes the following assets under construction:		
Buildings and infrastructure	248,599	154,510
Vehicles and mechanical equipment	32	142
Furniture and office equipment	413	2,448
	<b>249,044</b>	<b>157,100</b>





## 6. Property, plant and equipment (continued)

Assets under construction with delays are as follows:

Asset	Reason for delay	Amount R'000
Buildings and Infrastructure	Delays caused by lead time on impouted elevator component and ratification on sub-standard workmanship.	1,918
Buildings and Infrastructure	Delays is due to the resignation of PM and transfer of SR resulted in loss of continuity.	123
Buildings and Infrastructure	The process was stopped due to internal investigations. Upon receiving the confirmation to continue MTO had to prepare the site (Tree felling).	140
Buildings and Infrastructure	Agulhas Ratelriver delayed by Public Private Partnership process, Tsitsikamma Big Tree project delayed due to termination of buildings contract and EIA processes impacted on Shangoni Gate (Kruger National Park) and Phalaborwa Activity Hub (Kruger National Park).	11,295
Buildings and Infrastructure	The projects are taking longer to be completed due to the followings reasons: <ul style="list-style-type: none"> <li>• EIA processes;</li> <li>• Poor performance by contractors and termination of contracts;</li> <li>• Planning of huge projects i.e. Tsitsikamma Restaurant;</li> <li>• Community Prjects i.e. Addo Lodge site; and</li> <li>• Long tender and contracting processes.</li> </ul>	232,109

The register containing details of land and buildings is available for inspection at the Head Office of SANParks.

SANParks assesses at each reporting date whether there is any indication that the property, plant and equipment may be impaired. No such indication existed at the end of the financial reporting period.

## 7. Intangible assets

	2018			2017		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Rights	22,936	—	22,936	20,200	—	20,200
Computer software	61,400	(38,354)	23,046	66,314	(27,724)	38,590
<b>Total</b>	<b>84,336</b>	<b>(38,354)</b>	<b>45,982</b>	<b>86,514</b>	<b>(27,724)</b>	<b>58,790</b>



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7. Intangible assets (continued)

Reconciliation of intangible assets – 2018

	Opening balance R'000	Additions R'000	Disposals R'000	Other changes, movements	Amortisation R'000	Total R'000
Rights	20,200	2,736	–	–	–	22,936
Computer software	38,590	3,407	(11)	(8,039)	(10,901)	23,046
	58,790	6,143	(11)	(8,039)	(10,901)	45,982

Reconciliation of intangible assets – 2017

	Opening balance R'000	Additions R'000	Other changes, movements	Amortisation R'000	Total R'000
Rights	20,200	–	–	–	20,200
Computer software	27,354	15,967	3,646	(8,377)	38,590
	47,554	15,967	3,646	(8,377)	58,790

Assets in the process of being developed

The closing balance of intangible assets includes the following assets in the process of being developed:

	2018 R '000	2017 R '000
Computer software	4,266	14,005

Intangible assets under construction with delays are as follows:

Asset	Reason for delay	Amount R'000
Computer software	There were additional modules added to the work order, which are in line with audit findings.	4,266

SANParks purchased rights over immovable property, to graze and stock water. SANParks have full access to the purchased rights from signature date to infinity, thus making the rights an intangible asset with an indefinite useful life. As the right has an indefinite useful life, it has not been amortised. The useful life of the right has been reviewed for the reporting period under review, to determine whether events and circumstances continue to support an indefinite useful life assessment for the rights. Furthermore, through an assessment conducted, it was noted that no conditions existed at year end that might be indicative that rights are impaired.

The computer software useful life used in the calculation of amortisation of Software is between 3 years and 5 years. SANParks assesses at each reporting date whether there is any indication that the computer software may be impaired, or that the useful life is still appropriate. No such indication existed at the end of the current financial reporting period.



## 8. Heritage assets

Items that qualify as Heritage Assets for which SANParks can determine the historical costs associated with these items, SANParks performed an asset count and allocated costs for each such item and these have been recognised on the Annual Financial Statements. The following items were identified:

	2018			2017		
	Cost/Valuation R'000	Accumulated impairment losses R'000	Carrying value R'000	Cost/Valuation R'000	Accumulated impairment losses R'000	Carrying value R'000
Statues	552	–	552	552	–	552
Conservation land	540,169	–	540,169	541,143	–	541,143
<b>Total</b>	<b>540,721</b>	<b>–</b>	<b>540,721</b>	<b>541,695</b>	<b>–</b>	<b>541,695</b>

### Reconciliation of heritage assets 2018

	Opening balance R'000	Other changes, movements R'000	Total R'000
Statues	552	–	552
Conservation land	541,143	(974)	540,169
	<b>541,695</b>	<b>(974)</b>	<b>540,721</b>

### Reconciliation of heritage assets 2017

	Opening balance R'000	Additions R'000	Total R'000
Statues	552	–	552
Conservation land	535,624	5,519	541,143
	<b>536,176</b>	<b>5,519</b>	<b>541,695</b>

### Heritage assets in the process of acquisition

The closing balance of heritage assets includes the following assets in the process of acquisition:

	2018 R '000	2017 R '000
Conservation land	–	974

There were no assets in the process of acquisition with delays in heritage assets during the current financial year.

SANParks assesses at each reporting date whether there is any indication that its Heritage Assets may be impaired. No such indication existed at the end of the current financial reporting period.

### Heritage assets whose fair values cannot be reliably measured

A significant number and value of SANParks Heritage assets were obtained through non exchange transactions from various state-owned organisations and these include:



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8. Heritage assets (continued)

- Land: National Parks
- Archaeological site
- Collections
- Geological sites
- Graves of cultural significance
- Historical buildings
- Historical sites
- Landscapes and natural features of cultural significance
- Monuments
- Palaentology sites
- Sacred sites (sites of spiritual or religious significance)

For land obtained from non exchange transations, SANParks attempted to establish the value thereof using guidance from GRAP 103 and Directive 7 issued by the Accounting Standards Board.The heritage value (i.e. which is the service potential of the land) of the National Parks is derived from the NEMPA (National Envirnmental Management Protected Areas) Act which is primarily to protect these areas; prevent exploitation or occupation inconsistent with the protection of the ecological integrity of the these areas; provide spiritual, scientific, educational, recreational and tourism opportunities which are environmentally compatible and contribute to economic development, where feasible.

Due to the size and magnitude of National Parks, SANParks is not aware of any market to buy and sell National Parks or any other valuation method or technique that is available to measure National Parks. For those reasons SANParks’ land acquired from non-exchange transactions could not be recognised in the Annual Financial Statements.

As this land is an inalienable item (withdrawal as a National Park and protected area in terms of the NEMPA Act is only by resolution of the National Assembly and/or the Minister depending on the circumstances), none of National Parks have been disposed of however information pertaining to such land has been disclosed below.

Heritage assets per park	Size in Hectares
Kruger National Park	1,962,362
AugrabiesFalls National Park	58,699
Kalahari Gemsbok National Park	960,029
Mokala National Park	29,414
Namaqua National Park	130,641
Richtersveld National Park	162,445
Agulhas National Park	20,415
Bontebok National Park	2,432
Table Mountain National Park	33,010
Tankwa-Karoo National Park	138,570
West Coast National Park	47,026
Addo Elephant National Park	172,578
Camdeboo National Park	18,946
Garden Route National Park	137,896
Karoo National Park	84,082
Mountain Zebra National Park	27,900
Golden Gate Highlands National Park	34,062
Mapungubwe National Park	15,311
Marakele National Park	60,865
Groenkloof National Park	7
Graspan/Vaalbos National Park	4,575



8. Heritage assets (continued)

In addition SANParks has acquired other heritage assets which originate from National Parks, derive their significance from their association of National Parks and have the potential to yield information that enhances the cultural significance of National Parks when considering tourism experience and marketing. These are managed within the National Heritage Resources Act (NHRA). Due to the uniqueness of the heritage assets, mandate and nature of SANParks and in addition the limitations of the NHRA, neither the fair value, deemed cost or replacement cost could be determined for these heritage asset. For that reason SANParks could not recognise them in the Annual Financial Statements. None of these heritage assets have been disposed. However see below information pertaining to such heritage assets below:

Other heritage assets per park	Description
Kruger National Park	Archaeological sites, Collections, Geological sites, Graves of cultural significance, Historical buildings, Historical sites, Landscapes and natural features of cultural significance, Monuments, Palaeontology sites, Sacred sites (sites of spiritual or religious significance).
AugrabiesFalls National Park	Archaeological sites, Historical sites, Landscapes and natural features of cultural significance.
Kalahari Gemsbok National Park	Archaeological sites.
Mokala National Park	Archaeological sites, Collections, Graves of cultural significance, Historical buildings, Historical site.
Namaqua National Park	Archaeological sites, Geological sites, Historical building, Historical sites.
Richtersveld National Park	Graves of cultural significance, Historical sites.
Agulhas National Park	Historical buildings, Historical sites.
Bontebok National Park	Historical sites.
Table Mountain National Park	Archaeological sites, Collections, Geological sites, Historical sites, Historical buildings, Historical sites, Monuments.
Tankwa-Karoo National Park	Archaeological sites, Historical buildings, Historical sites.
West Coast National Park	Graves of cultural significance, Historical buildings, Palaeontology sites.
Addo Elephant National Park	Archaeological site, Collections, Geological sites, Graves of cultural significances, Historical building, Historical site, Landscapes and natural features of cultural significance, Monuments, Sacred sites (sites of spiritual or religious significance).
Camdeboo National Park	Archaeological site, Geological site, Historical buildings, Historical site, Monument, Sacred sites (sites of spiritual or religious significance).
Garden Route National Park: (i) Knysna;	Archaeological sites, Collections, Graves of cultural significance, Historical buildings, Historical sites, Landscapes and natural features of cultural significance.
(ii) Tsitsikamma;	Archaeological sites, Graves of cultural significance, Historical buildings, Historical sites, Landscapes and natural features of cultural significance.
(iii) Wilderness	Archaeological sites, Historical buildings, Monuments
Karoo National Park	Archaeological sites.
Mountain Zebra National Park	Archaeological sites, Graves of cultural significance, Historical sites.
Golden Gate Highlands National Park	Archaeological site, Geological site, Graves of cultural significance, Historical Buildings, Historical site, Palaeontology site.
Mapungubwe National Park	Archaeological sites, Collections, Historical sites.
Marakele National Park	Archaeological sites, Graves of cultural significance, Historical buildings.



## Annual Financial Statements for the year ended 31 March 2018

	2018 R '000	2017 R '000
<b>9. Other financial liabilities</b>		
<b>Designated at fair value</b>		
ICT Loan	5,541	11,993
SANParks entered into an agreement with ICT (a creditor), to purchase computer software on credit.		
The loan is unsecured, and repayable in three equal annual instalments and has no interest charges.		
Long term portion – non-current liability	–	5,541
Short term portion – current liabilities	5,541	6,451
<b>10. Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
– within one year	67,270	2,247
– in second to fifth year inclusive	184,109	1,030
– later than five years	–	–
	251,379	3,277
less: future finance charges	(42,382)	(206)
<b>Present value of minimum lease payments</b>	<b>208,997</b>	<b>3,071</b>
Non-current liabilities	158,853	1,006
Current liabilities	50,144	2,065
	<b>208,997</b>	<b>3,071</b>

It is SANParks policy to lease IT equipment and vehicle fleet under finance leases.

The average lease term is 3-5 years and the average effective borrowing rate was 9.5% (2017: 10%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

SANParks obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 6.

	2018 R '000	2017 R '000
<b>11. Trade and other payables from exchange transactions</b>		
Trade payables	102,697	103,163
Payments received in advanced	41,698	35,008
VAT payable	12,669	10,915
Accrued expenses	68,815	33,603
Deposits received	406	645
Other payables	14,602	25,802
	<b>240,887</b>	<b>209,136</b>
<b>Trade Payables Age Analysis</b>		
Current	89,104	89,625
31 – 60 days	(3,884)	(4)
61 – 90 days	5,825	382
91 – 120 days	(1,940)	(1,390)
120 days and over	13,592	14,550
	<b>102,697</b>	<b>103,163</b>



## Annual Financial Statements for the year ended 31 March 2018

	2018 R '000	2017 R '000
<b>12. Unspent conditional grants and receipts</b>		
<b>Unspent conditional grants comprises of:</b>		
<b>Unspent conditional grants and receipts</b>		
Infrastructure grant	447,939	453,565
Special projects	194,338	173,005
Land grant	41,438	22,504
Expanded Public Works Programme (EPWP)	130,695	72,066
	<b>814,410</b>	<b>721,140</b>
<b>Movement during the year</b>		
<b>Infrastructure grant</b>		
Infrastructure balance at the beginning of the year	453,565	269,775
Infrastructure grant received during the year	183,930	349,886
Infrastructure grant utilised during the year	(212,942)	(179,574)
Interest received during the year	23,386	13,478
Infrastructure closing balance during the year	447,939	453,565
<b>Special projects</b>		
Special projects opening balance	173,005	130,930
Special projects opening balance transferred to note 4	–	(1,986)
Special projects funds received during the year	140,331	152,260
Interest received	2,280	822
Special projects funds utilised during the year	(121,278)	(109,021)
Special Projects closing balance	194,338	173,005
<b>Land grant</b>		
Land grant opening balance	22,504	5,020
Land grant received during the year	17,531	16,696
Land grant utilised during the year	(3)	(434)
Interest received during the year	1,406	1,222
Land grant closing balance during the year	41,438	22,504
<b>Expanded Public Works Programme</b>		
Expanded Public Works Programme (EPWP) opening balance	72,066	(19,562)
Funds received during the year	596,742	577,507
Interest received	4,050	1,902
Funds utilised during the year	(542,163)	(487,781)
Expanded Public Works Programme closing balance	130,695	72,066



### 13. Provisions

#### Reconciliation of provisions – 2018

	Opening Balance R'000	Utilised during the year R'000	Total
Concessionaires provision	210,114	35,252	245,366
Leave liability	55,164	3,745	58,909
	<b>265,278</b>	<b>38,997</b>	<b>304,275</b>

#### Reconciliation of provisions – 31 March 2017

	Opening Balance	Utilised during the year	Total
Concessionaires provision	163,644	46,470	210,114
Leave liability	46,365	8,799	55,164
	<b>210,009</b>	<b>55,269</b>	<b>265,278</b>

	2018 R '000	2017 R '000
Non-current liabilities	245,366	210,114
Current liabilities	58,909	55,164
	<b>304,275</b>	<b>265,278</b>

The lodge concessions entail allowing private operators to build and operate tourism facilities within the National Parks, for contracted defined periods, usually over a 20 year concession contract. Investors take over and upgrade specified existing lodge facilities, or build new ones. The contractual mechanism is a concession contract, which enables the private operator to use a defined area of land, plus any building that may already exist on that land, over a specific time period in return for payment of concession fees. Against these rights of occupation and commercial use of facilities, there is a set of obligations on the part of the concessionaire regarding financial terms, environmental management, social objectives, empowerment and other factors. Infringement of these requirements carries specified penalties, underpinned by performance bonds, and finally termination of the contract. The assets will revert to SANParks at a consideration equal to the residual value of the asset at the date of transfer. The provision arose as a result of the liability payable at the termination date of the concessionaire contract. Refer to note 3 for the concession asset.

### 14. Reservation deposits

Opening balance	324,079	276,656
Current year deposits	1,850,598	902,351
Deposits utilised during the year	(1,821,307)	(854,928)
	<b>353,370</b>	<b>324,079</b>



## Annual Financial Statements for the year ended 31 March 2018

	2018 R '000	2017 R '000
<b>15. Employee benefit obligation</b>		
<b>The amounts recognised in the statement of financial position are as follows:</b>		
<b>Carrying value</b>		
Present value of the defined benefit obligation-wholly unfunded	496,532	486,196
Interest cost	47,447	48,507
Current service cost	7,890	8,285
Actual employer benefit payments	(22,668)	(20,145)
Actuarial (gain)/loss	23,027	(26,311)
	<b>552,228</b>	<b>496,532</b>
<b>Net expense recognised in the statement of financial performance</b>		
Current service cost	7,890	8,285
Interest cost	47,447	48,507
Actuarial (gains) losses	23,027	(26,311)
	<b>78,364</b>	<b>30,481</b>
<b>Key assumptions used</b>		
Assumptions used at the reporting date:		
Discount rates used	9.70%	10.10%
Medical cost trend rates	8.00%	9.80%

**Mortality pre-retirement**

Male SA 85-90 (light)

Female SA 85-90 (light) down by three years

**Mortality post retirement**

Male PA90 male – rated down by one year

Female PA90 female – rated down by one year

**Sensitivity analysis**

Effect of 1% increase and decrease in the health care cost inflation rate is as follows:

	Valuation basis R '000	1% increase R '000	1% decrease R '000
Employer's accrued liability	552,228	601,928	590,884
Actuarial (gain)/loss	23,027	25,099	24,639

	2018 R '000	2017 R '000
<b>16. Tourism, retail, concession and other</b>		
<b>Retail activities</b>		
Shops and restaurant	48,812	55,580
Filling station sales	184,435	166,382
	233,247	221,962
<b>Tourism</b>		
Accommodation	768,448	696,283
Drive fees	62,630	56,479
Trail fees	38,364	34,484
Other tourism related activities	40,601	35,851
	910,043	823,097
<b>Concession fees</b>		
Facilities rental	42,283	40,575
Concession fees received	90,576	76,275
	132,859	116,850
<b>Conservation fees</b>		
Wild card income	80,755	71,128
Conservation fees	510,619	431,527
Entrance fees	9,491	8,642
	600,865	511,297
<b>Other</b>		
Rent received	13,547	13,388
Services rendered	10,108	9,150
	23,655	22,538
	<b>1,900,669</b>	<b>1,695,744</b>
<b>17. Sales – fauna and flora</b>		
Sales – fauna and flora	17,634	42,127

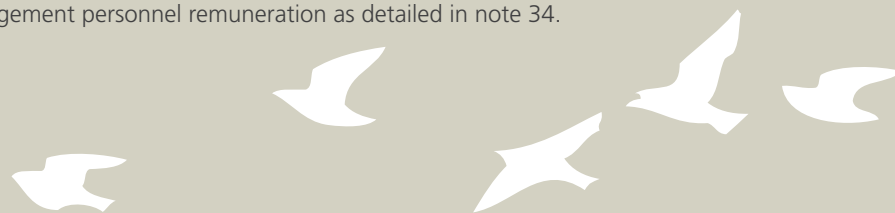
The sale of fauna and flora is used for bio-diversity and to improve representative conservation estate.



## Annual Financial Statements for the year ended 31 March 2018

	2018 R '000	2017 R '000
<b>18. Other operating income</b>		
Sales – non-retail	1,051	1,135
Fines	147	3,156
Course fees	1,743	1,719
Commission received	1,051	3,852
Water and electricity	10,678	8,895
Rebates received	–	541
Location fee for filming right	2,486	2,799
Other income	16,497	14,172
	<b>33,653</b>	<b>36,269</b>
<b>19. Interest and royalties received</b>		
<b>Interest revenue</b>		
Interest and royalties received	59,585	47,230
<b>20. Government grants and other funding</b>		
Roads	12,904	12,289
Conservation	424,106	386,792
Land acquisition	–	437
Special projects income	121,278	201,151
	<b>558,288</b>	<b>600,669</b>
<b>21. Donations</b>		
Donations	12,445	9,602
Non-specific donations form a minor part of the funding of conservation and people and conservation programmes of SANParks. Due to the varying nature of such funding and the direct allocation thereof to identifiable projects, it is not deemed to be part of normal operations.		
<b>22. Employee related costs</b>		
Salaries and wages	802,463	773,777
Social contributions	120,355	108,727
Other salary related costs	97,319	92,320
Post-retirement benefits (note 15)	78,364	30,481
	<b>1,098,501</b>	<b>1,005,305</b>

Included in employee related costs are related parties transactions pertaining to key management personnel remuneration as detailed in note 34.





**22. Employee related costs (continued)****SANParks Pension Fund**

Contributions by the employer and the employees are allocated to the SANParks Pension Fund. The fund is a defined contribution plan which is controlled by the Pension Funds Act, 1956 and administered by a financial institution. During the year SANParks contributed an amount of R44,072 million for 2,421 employees to the retirement fund (2017: R40,8 million for 2,299 employees).

**SACCAWU National Provident Fund**

The fund is a defined contribution plan, which is controlled by the Pension Funds Act, 1956, and administered by a financial institution. Retirement benefits are based on the accumulated credits as contributed by both employer and employee. During the year SANParks contributed an amount of R29,461 million for 2,250 employees (2017: R27,373 million for 2,164 employees).

	2018 R '000	2017 R '000
<b>23. Depreciation and amortisation</b>		
Buildings and infrastructure	40,260	39,111
Vehicle and mechanical equipment	55,089	27,122
Furniture and office equipment	20,060	27,793
Aircraft	9,550	9,383
Intangible assets – amortisation	10,901	8,377
	<b>135,860</b>	<b>111,786</b>
<b>24. Finance costs</b>		
Finance leases	10,663	464
Current borrowings	74	118
	<b>10,737</b>	<b>582</b>
<b>25. Repairs and maintenance</b>		
Property and buildings	112,512	102,260
Machinery and equipment	8,145	6,552
Office and computer equipment	579	803
Consumables utilised in maintenance programmes	15,974	15,154



## Annual Financial Statements for the year ended 31 March 2018

	137,210	124,769
	2018 R '000	2017 R '000
<b>26. Operating expenses</b>		
Assessment rates and municipal charges	61,256	59,174
Auditors remuneration (Note 27)	6,105	9,125
Bank charges	23,142	23,370
Consulting and professional fees	27,441	24,534
Consumables	43,143	50,057
Insurance	1,734	61
Information and communication technology expenses	16,700	13,001
Motor vehicle expenses	43,102	18,333
Promotions	16,664	13,113
Software expenses	9,126	7,811
Subsistence allowance	57,062	49,550
Telephone and fax	28,310	25,952
Other operating expenses	155,360	154,438
Impairment of financial assets	92,453	5,399
Special projects expenses	139,514	162,017
Cost of retail operations	194,669	181,823
	<b>915,780</b>	<b>797,750</b>
<b>27. Auditors' remuneration</b>		
Internal audit fees	1,633	3,074
External audit fees	4,472	6,051
	<b>6,105</b>	<b>9,125</b>
<b>28. Operating lease payments</b>		
Rent paid vehicles	58,034	118,612
Rent paid other	14,614	11,916
	<b>72,648</b>	<b>130,528</b>
<b>29. Loss on disposal of assets</b>		



Loss on disposal of assets	9,403	3,776
	2018 R '000	2017 R '000
<b>30. Irregular expenditure</b>		
Opening balance	21	1,734
Condoned	(21)	(1,734)
Irregular expenditure incurred	6,164	955
Less: Amounts recoverable (condoned)	(5,696)	(934)
<b>Balance carried forward not condoned</b>	<b>468</b>	<b>21</b>

During the year under review, services were procured from suppliers without following proper procurement processes. The deviations were not approved in accordance with SANParks’ Delegation Framework.

Upon discovery of these deviations, SANParks embarked on an internal investigation in order to ascertain the full nature of the irregular expenditure. The results of the investigations are as follows:

- The irregular expenditure was not the result of fraudulent, corrupt and/or criminal activities.
- Value for money was derived from the services rendered as the contracts relate to services that are essential for SANParks operations.
- The transactions, conditions and events have not resulted in SANParks suffering a financial loss. Therefore the irregular expenditure is not recoverable from an employee.
- Due to the fact that no employee is liable for this transaction, no receivables were raised to account for this transaction. The expenditure incurred was thus left in the expense account and is included as part of operational expenses in the Statement of Financial Performance

Subsequently, a process was initiated to regularise the irregular expenditure through SANParks’ SCM processes.

**31. Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure	74	90
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Interest on overdue creditors relates to interest charged for late payments to suppliers. Subsequently management has reviewed internal controls around payment terms for creditors.

	2018 R '000	2017 R '000
<b>32. Cash generated from operations</b>		
Surplus	202,135	257,137
<b>Adjustments for:</b>		
Depreciation and amortisation	135,860	111,786
Loss on sale of assets	9,403	3,776
Finance costs	10,737	582
Movements in retirement benefit liabilities	55,696	10,336
Movements in provisions		
<b>Changes in working capital:</b>	38,997	57,086
Inventories	(11,512)	2,688
Receivables from exchange transactions	(3,441)	208
Receivables from non-exchange transactions	90,141	(70,579)
Trade and other payables from exchange transactions	31,756	(45,817)
Unspent conditional grants and receipts	93,270	315,415
Reservation deposits	29,291	47,423
	<b>682,333</b>	<b>690,041</b>

**33. Risk management**

**Financial risk management**

SANParks activities exposes it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

SANParks overall risk management programme focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on SANParks financial performance. Risk management is carried out under policies approved by the Accounting Authority. The Accounting Authority provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment.

**Liquidity risk**

SANParks is exposed to liquidity risk as a result of the funds available to cover future commitments. SANParks manages liquidity risk through an ongoing review of future commitments and credit facilities.





Cash flow forecasts are prepared and borrowing facilities are monitored.

### 33. Risk management (continued)

#### Maximum credit risk exposure

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. SANParks only deposits cash with major banks with high quality credit standing.

Cash deposits and cash equivalents: SANParks minimizes its credit risk, which is the risk of loss due to the failure of the security issuer by using banks with an BB+ grading according to the Fitch IBCA and similar grading reports. These banks are registered in South Africa and approved by the National Treasury.

Trade debtors: Sales to retail customers are settled in cash or using major credit cards. No credit is allowed unless backed by tender or agreement whereby risk control assesses the credit worthiness of the customer, taking into account its financial position, past experience and other factors

The financial assets carried at cost exposes the entity to credit risk. The value of the maximum exposure to credit risk are as follows for each class of financial asset at cost.

Financial instrument	2018 R '000	2017 R '000
Cash and cash equivalents	1,776,646	1,376,597
Receivables from exchange transactions	39,912	36,473
Recoverables from non-exchange transactions	-	90,141

#### Concentration of Credit Risk

Potential concentrations of credit risk consist mainly of short-term cash, cash equivalent investments and trade debtors.

SANParks limits its counter party exposure from its money market investment operations by only dealing with well-established financial institutions of high quality standing. The credit exposure to any one counter party is managed by setting transaction/exposure limits, which are reviewed annually.

Trade debtors comprise a large number of customers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Trade debtors are presented net of doubtful debts.

Concentration of credit risks	Exposure R'000	Percentage of total exposure
Bank balances and cash on hand	1,438,678	81%
Short term investments	337,968	19%
	<b>1,776,646</b>	<b>100%</b>

#### Capital Risk Management

SANParks objectives, when managing capital, are to safeguard their ability to continue as a going concern in order to provide benefits for stakeholders and



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to maintain an optimal capital structure.

The capital structure of SANParks consist of debt, which includes borrowings and cash and cash equivalents.

33. Risk management (continued)

Interest rate risk

As SANParks has no significant interest-bearing assets, SANParks income and operating cash flows are substantially independent of changes in market interest rates.

SANParks interest rate risk arises from long-term borrowings. Borrowings issued at variable rates exposes SANParks to cash flow interest rate risk. Borrowings issued at fixed rates will expose the entity to fair value interest rate risk.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date together with the cash flow interest rate risk.

2018	Within one year R'000	Later than one year and not later than five years R'000	Current interest rate
Gross finance lease obligation	67,270	184,109	9.5%
Borrowings	5,541	–	–
Trade and other payables	240,887	–	
Reservation deposits	353,370	–	
Post retirement health benefit obligation	552,228	–	
Unspent conditional grants and receipts	814,410	–	
	Within one year R'000	Later than one year and not later than five years R'000	Current interest rate
2017			
Gross finance lease obligations	2,247	1,030	10%
Borrowings	6,451	5,541	0
Trade and other payables	209,136	–	
Reservation deposits	324,079	–	
Post retirement health benefit obligation	496,532	–	
Unspent conditional grants and receipts	721,140	–	



These amounts best represent maximum exposure to credit risk at the end of the reporting period without taking into account any credit enhancements.

33. Risk management (continued)

Interest Rate Risk sensitivity analysis

The susceptibility of South African National Park’s financial performance to changes in interest rates can be illustrated as follows:

Effect of 1% change in the interest rate	Current interest rate	Value 31 March 2018 R’000	Discounted value at current rate R’000	Discounted value at Current rate (+1%) R’000	Discounted value at Current rate (-1%) R’000
Trade and other receivables from exchange transactions	13%	39,912	45,098	45,497	44,699
Trade and other payables from exchange transactions	10%	240,887	264,976	267,385	262,567
Cash in current banking institution	6.5%	1,438,402	1,531,898	1,546,282	1,517,514
Call investment deposits	7.65%	337,968	363,823	367,202	360,443

The sensitivity analysis was based on the assumption that a 1% increase or decrease in the interest rate could occur. The method used to prepare the sensitivity analysis was based on the discounted value of the respective cash flow for 1 year using the respective current interest rate in order to determine the effect of applicable market risk of a 1% increase or decrease in the interest rate.

Financial assets pledged as security

The following financial assets were pledged as security for liabilities

Description of financial asset	Line item financial asset is included in	Value of the balance pledged as security – R’000	Details of the liability that it was pledged as security for
Vehicles, furniture and office equipment and computer software	Property, plant and equipment and intangible assets	235,067	Serves as security under finance leases

34. Related Parties

Relationships

Controlling entity: DEA

SANParks does not have control or significant influence over any other entity. SANParks is a statutory organisation governed by the National Environmental Management Protected Areas Act, no. 57 of 2003, and a national public entity as listed under Schedule 3A of the PFMA No. 1 of 1999 as amended.



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SANParks is not required to disclose the value of transactions with other public sector entities as the transactions were concluded within normal operating procedures and on terms that are no more or no less favourable than the terms it would use to conclude transactions with another entity or person.

**34. Related Parties (continued)****Key management personnel remuneration**

<b>2018</b>	<b>Emoluments R'000</b>	<b>Other benefits* R'000</b>	<b>Bonuses and Incentives R'000</b>	<b>Total R'000</b>
Mr F Mketeni – CEO	2,433	2	150	2,585
Mr D Dlamini – CFO (Appointed 01 December 2017)	671	2	–	673
Mr G Phillips – ME Kruger National Park	1,984	2	126	2,112
Ms L McCourt – COO	1,870	3	124	1,997
Mr L Mokoena – ME Parks	1,767	2	114	1,883
Ms H Sello -ME Tourism	1,746	3	116	1,865
Dr L Dziba (Appointed 01 August 2017)	1,375	2	–	1,377
Mr R Mahabeer (CFO - resigned 31 March 2017)	-	-	142	142
	<b>11,846</b>	<b>16</b>	<b>772</b>	<b>12,634</b>
<b>2017</b>	<b>Emoluments R'000</b>	<b>Other benefits* R'000</b>	<b>Bonuses and Incentives R'000</b>	<b>Total R'000</b>
Mr F Mketeni – CEO	2,092	–	141	2,233
Mr R Mahabeer – CFO (Resigned 31 March 2017)	2,019	–	1,115	3,134
Mr G Phillips – ME Kruger National Park	1,864	–	117	1,981
Ms W Mkutshulwa – ME Corporate Services (Resigned 30 April 2016)	147	–	–	147
Ms L McCourt – COO	1,627	–	108	1,735
Mr L Mokoena – ME Parks (Appointed 01 April 2016)	1,612	–	39	1,651
Ms H Sello – ME Tourism	1,636	–	–	1,636
Ms JS Golding (Appointed 01 October 2016, and resigned 02 November 2016)	139	2	–	141
	<b>11,136</b>	<b>2</b>	<b>1,520</b>	<b>12,658</b>

\* Other benefits comprise uniform allowance.



**34. Related Parties (continued)****Board members and attendance at meetings, remuneration and associated costs**

<b>2018</b>	<b>Board meetings and workshops</b>	<b>Conservation, tourism and socio-economic development committee meetings</b>	<b>Audit and risk committee</b>	<b>Human capital management committee meetings</b>	<b>Remuneration</b>	<b>Subsistence and travel allowance</b>
Ms J Yawitch	3	–	–	–	61,631	5,382
Ms K Njobe	5	4	–	5	117,395	1,972
Dr CG Olver	5	–	5	–	62,615	6,302
Ms F Futwa	5	–	5	–	59,350	4,920
Ms B Ferguson	3	–	–	5	72,180	2,891
Mr M India	3	2	–	–	63,479	7,288
Mr L Zita	4	4	5	–	100,220	7,141
Dr M Matlou	3	2	–	2	37,393	1,768
Ms T Semane	4	–	2	3	77,174	4,722
Dr N Mzilikazi	3	4	–	–	9,566	–
Mr S Munzhedzi	2	–	–	–	–	–
Ms Z Silevu (Appointed 16 May 2017)	–	–	5	–	22,610	1,546
Mr C De Kock (Appointed 16 May 2017)	–	–	3	–	14,349	485
					<b>697,962</b>	<b>44,417</b>
<b>2017</b>	<b>Board meetings and workshops</b>	<b>Conservation, tourism and socio-economic development committee meetings</b>	<b>Audit and risk committee</b>	<b>Human capital management committee meetings</b>	<b>Remuneration</b>	<b>Subsistence and travel allowance</b>
Ms J Yawitch	5	–	–	–	58,051	7,134
Ms K Njobe	5	5	–	5	77,682	–
Dr GC Olver	5	–	6	–	42,484	4,791
Ms F Futwa	4	–	6	–	45,102	5,205
Ms B Ferguson	5	–	–	5	64,482	3,060
Mr M India	5	5	–	–	60,930	5,333
Mr L Zita	5	5	5	–	62,578	55
Dr M Matlou	5	4	–	3	64,230	3,198
Ms T Semane	3	–	5	4	48,398	3,836
Dr N Mzilikazi	3	2	–	–	–	–
Ms H Schoeman (Resigned 20 July 2016)	1	–	1	1	–	–
Mr S Munzhedzi (Appointed 18 November 2016)	2	–	–	–	–	–
					<b>523,937</b>	<b>32,612</b>

Mr S Munzhedzi is working for government and is not eligible to receive the remuneration payable to members for attending meetings.

Dr N Mzilikazi is no longer working for government and is eligible to receive the remuneration payable to members for attending meetings from February 2018.

Ms Zimasa Silevu and Mr Charl De Kock are independent ARC members appointed 16 May 2017.

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35. Commitments

Authorised capital expenditure

	2018 R '000	2017 R '000
<b>Already contracted for but not provided for</b>		
• Property, plant and equipment	405,639	282,190
<b>Not yet contracted for and authorised by member</b>		
• Property, plant and equipment	215,842	705,741

- Commitments represent goods/services that have been ordered, but no delivery has taken place at 31 March 2018. These amounts are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are only disclosed in this note. Majority of SANParks capital commitments are funded by grants from the DEA. Approved and contracted for capital commitments pertains to existing contracts with external parties for the construction of SANParks infrastructure. Approved but not yet contracted for capital commitments represents agreements for funding, of specific capital projects, between SANParks and the DEA. Other commitments are funded by SANParks operational grant and pertains to operational orders that were not delivered as at 31 March 2018.

Commitments in respect of operational leases

<b>Already contracted for but not provided for</b>		
• Within one year	173,259	110,680
• Between two and five years	110,718	87,219
	<b>283,977</b>	<b>197,899</b>

This committed expenditure relates to vehicles, buildings and equipment and will be financed by funds internally generated.

36. Contingencies

Contingent liabilities

Land Claims

The Department of Rural Development and Land Reform did not award any land rights or land managed by SANParks to any claimant person or communities in the current financial year. SANParks is still supportive of the process of appropriate redress for persons or communities who unjustly lost rights or ownership of land as a result of it being declared a National Park. No significant financial obligations are placed on SANParks in consequence of this process, however the co-management framework with successful claimant communities and the attendant beneficent scheme will exert financial strain on SANParks once the land has been restored to the claimants.

Municipal Property Rates

National Parks constitute rateable property in terms of the Local Government: Municipal Property Rates Act, No. 6 of 2004 (the Rates Act) which came into effect on 2 July 2005. The Rates Act started applying to National Parks as from 2 July 2009.

SANParks made a submission to the Minister of Environmental Affairs in March 2011 whereby the Minister was requested to make a formal submission on behalf of SANParks to the Minister of Co-operative Governance and Traditional Affairs requesting:

- a total exemption of all National Parks from the application of the Property Rates Act.; or
- to consider prescribing a National Rates framework that can be applied to all National Parks to bring about consistence to the application of the Rates Act. by all municipalities to ensure that National Parks afford the prescribed rates; and
- in the interim all National Parks that are rateable, be exempted from payment of Property Rates until such time that the Minister of Co-operative Governance and Traditional Affairs has made a decision in respect of the paragraphs above.



37. Public Private Partnership Programme – PPP Fee Income

Lodge Concession PPP Fees

The lodge concessions entail allowing private operators to build and operate tourism facilities within the National Parks, on the basis of a defined period usually over a 20 year concession contract. Investors take over and upgrade specified existing lodge facilities, or build new ones. The contractual mechanism is a concession contract, which enables the private operator to use a defined area of land, plus any building that may already exist on that land, over a specific time period in return for payment of concession fees. Against these rights of occupation and commercial use of facilities, there is a set of obligations on the part of the concessionaire regarding financial terms, environmental management, social objectives, empowerment and other factors. Infringement of these requirements carries specified penalties, underpinned by performance bonds, and finally termination of the contract, with the assets reverting to SANParks.

The annual concession fee payable by the concessionaire to SANParks for any given concession year shall be the higher of a minimum rental as determined by the agreement for the concession year or a calculated annual concession fee based on the bid percentage of gross revenue for the concession year.

At the end of the concession period the concessionaires shall hand over the concession area, the camp, all concession assets and its rights or interest in the developments to SANParks free of charges, liens, claims or encumbrances of any kind whatsoever and free of any liabilities in good condition, fair wear and tear excepted. The concessionaire shall not, other than as provided for in respect of the residual value, be entitled to payment of any compensation in connection therewith.

Performance bonds were provided to SANParks by the concessionaires that are operative from the effective dates. The concessionaires will maintain valid performance bonds from the effective dates until 90 business days after the expiry or earlier termination of the concession contracts. The amounts to be guaranteed by the performance bonds shall be equal to R250,000 at effective date and increased every 3 years by CPI per Concession Area.

The calculated annual concession fee is based on the bid percentage of actual gross revenue for that concession year. The specific obligations per concession are detailed in the schedule below:

National Park – Concession Area	Concession holder	Commissioning date	Termination date
Addo – Gorah Elephant Camp	Hunter Hotels (Pty) Ltd	1 January 2001	31 December 2025
Kruger – Mutlumuvi	Rhino Walking Safaris (Pty) Ltd	1 July 2002	30 June 2022
Kruger Mpanamana	Shishangeni Lodge (Pty) Ltd	1 January 2002	31 December 2021
Kruger – Jakkalsbessie	Jakkalsbessie Lodge (Pty) Ltd	1 January 2002	31 December 2021
Kruger – Jock of the Bushveld	Mitomeni River Lodge (Pty) Ltd	1 July 2001	30 June 2021
Kruger – Lwakahle	Lukimbi Safari Lodge (Pty) Ltd	1 November 2001	31 October 2021
Kruger – Mluwati	Imbali Safari Lodge (Pty) Ltd	1 January 2002	31 December 2021
Kruger – Nwanetsi	Singita Lebombo (Pty) Ltd	1 March 2002	31 December 2032
Table Mountain – Roundhouse	Roundhouse (Pty) Ltd	1 August 2002	31 July 2030
Table Mountain – Koeel Bay	Koeel Bay Hospitality (Pty) Ltd	1 January 2004	31 December 2023
West Coast – Houseboats	Kraalbaai Houseboats (Pty) Ltd	1 December 2016	31 May 2017



Annual Financial Statements for the year ended 31 March 2018

37. Public Private Partnership Programme – PPP Fee Income (continued)

Public Private Partnership Programme : Retail and Restaurant Facility Rental Income

The concession contracts for retail and restaurant operations entail allowing private operators to operate SANParks’ existing facilities on the basis of a medium-term operating agreement. Investors manage and upgrade existing retail and restaurant facilities (it should be noted that as part of the most recent tender process SANParks undertook refurbishments to some facilities which included upgrading to electricity, refrigeration, roofs, floors and tiling). The agreements enable the operators to use a defined area over a pre-determined term in return for payment of concession fees. Funding for the refurbishment of ageing infrastructure is for the Concessionaires account. Against the right of occupation and commercial use of facilities, there are set obligations on the part of the concessionaire regarding financial terms, environmental management, social objectives, empowerment and other factors. Infringement of these requirements carries specified penalties, including termination of the contract with the assets reverting to SANParks.

The monthly rental payable for the facilities by the private operator to SANParks for any given month shall be the higher of the fixed monthly rental as defined by the agreements, escalating on an annual basis; or the rental based on actual gross revenue realised, expressed as a percentage of gross revenue.

The private operators have provided SANParks with Performance Bonds equivalent to 3 months fixed rental in the form of Performance Guarantees that secure the operators performance under the Operating Agreement on the basis set out in the Facilities Rental Agreement.

The following schedule summarises the potential income receivable from the various operators for the various sites:

Retail and Restaurant	Commissioning date	Termination date
The Park Shop North (Tigers Eye Kruger National Park)	1 February 2013	31 January 2023
The Park Shop South (Tigers Eye – Addo and Tsitsikamma)	1 February 2013	31 January 2023
Jobojali cc t/a Salt and Pepper Restaurant (Karoo)	1 December 2013	30 November 2023
Geelbek Restaurant	1 March 2008	28 February 2018
Tindlovu JV cc	1 December 2012	30 November 2022
Astrorail 145 cc (Augrabies – Shop and Restaurant)	15 November 2012	14 November 2022
Goedetien (Pty) Ltd – (Mugg and Bean – Lower Sabie)	1 March 2014	28 February 2024
Tourvest Holdings (Pty) Ltd Cattle Baron Restaurant Skukuza	1 October 2014	30 September 2024
Select Events and Venues cc	1 December 2013	30 November 2023
Ringgold 470 (Pty) Ltd (Mugg and Bean – Letaba) (Termianted Nov 2017)	14 April 2014	13 April 2024
Quay 4 Knysna	28 March 2008	27 March 2023
Tourvest Holdings (Pty) Ltd – Cattle Baron Restaurant Tsitsikamma	01 August 2014	31 July 2024
Tourvest Holdings (Pty) Ltd Cattle Baron Restaurant Addo	01 April 2014	31 March 2024
Ringgold 474 (Pty) Ltd (Mugg and Bean – Olifants) (Terminated Nov 2017)	03 April 2014	02 April 2024
Ringgold 477 (Pty) Ltd (Mugg and Bean – Satara) (Terminated Nov 2017)	11 March 2014	10 March 2024
Eysbos (Pty) Ltd – (Mugg and Bean – Pretoriuskop)	25 March 2014	24 March 2024
Tshokwane Picnic Site – Tourvest Holdings	1 October 2016	30 September 2031
Afsaal Picnic Site – Tindlovu Bush Cafe	1 June 2016	31 May 2031
Letaba Restaurant – Tindlovu (Interim arrangement)	16 December 2017	16 June 2018
Olifants Restaurant- Tindlovu (Interim arrangement)	16 December 2016	16 June 2018





37. Public Private Partnership Programme – PPP Fee Income (continued)

Activities	Contracting Party	Commissioning Date	Termination Date
Kruger National Park	Skukuza Airport Management Co	01 June 2014	31 May 2024
	AM Spa	22 May 2017	21 May 2027
Cape Point Lease and TMACC	Cape Point – Concor	1 May 1995	30 June 2021
	Table Mountain Aerial Company	26 November 2006	25 November 2025
	Absailing	1 June 2015	31 May 2020
	Rhodes Memorial	01 November 2010	31 October 2020
Tsitsikamma Forest Income	Adventures Out There	24 October 2013	24 October 2018
	Storms River Adventures Tree Top	01 April 2013	30 September 2018
	Mild2Wild	01 April 2013	31 March 2020
	Tours and Woodcutter Trail Cadeau Hiking Trail	01 December 2016	31 March 2022
Tsitsikamma Rest Camp	Untouched Adventures	01 Jan 2015	31 December 2020
	Segway Bike Tours	01 December 2013	31 December 2020
Wilderness Segways	Segway Bike Tours	01 November 2015	31 March 2018

Contractual Parks	Contracting Party	Commissioning Date	Termination Date
Addo Nyati Section	Riverbend Country Lodge	01 June 2004	31 May 2054
Marakele	Marakele (Pty) Ltd	02 November 2000	01 December 2030
Addo	Kuzuko Lodge	99 year lease	99 year lease
West Coast National Park	Duinepos Chalets	24 March 2009	23 March 2019
Kgalagadi National Park	Ixhaus Lodge	01 May 2007	30 April 2027
Tankwa-Karoo National Park	Gannaga / Tankwa Lodge	01 April 2010	Revised every 3 years



Annual Financial Statements for the year ended 31 March 2018

38. Prior period adjustments

1. Correction of property, plant and equipment acquired from non-exchange transactions.

Nature: During the current year, it was established that the value of buildings as disclosed in the statement of financial position, is understated. The understatement is due to the buildings acquired from non-exchange transactions recognised at zero or nominal values. The initial recognition when these assets were recognised was not done in accordance with GRAP 17. The error has been corrected and comparative amounts restated accordingly.

The effect of the change in the prior years' annual financial statements is as follows:

	2018 R '000	2017 R '000
<b>Statement of financial position</b>		
Increase in property, plant and equipment	–	59,687
Increase in accumulated depreciation	–	8,423
Increase in accumulated surplus	–	52,676
<b>Statement of financial performance</b>		
Increase in depreciation expense	–	1,410
Decrease in surplus for the year	–	1,410

2. Reclassification of assets under construction into the correct asset classes.

Nature: Assets under construction have been reclassified into their appropriate asset classes, as required by GRAP 17, as assets under construction are not a class of assets.

The reclassification results in adjustments as follows:

<b>Statement of financial position</b>		
Decrease in property, plant and equipment	–	14,979
Increase in intangible assets	–	14,005
Increase in heritage assets	–	974

3. Reclassification of provision for bonuses to accrued expenses.

Nature: Bonuses (13th cheque) payable to qualifying employees, were accounted for as provisions. This has been reclassified as accrued expenses in trade and other payables.

The reclassification results in adjustments as follows:

Statement of financial position

Current liabilities

Increase in trade and other payables (accrued expenses)	–	9,060
Decrease in provisions	–	(9,060)

### 39. Living animals and plants

#### Non – Financial information

SANParks main purpose is the conservation of a representative system of biodiversity, landscape, encompassing fauna, flora, geological structures and unique scenery within the National Park under its management authority. SANParks can intervene in ecosystems responsibly and sustainably, but it focuses management on complementing natural processes (e.g. floods, fires and disease outbreaks) under a minimum interference philosophy. SANParks does not manage for the reproduction of biodiversity, but for biodiversity representivity and complementarity that promote resilience and ensure ecosystem integrity. SANParks acquired the majority of biodiversity at no cost to SANParks.

SANParks major source of revenue comprise retail, tourism and concession with tourism (in the form of accommodation and conservation fees) being the most significant revenue source. SANParks management is involved in the biological transformation of fauna and flora primarily as a service to the public for the purpose of a recreational activity, rather than for sale.

SANParks performs wildlife censuses from time-to-time on animals that can easily be counted from the air and for specific sections of National Parks where after the results of such counts are extrapolated to estimate the total number of animals in the National Park. SANParks is not able to accurately measure the quality and/or quantity of all their faunal and floral biological diversity within the National Park. SANParks does not perform counts on small animals, insects, birds, marine and freshwater biodiversity.

SANParks does not measure the quantities of biological assets as they are not of a nature that can be easily counted and the Parks can't keep up with births and deaths and migrations of wild life, although the Parks undertake regular game census. As the biological assets cannot be counted as it is impossible to calculate gains and losses in biological assets during the year.

SANParks animals and plants therefore fall outside the scope of GRAP 27 Biological Assets.

This is a significant judgement by management.

### 40. Segment Reporting

SANParks' activities are very broad, and are undertaken in a wide range of different geographical areas with different socio- economic characteristics. To enable efficient and effective delivery on the strategy, the Executive Management structure sub- divided SANParks into three categories namely; Kruger, Parks and Corporate. In establishing the segments to report on, management organised the financial information according to the three existing Executive Management existing structures.

Each of the three categories was identified to meet the definition of segments as it was noted that each;

- generates economic benefits or service potential;
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Management opted to combine Parks operations into a single segment as the Parks have similar economic characteristics and share a majority of the aggregation criteria stipulated below;

- the nature of the goods and/or services delivered is more or less similar;
- the type or class of customer or consumer to which goods and services are delivered are similar;
- the methods used to distribute the goods or provide the services is almost identical; or
- the nature of the regulatory environment that applies to the segment (NEMPAA).

The segments were structured such that the totals of revenues, reported segment surplus or deficit, segment assets, segment liabilities and other material segment items corresponds to figures recognised in the Annual Financial Statements. Therefore, a reconciliation of the segment figures to the Annual Financial Statements is not necessary.



## Annual Financial Statements for the year ended 31 March 2018

**40. Segment Reporting (continued)****Segment Reporting Statement of financial performance as at 31 March 2018**

	Corporate R'000	Kruger R'000	Parks R'000	Total R'000
<b>Revenue from exchange transactions</b>				
Tourism, retail, concession and other	106,862	1,092,418	701,389	1,900,669
Sales – fauna and flora	17,634	–	–	17,634
Other operating income	12,542	15,254	5,857	33,653
Interest and royalties received	59,585	–	–	59,585
<b>Total revenue from exchange transactions</b>	<b>196,623</b>	<b>1,107,672</b>	<b>707,246</b>	<b>2,011,541</b>
<b>Revenue from non-exchange transactions</b>				
<b>Transfer revenue</b>	<b>560,494</b>	<b>8,680</b>	<b>1,559</b>	<b>570,733</b>
<b>Total revenue</b>	<b>757,117</b>	<b>1,116,352</b>	<b>708,805</b>	<b>2,582,274</b>
<b>Expenditure</b>				
Employee related costs	(310,400)	(452,028)	(336,073)	(1,098,501)
Depreciation and amortisation	(22,105)	(62,285)	(51,470)	(135,860)
Finance costs	(789)	(5,044)	(4,904)	(10,737)
Operating lease	(4,094)	(41,799)	(26,755)	(72,648)
Repairs and maintenance	(41,132)	(43,465)	(52,613)	(137,210)
Operating expenses	(406,303)	(329,878)	(179,599)	(915,780)
<b>Total expenditure</b>	<b>(784,823)</b>	<b>(934,499)</b>	<b>(651,414)</b>	<b>(2,370,736)</b>
<b>Operating surplus</b>	<b>(27,706)</b>	<b>181,853</b>	<b>57,391</b>	<b>211,538</b>
Loss on disposal of assets	(7,547)	(418)	(1,438)	(9,403)
<b>Surplus/(Deficit) for the year</b>	<b>(35,253)</b>	<b>181,435</b>	<b>(55,953)</b>	<b>202,135</b>



**40. Segment Reporting (continued)****Statement of financial position as at 31 March 2018**

	Corporate R'000	Kruger R'000	Parks R'000	Total R'000
<b>Assets</b>				
<b>Current assets</b>				
Inventories	231	29,622	9,726	39,579
Receivables from exchange transactions	33,330	(65)	6,647	39,912
Receivables from non-exchange transactions	–	–	–	–
Cash and cash equivalents	1,257,977	80,076	438,593	1,776,646
<b>Total Current Assets</b>	<b>1,291,538</b>	<b>109,633</b>	<b>454,966</b>	<b>1,856,137</b>
<b>Non-current assets</b>				
Property, plant and equipment	374,054	717,640	983,537	2,075,231
Intangible assets	22,993	183	22,806	45,982
Heritage assets	6,505	552	533,664	540,721
Receivables from exchange transactions	245,366	–	–	245,366
<b>Total Non-Current Assets</b>	<b>648,918</b>	<b>718,375</b>	<b>1,540,007</b>	<b>2,907,300</b>
<b>Total assets</b>	<b>1,940,456</b>	<b>828,008</b>	<b>1,994,973</b>	<b>4,763,437</b>
<b>Current liabilities</b>				
Other financial liabilities	5,541	–	–	5,541
Finance lease obligation	50,144	–	–	50,144
Trade and other payables from exchange transactions	196,975	18,158	25,754	240,887
Liabilities from non-exchange transactions	5,034,766	(340,568)	(3,879,788)	814,410
Provisions	58,909	–	–	58,909
Reservation deposits	353,370	–	–	353,370
<b>Total Current Liabilities</b>	<b>5,699,705</b>	<b>(322,410)</b>	<b>(3,854,034)</b>	<b>1,523,261</b>
<b>Non-current liabilities</b>				
Other financial liabilities	–	–	–	–
Finance lease obligation	158,853	–	–	158,853
Employee benefit obligation	552,228	–	–	552,228
Provisions	245,366	–	–	245,366
<b>Total Non-Current Liabilities</b>	<b>956,447</b>	<b>–</b>	<b>–</b>	<b>956,447</b>
<b>Total liabilities</b>	<b>6,656,152</b>	<b>(322,410)</b>	<b>(3,854,034)</b>	<b>2,479,708</b>
<b>Net assets</b>	<b>(4,715,696)</b>	<b>1,150,418</b>	<b>5,849,007</b>	<b>2,283,729</b>
<b>Accumulated surplus/(deficit)</b>	<b>(4,715,696)</b>	<b>1,150,418</b>	<b>5,849,007</b>	<b>2,283,729</b>

## Annual Financial Statements for the year ended 31 March 2018

**40. Segment Reporting (continued)****Segment reporting statement of financial performance as at 31 March 2017**

	Corporate R'000	Kruger R'000	Parks R'000	Total R'000
<b>Revenue from exchange transactions</b>				
Tourism, retail, concession and other	99,920	973,717	622,107	1,695,744
Sales – fauna and flora	42,127	–	–	42,127
Other operating income	15,770	16,426	4,073	36,269
Interest and royalties received	47,220	10	–	47,230
<b>Total revenue from exchange transactions</b>	<b>205,037</b>	<b>990,153</b>	<b>626,180</b>	<b>1,821,370</b>
<b>Revenue from non-exchange transactions</b>				
<b>Transfer revenue</b>	<b>606,242</b>	<b>2,210</b>	<b>1,819</b>	<b>610,271</b>
<b>Total revenue</b>	<b>811,279</b>	<b>992,363</b>	<b>627,999</b>	<b>2,431,641</b>
<b>Expenditure</b>				
Employee related costs	(244,159)	(446,639)	(314,507)	(1,005,305)
Depreciation and amortisation	(19,787)	(49,108)	(52,891)	(111,786)
Finance costs	(489)	(13)	(80)	(582)
Operating lease	(4,573)	(76,436)	(49,519)	(124,769)
Repairs and maintenance	(45,448)	(31,034)	(48,287)	(797,757)
Operating expenses	(332,391)	(303,932)	(161,434)	(915,780)
<b>Total Expenditure</b>	<b>(646,847)</b>	<b>(907,162)</b>	<b>(616,718)</b>	<b>(2,170,727)</b>
<b>Operating surplus</b>	<b>164,432</b>	<b>85,201</b>	<b>11,281</b>	<b>260,914</b>
Loss on disposal of assets	(2,160)	(10)	(1,606)	(3,776)
<b>Surplus/(Deficit) for the year</b>	<b>162,272</b>	<b>85,191</b>	<b>(9,675)</b>	<b>257,138</b>

**40. Segment Reporting (continued)****Segment reporting statement of financial position as at 31 March 2017**

	Corporate R'000	Kruger R'000	Parks R'000	Total R'000
<b>Assets</b>				
<b>Current assets</b>				
Inventories	1,141	20,929	5,997	28,067
Receivables from exchange transactions	29,672	68	6,733	36,473
Receivables from non-exchange transactions	90,141	–	–	90,141
Cash and cash equivalents	971,435	22,735	382,427	1,376,597
<b>Total Current Assets</b>	<b>1,092,389</b>	<b>43,732</b>	<b>395,157</b>	<b>1,531,278</b>
<b>Non-current assets</b>				
Property, plant and equipment	256,817	682,793	831,335	1,770,945
Intangible assets	35,360	76	23,354	58,790
Heritage assets	8,100	552	533,043	541,695
Receivables from exchange transactions	210,114	–	–	210,114
<b>Total Non-Current Assets</b>	<b>510,391</b>	<b>683,421</b>	<b>1,387,732</b>	<b>2,581,544</b>
<b>Total assets</b>	<b>1,602,780</b>	<b>727,153</b>	<b>1,782,889</b>	<b>4,112,822</b>
<b>Current liabilities</b>				
Other financial liabilities	6,451	–	–	6,451
Finance lease obligation	2,065	–	–	2,065
Trade and other payables from exchange transactions	183,090	6,105	19,941	209,136
Liabilities from non-exchange transactions	1,196,666	(328,995)	(146,531)	721,140
Provisions	55,164	–	–	55,164
Reservation deposits	323,180	–	899	324,079
<b>Total Current Liabilities</b>	<b>1,766,616</b>	<b>(322,890)</b>	<b>(125,691)</b>	<b>1,318,035</b>
<b>Non-current liabilities</b>				
Other financial liabilities	5,541	–	–	5,541
Finance lease obligation	1,006	–	–	1,006
Employee benefit obligation	496,532	–	–	496,532
Provisions	210,114	–	–	210,114
<b>Total Non-Current Liabilities</b>	<b>713,193</b>	<b>–</b>	<b>–</b>	<b>713,193</b>
<b>Total liabilities</b>	<b>2,479,809</b>	<b>(322,890)</b>	<b>(125,691)</b>	<b>2,031,228</b>
<b>Net assets</b>	<b>(877,029)</b>	<b>1,050,043</b>	<b>1,908,580</b>	<b>2,081,594</b>
<b>Net surplus/(deficit)</b>	<b>(877,029)</b>	<b>1,050,043</b>	<b>1,908,580</b>	<b>2,081,594</b>

## Notes

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## Notes



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Ground Honred Bill - Photo by Eugene de Beer

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